

**SECOND AMENDED AND RESTATED BYLAWS OF
THE HIDDEN GROVE/GREEN VALLEY HOMEOWNERS ASSOCIATION
CITY OF CENTRAL POINT, JACKSON COUNTY, OREGON**

The Bylaws of the Hidden Grove/Green Valley Subdivision Homeowners Association were recorded in the Official Records of Jackson County, Oregon as Instrument No. 01-00876; and amended and restated Bylaws of Hidden Grove/Green Valley Subdivision Homeowners Association were recorded in the Official Records as Instrument No. 2004-040550; and amended and restated Bylaws of Hidden Grove/Green Valley Subdivision Homeowners Association were recorded in the Official Records as Instrument No. 2008-028241.

By execution and recordation of these Second Amended and Restated Bylaws of the Hidden Grove/Green Valley Homeowners Association, the undersigned intend to repeal, rescind and supersede the Bylaws of the Hidden Grove/Green Valley Subdivision Homeowners Association and replace said documents with these Second Amended and Restated Bylaws of the Hidden Grove/Green Valley Homeowners Association.

ARTICLE I

GENERAL

Section 1 – Application

These Bylaws govern the administration of the Hidden Grove/Green Valley Homeowners Association (“Association”) and the real properties known as the Hidden Grove Subdivision and the Green Valley Subdivision located in Jackson County, Oregon.

The Association shall consist of the owners of all 200 residential Lots in the Subdivisions.

Section 2 – Definitions

As used in these Bylaws, all terms shall be given the same definitions as those set forth in the Second Amended and Restated Declaration.

Section 3 – Personal Application

All present or future owners, or any other person that might use the property or facilities in any manner, are subject to these Bylaws, the Second Amended and Restated Declaration, the Rules and Regulations, and any management agreement entered into pursuant to the terms thereof. The mere acquisition of any of the Lots in the Subdivisions or the mere act of occupancy of any of said Lots will signify that these Bylaws, the Declarations, the Rules and Regulations, and any management agreement are accepted, ratified and will be complied with.

ARTICLE II

HOMEOWNERS ASSOCIATION MEMBERSHIP

Section 1 – Membership in the Homeowners Association

All owners of Lots in the Subdivisions, upon becoming owners of a Lot, become members of the Homeowners Association, and shall remain members of the Homeowners Association until such time as their ownership ceases for any reason. Lot ownership shall be determined, for all purposes by the record of ownership maintained by Jackson County, Oregon.

Section 2 – Designation of Voting Owners

There shall be one voting owner for each Lot, whether owned individually or jointly. The voting owner shall be designated by the record owner(s) of each Lot by written notice to the Homeowners Association and need not be a Lot owner. If the designation is to be a first mortgagee of a Lot, it may be in the form of an irrevocable proxy. If the designation is otherwise, it shall be in the form of a proxy revocable at any time by actual notice to the Homeowners Association of the death or judicially declared incompetency of the Lot owner or by written notice to the Homeowners Association signed by the record owner(s) of the Lot. Such powers of designation and revocation may be exercised by the guardian of a record owner's estate or by her/his conservator; or in the case of a minor having no guardian, by the parent entitled to her/his custody; or during the administration of a record owner's estate, by her/his executor or administrator where the latter's interest in said property is subject to administration in her/his estate. Where no designation is made or where designation has been made but is revoked and no new designation has been made, the voting owner of each Lot shall be the group composed of all of its record owners. Any or all of such owners may be present at any meeting of the voting owners in person or by proxy. If those present act unanimously, they may vote or take any other action as a voting owner.

ARTICLE III

VOTING RIGHTS

Each Member shall be entitled to one vote for each Lot of which she/he is the designated voting owner. When more than one person holds interest in a Lot, all such persons shall be members of the Homeowners Association. However, only one vote per Lot, regardless of the number of Lot owners, shall be applicable. The vote applicable to any of said property being sold under a recorded contract of purchase shall be exercised by the contractor vendor unless the contract expressly provides otherwise.

ARTICLE IV

MEETING OF HOMEOWNERS ASSOCIATION MEMBERS

Section 1 – General

The Homeowners Association members shall act at a meeting duly called on notice in accordance with these Bylaws at which a quorum is present.

Section 2 – Majority

As used in these Bylaws, the term “majority” shall mean those votes, owners, or other group as the context may indicate totaling more than fifty percent (50%) of the total eligible number.

