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**AMENDED AND RESTATED BYLAWS
OF
VILLAGE WIESTORIA HOMEOWNERS ASSOCIATION
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ARTICLE 1

PLAN OF LOT OWNERSHIP; DEFINITIONS

1.1 Bylaws Applicability. The provisions of these Bylaws of Village Wiestoria Homeowners Association ("Bylaws") apply to certain lots and common area in Village Wiestoria, a platted subdivision in the City of Bend, Deschutes County, Oregon, which is subject to the Restated Declaration of Conditions, Covenants and Restrictions of Village Wiestoria Homeowners Association (the "Declaration"). Said Lots and Common Area may be collectively referred to in these Bylaws as the "Property" or "Project," and the Lots individually or collectively as a "Lot" or the "Lots." In addition, the provisions of these Bylaws apply to the Village Wiestoria Homeowners Association ("Association") and the entire management structure thereof.

1.2 Oregon Planned Community Act. The Property, all Lots, the Association and all members thereof, and Owners of Lots, shall be subject to the Oregon Planned Community Act, ORS 94.550 et. seq. (the "PCA").

1.3 Personal Application. All present or future Owners, tenants, occupants, future tenants or their employees, or any other person that might occupy any portion of the Property in any manner, are subject to the provisions set forth in these Bylaws. The acquisition, rental or mere occupancy of any of the Lots shall constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.

1.4 Definitions. The terms herein shall have the same meanings as set forth in Article 1 of the Declaration.

ARTICLE 2

ASSOCIATION MEMBERSHIP, VOTING, MAJORITY OF OWNERS, QUORUM, PROXIES

2.1 Membership in the Association. Upon recordation of a conveyance or contract to convey a Lot, the grantee or purchaser named in such conveyance or contract automatically shall be a member of the Association and such person shall remain a member of the Association until such time as such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the Property, Lot ownership shall be determined from the records of the County of Deschutes, Oregon.

2.2 Voting Rights. The Association shall have one class of voting members, comprised of all Owners of Lots and each member shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote. The total number of votes shall be equal to the total number of Lots annexed to the Property and subject to these Bylaws. Any lot or lots owned by the Association shall not be included in the total number of lots.

When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event shall fractional voting be allowed. Fractionalized or split votes shall be disregarded, except for purposes of determining a quorum.

2.3 Majority of Owners. As used in these Bylaws, the term "majority" shall mean those Owners holding over fifty percent (50%) of the voting rights allocated to the Owners in accordance with the Declaration and Section 2.2 above. "Majority of Owners present" shall mean Owners holding over fifty percent (