Section 3 – Quorum, Action at Meetings, Adjourned Meetings

Except as otherwise provided in these Bylaws or in the Declarations, the Oregon Planned Community Act recognizes as a quorum twenty percent (20%) of homeowners having voting rights as the total necessary votes at all meetings of the Homeowners Association as noted in ORS 94.655.

Section 4 – Place of Meeting

The office of the Homeowners Association or such other place as the Board of Directors shall designate shall be the place of meeting for all annual and special meetings of the Homeowners Association.

Section 5 – Annual Meeting

Regular annual meetings shall be set by the Board of Directors so as to occur not more than thirty (30) days before and not more than ninety (90) days after the close of the Homeowners Association’s fiscal year on a date and at a time set by the Board of Directors for the purpose of electing the directors whose terms expire on the date of such meeting and conducting such other business as may be properly brought before such meeting.

Section 6 – Special Meeting

Special meetings of the Homeowners Association for any purpose may be called by the President or by a majority of the Board of Directors and shall be called by the President at the request of not less than fifty percent (50%) of the voting owners. No business shall be transacted except as stated in the notice.

Section 7 – Notice of Meeting

Written or printed notice stating the place, date and hour of the meeting, and, in the case of a special meeting, the purpose(s) for which the meeting is called, shall be delivered not less than ten (10) and not more than fifty (50) days prior to the meeting, either personally, by mail, by email, if member has consented to receipt of notices by email, or at the discretion of the President, the Secretary or the Directors or persons calling the meeting, to each voting owner. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the voting owner at her/his last known address on the record of the Homeowners Association, with postage thereon prepaid.

Section 8 – Proxies

Any voting owner pursuant to Article II can cast such vote in person or by proxy. No proxy shall be valid unless it meets the requirements of ORS 94.660 and is signed by the voting owner or her/his duly authorized attorney-in-fact, dated and filed with the Secretary of the Homeowners Association prior to any meeting for which it is to be effective. No proxy shall be valid after one year from its date.

Section 9 – Consent to Action without Meeting

Any action required to be taken at a meeting of the Homeowners Association members or any other action which may be taken at a meeting of the Homeowners Association members may be taken without a meeting if the consent in writing setting forth the action so taken shall be signed by all of the voting owners entitled to vote with respect to the subject matter thereof.

ARTICLE V

BOARD OF DIRECTORS

Section 1 – Election of Directors and Term of Office

The Board of Directors shall consist of five (5) Lot owners. When the Board of Directors is first constituted, each Director shall be elected to a term as follows: two (2) Directors, the Secretary and the Treasurer, shall serve until the first annual meeting following their election; two (2) Directors, the Vice President and Member at Large, shall serve until the second annual meeting following their election; one (1) Director, the President, shall serve until the third annual meeting following her/his election. At the expiration of the term of each Director at the respective annual meetings, the voting owners shall elect a successor (which may be the Director whose term is expiring) to serve until the third annual meeting following her/his election or until her/his successor is elected and qualified.

Section 2 – Powers

The Board of Directors shall have all the powers and duties necessary for the administration of the Homeowners Association's affairs and for performing all responsibilities and exercising all rights of the Homeowners Association as set forth in the Declarations, these Bylaws, the Articles of Incorporation and as provided by Law. The Board of Directors may do or cause to be done all acts and things as are directed to be done by the Declarations, the Articles, the Rules and Regulations, these Bylaws or Oregon Law. (ORS 94.640)

Section 3 – Duties

The duties of the Board of Directors shall include without limitation:

- a) Preparation and adoption of annual budgets and establishing each Lot owner's share of the common expenses;
- b) Levying and collecting assessments from the Lot owners to fund the common expenses;
- c) Providing for the operation, care, upkeep and maintenance of the Common Area;
- d) Designating, hiring and dismissing the personnel necessary to carry out the rights and responsibilities of the Homeowners Association and, where appropriate, providing for the

compensation of such personnel and for the purchase of equipment, supplies, and materials to be used by such personnel in the performance of their duties;

- e) Depositing all funds received on behalf of the Homeowners Association into one or more separate federally insured accounts of which it shall approve, and using such funds to operate the Homeowners Association;
- f) Opening of bank accounts on behalf of the Homeowners Association and designating the signatories required;
- g) Making and amending Rules and Regulations;
- h) Making or contracting for the making of repairs, additions and improvements to or alterations of the Common Area in accordance with the Declarations, these Bylaws and the Rules and Regulations;
- i) Enforcing by legal means the provisions of the Declarations, these Bylaws, the Rules and Regulations, and the rules adopted by it and bringing any proceedings which may be instituted on behalf of or against the Lot owners concerning the Homeowners Association;
- j) Obtaining and carrying property and liability insurance and, as provided in Article IX below, paying the cost thereof and filing and adjusting claims as appropriate;
- k) Paying the cost of all services rendered to the Homeowners Association or its members and not chargeable directly to specific Lot owners;
- l) Keeping books with detailed accounts of the receipts and expenditures of the Homeowners Association;
- m) Making available to any prospective purchaser of a Lot, any Lot owner, and the holders, insurers and guarantors of any mortgage on any Lot, current copies of the Declarations, the Articles of Incorporation, the Bylaws, Rules and Regulations, and all other books, records and financial statements of the Homeowners Association;
- n) Permitting utility suppliers to use portions of the Common Area reasonably necessary to the ongoing development or operation of the properties;
- o) Indemnifying a Director, committee member, or former Director or committee member of the Homeowners Association, to the extent such indemnity is allowed by Oregon law, the Articles of Incorporation, these Bylaws, the Declarations and Rules and Regulations;
- p) Assisting in the resolution of disputes between Lot owners and others without litigation, as set forth in the Declarations; and
- q) Exercising any other powers necessary and proper for the administration and the operation of the Homeowners Association.

Section 4 – Removal of Directors and Vacancies

Any Director may be removed, with or without cause, by the voting owners. Any Director whose removal is sought shall be given notice prior to any meeting called and noticed for that purpose. Upon removal of a Director, a successor shall be elected by the voting owners to fill the vacancy for the remainder of the term of such Director.

Any Director who has three consecutive absences from Board of Directors meetings, or who is more than thirty (30) days delinquent in the payment of any assessment or other charge due to the Homeowners Association, may be removed by a majority of the Directors present at a regular meeting at which a quorum of Directors is present, and a successor may be appointed by the Board of Directors to fill the vacancy for the remainder of the term.

In the event of the death, disability or resignation of a Director, the Board of Directors may declare a vacancy and appoint a successor to fill the vacancy for the remainder of the term.

Section 5 – Organizational Meeting of the Board of Directors

The first meeting of the Board of Directors following each annual meeting of the membership shall be held within thirty (30) days thereafter at such time and place as the Board of Directors shall fix. The purpose of the meeting shall be to elect Officers and transact such other business as may be appropriate.

Section 6 – Regular Meetings of the Board of Directors

Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors, but at least four (4) such meetings shall be held during each calendar year, with at least one (1) per quarter. Notice of regular meetings of the Board of Directors shall be given by the President or Secretary to each Director, either personally or by mail, telephone or email at least three (3) days, but not more than thirty (30) days prior to such meeting, which notice shall state the time, place and purpose of the meeting and shall be posted in a prominent place within the Common Area. Notice of a meeting, however, need not be given to any Director who has signed a waiver or notice or a written consent to holding of the meeting.

Section 7 – Special Meetings of the Board of Directors

Special meetings of the Board of Directors may be called by the President or by any two (2) Directors upon a three (3) day notice given by the President or the two (2) Directors to the remaining Directors either personally or by mail, telephone or email, which notice shall state the time, place and purpose of the meeting. Notice shall also be posted in a prominent place in the Common Area.

Section 8 – Waiver of Notice

The transactions of any meeting of the Board of Directors, however called and noticed and wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present and (b) either before or after the meeting, each of the Directors not present signs a written waiver of notice, a consent to holding the meeting or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of the meeting also shall be deemed given to any Director who attends the meeting without protesting before or at its commencement about the lack of adequate notice.

Section 9 – Board of Directors Quorum

At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of the majority of the Directors in attendance at said meeting shall be the decision of the Board of Directors unless otherwise provided in these

Bylaws or the Declarations. A meeting at which a quorum is initially present may continue to transact business, notwithstanding the withdrawal of Directors, if any action taken is approved by at least a majority of the required quorum, or the majority of those present may adjourn the meeting from time to time without notice until a quorum shall attend. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10 – Presumption of Assent

A Director who is present at a meeting of the Board of Directors at which action on any matter is taken shall be presumed to have assented to the action unless her/his dissent shall be entered in the minutes of the Board of Directors meeting or unless she/he shall file her/his written dissent to such action to a person acting as the Secretary of the Board of Directors meeting before the adjournment thereof or shall forward such dissent by mail or in person to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 11 – Compensation of Directors and Officers

The Directors and Officers shall not be entitled to be paid any compensation for serving the Homeowners Association in either of these capacities. The Homeowners Association will provide Directors and Officers liability insurance coverage.

Section 12 – Conduct at Meetings

The President shall preside over all meetings of the Board of Directors and the Secretary shall keep a minute book of the meetings of the Board of Directors, recording all resolutions adopted by the Board of Directors and all transactions and proceedings occurring at such meetings.

Section 13 – Open Meetings

All meetings of the Board of Directors shall be open to all Homeowners Association members, but a Homeowners Association member other than Directors may not participate in any discussion or deliberation unless permission to speak is requested on her/his behalf by a Director. In such case, the President may reasonably limit the time any Homeowners Association member may speak. Notwithstanding the above, the President may enter an executive session closed to Homeowners Association members, to discuss matters of a sensitive nature, such as pending or threatened litigation, personnel matters, etc. as provided for under ORS 94.640.

Section 14 – Action without a Formal Meeting

Any action that may be taken at a meeting of the Board of Directors may be taken without a meeting of the Board of Directors if a written consent of the action so taken shall be signed by all of the Directors, and such consent shall have the same force and effect as a unanimous vote. Written consent(s) shall be filed with the minutes of the proceedings of the Board of Directors. An explanation of the action to be taken or actually taken by the Board of Directors shall be given to the Homeowners Association members after all written consents have been obtained. The explanation shall be given in the same manner as provided in the Bylaws for giving of notice of regular meetings of the Board of Directors. Failure to give notice shall not render the action to be taken or actually taken invalid.

ARTICLE VI

LIMITATION OF AUTHORITY OF THE BOARD OF DIRECTORS

Authorization of Common Expenses and Approval of Vouchers

- a) Vouchers covering public liability expenses and other similar recurring common expenses may be paid upon approval of the President or Treasurer;
- b) Nonrecurring items of common expense totaling less than one thousand dollars (\$1,000.00) may be authorized by any Director. Vouchers covering such items may be paid upon approval of the President or Treasurer;
- c) Items of common expense totaling more than one thousand dollars (\$1,000.00) but less than twenty thousand dollars (\$20,000.00) may be authorized by an affirmative vote of a majority of Directors at a regular or special meeting or pursuant to Article V, Section 15 above. The vouchers covering such items may be paid upon approval of the President or Treasurer;
- d) Except as provided in subsection (a), items of common expense totaling twenty thousand dollars (\$20,000.00) or more may not be authorized or incurred, except by the affirmative vote of the majority of the voting owners present in person or by proxy at a meeting held in accordance with the provisions of Article IV. No vouchers covering such items shall be paid except by the affirmative vote of a majority of the Directors;
- e) Any items of common expense totaling not more than fifty thousand dollars (\$50,000.00) which is in the nature of an emergency expense, such as the repair, maintenance or replacement of destroyed common elements or the satisfaction of a lien on the property which could cause substantial inconvenience to the Homeowners Association members may be authorized or incurred, and the vouchers covering such items paid by affirmative vote of a majority of Directors without regard to the limitation of subsections (a), (b), (c) and (d);

No loan shall be contracted on behalf of the Homeowners Association and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors and approved by the affirmative vote of seventy-five percent (75%) of the voting owners. Such authority may be general or confined to specific instances.

ARTICLE VII

OFFICERS

Section 1 – Designation

The principal Officers of the Homeowners Association Board of Directors shall be a President, a Vice President, a Secretary and a Treasurer, all of whom shall be elected by and from the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other Officers as in their judgment may be necessary. Any person may hold more than one office, except that one person may not simultaneously hold the office of President and Secretary.

Section 2 – Election and Term of Office

The Officers shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the Homeowners Association members. If the election of the Officers shall not be held at such a meeting, such election shall be held as soon thereafter as is convenient. Each Officer shall hold office until her/his successor shall have been duly elected and shall have qualified, or until her/his death, or until she/he shall resign or shall have been removed in the manner herein provided.

Section 3 – Removal of Officers

Any Officer elected or agent designated by the Board of Directors may be removed by the Board of Directors with or without cause.

Section 4 – Vacancies of Officers

A vacancy of any office because of death, resignation, removal, disqualification or otherwise shall be filled by the Board of Directors for the unexpired portion of a term. In the case of resignation, written notice to the Board of Directors is required, and the resignation is effective when the notice is received or, where the date is specified in the notice, on the date specified therein.

Section 5 – President

The President shall, when present, preside at all meetings of the Homeowners Association members and of the Board of Directors and shall perform all duties incident to such office and such other duties as may be prescribed by the Board of Directors from time to time. She/he shall be the principal Executive Officer of the Homeowners Association and subject to the control of the Board of Directors. She/he shall, in general, supervise and control all of the business and affairs of the Homeowners Association, and sign, with the Secretary or any other proper Officer of the Homeowners Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors or by these Bylaws to some other Officer or agent of the Homeowners Association or shall be required to be otherwise signed or executed.

Section 6 – Vice President

The Vice President shall take the place of the President and perform her/his duties whenever the President shall be absent or unable to act. If neither the President nor the Vice President is able to act, the Board of Directors shall appoint some other member of the Board of Directors to do so on an interim basis. The Vice President shall also perform such other duties as shall, from time to time, be imposed upon her/him by the Board of Directors.

Section 7 – Secretary

The Secretary shall (a) keep the minutes of the meetings of the Homeowners Association members and of the Board of Directors in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (c) see that the Homeowners Association records are properly preserved; and (d) in

general, perform all duties incident to the office of Secretary and such other duties as, from time to time, may be assigned to her/him by the President or the Board of Directors.

Section 8 – Treasurer

The Treasurer shall be responsible to (a) have charge and custody of and be responsible for all funds of the Homeowners Association; (b) receive and give receipts for monies due and payable to the Homeowners Association from any other source whatsoever; (c) deposit all monies in the name of the Homeowners Association in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and (d) in general, perform all duties incident to the office of the Treasurer and such other duties as, from time to time, may be assigned to her/him by the President or by the Board of Directors.

ARTICLE VIII

ASSESSMENTS OF COMMON EXPENSES

Section 1 – Obligations of the Owners

The owner of each Lot shall be liable for and pay a share of the common expenses in proportion to the number of Lots owned in the Subdivisions. Common expenses shall include the cost of any mortgage expense, maintenance, all other expenses for the Common Property of the Homeowners Association and all charges for taxes on the Common Property, utilities, assessments, liability insurance on the Common Property, fire and casualty insurance on all common structures, cost of repair, reinstatement, rebuilding or replacement of the premises, yard, janitorial and other similar services, wages, accounting and legal fees, management fees, and other necessary expenses for the upkeep, maintenance, management and operation actually incurred on or for the Common Property. Common expenses shall also include such amounts as the Board of Directors may deem proper to make up for any deficit in the common expenses of any prior year and a replacement reserve fund, as designated by state law, or to meet anticipated need, if any, for working capital and for nonrecurring replacement, repairs and contingencies, and for such rehabilitation and modernization of common structures as may be required.

Section 2 – Notice of Unpaid Assessment

The managing agent or the Board of Directors at the request of any mortgagee or prospective purchaser of any Lot or interest therein shall report to such person the amount of any unpaid assessment due by the owner of such Lot.

ARTICLE IX

INSURANCE

Section 1 - Insurance Coverage

The Homeowners Association shall obtain and maintain at all times:

- a) A policy(ies) insuring the Homeowners Association, the Board of Directors, the Lot owners and the managing agent against liability to the public or the Lot owners, their invitees or

tenants, incident to the ownership and/or use of the Common Property. There shall be excluded from such policy(ies) coverage of a Lot owner (other than as agent of the Homeowners Association or member of the Board of Directors) for liability arising out of acts or omissions of such Lot owner and liability incident to the ownership and/or use of the part of property as to which such Lot owner has the exclusive use or occupancy. Limits of liability under such insurance shall not be less than five million dollars (\$5,000,000.00) on a combined single limit basis (such limit and coverage to be reviewed at least annually by the Board of Directors and increased at its discretion). Said policy(ies) shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of the named insured under the policy(ies) shall both be prejudiced as respected her/his/their action against another named insured.

- b) Worker's Compensation Insurance to the extent necessary to comply with applicable Laws.

Section 2 – Insurance Provisions

- a) All losses under policies hereafter in force regarding the Common Property shall be settled exclusively with the Board of Directors or its authorized representative; provided, however, that where a first mortgagee has been designated as a loss payee by a Lot owner, such mortgagee shall be entitled to settle losses as to the mortgaged Lot.
- b) Each Lot owner shall be responsible for obtaining, at her/his own expense, insurance covering her/his property not insured under Article IX, Section 1(a) above and against her/his liability not covered under Article IX, Section 1(b) above, unless the Homeowners Association agrees otherwise.
- c) Any Lot owner who obtains individual insurance policy(ies) covering any portion of the property other than her/his personal property and fixtures shall be required to file a copy of such individual policy(ies) with the Homeowners Association within thirty (30) days after the purchase of such insurance.
- d) The proceeds from any casualty policy, whether held by the Homeowners Association or a Lot owner, payable with respect to any loss or damage to the Common Property, shall be held in trust for the benefit of all insured as their interest may appear.
- e) Insurance premiums for insurance coverage obtained by the Homeowners Association in accordance with this article shall be a common expense to be paid by regular assessment levied by the Homeowners Association

ARTICLE X

AUDIT

Oregon law does not require an audit to be conducted; however, the Board of Directors may appoint a certified public accountant or a certified public accounting firm as auditor, someone who is not an Officer of the Homeowners Association and who does not own any interest in any Lot, to audit the books and financial records of the Homeowners Association.

ARTICLE XI

CHECKS, DRAFTS, VOUCHERS, ETC.

All checks, drafts, vouchers or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Homeowners Association shall be signed by such Officer(s) or agent(s) of the Homeowners Association and in such manner as shall, from time to time, be determined by a resolution of the Board of Directors.

ARTICLE XII

INDEMNIFICATION OF DIRECTORS AND OFFICERS

Each Director and Officer of the Homeowners Association now or hereafter in office, and her/his heirs, executors and administrators shall be indemnified by the Homeowners Association against all costs, expenses, amount of liability thereof, including counsel fees which are reasonably incurred by or imposed upon her/him in connection with or resulting from any action, suit, proceeding or claim to which she/he may be made a party, or in which she/he may be or become involved by reason of her/his acts or alleged acts or omission or commission as such Director or Officer, or subject to the provisions thereof, or any settlement thereof, whether or not she/he continues to be such Director or Officer at the time of incurring such costs, expenses or amounts. Such indemnification shall not apply, however, with respect to any matter as to which such Director or Officer shall be finally adjudged in such action, suit or proceedings to have been individually guilty of willful misfeasance or malfeasance in the performance of her/his duties as such Director or Officer. Further, the indemnification herein provided shall, with respect to any settlement of any such suit, action, proceeding or claim, include reimbursement of any amounts paid and expenses reasonably incurred in settling any such suit, action, proceeding or claim, when, in the judgment of the Board of Directors, a settlement or reimbursement appears to be to the best interest of the Homeowners Association. The foregoing right of indemnification shall be, in addition to, and not exclusive of, any and all other rights as to which any such Director or Officer may be entitled under an agreement, vote of Lot owners or otherwise.

ARTICLE XIII

AMENDMENT TO THE BYLAWS

Amendments to these Bylaws may be proposed by resolution of the Board of Directors or by a voting owner. Any proposed amendment shall be delivered in writing, either personally or by mail, to each voting owner entitled to vote not less than ten (10) nor more than fifty (50) days before the date of the meeting at which the proposed amendment will be voted upon. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the Lot owner at her/his last known address on the records of the Homeowners Association, with postage thereon prepaid.

No amendment of the Bylaws proposed in either of such ways shall be effective unless approved by seventy-five percent (75%) of the voting owners as outlined under the voting rights in this document and until a copy of the Bylaws as amended, has been certified by the President and the Secretary of the Homeowners Association and recorded with the recording officer of Jackson County, Oregon.

ARTICLE XIV

COMPLIANCE

Section 1 – Subordination

These Bylaws are subordinate and subject to the provision of the Declarations, all amendments thereto and to the Planned Community Act, and in case of any conflict, the latter shall control. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the declaration of said Act.

Section 2 – Interpretation

In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which shall be given effect.

ARTICLE XV

ADOPTION OF BYLAWS

The undersigned hereby adopt the foregoing on behalf of the Hidden Grove/Green Valley Homeowners Association as the Second Amended and Restated Bylaws of the Hidden Grove/Green Valley Homeowners Association this _____ day of _____, _____.

The Hidden Grove/Green Valley Homeowners Association

By: _____
Regina Nelson, President

By: _____
Michael House, Secretary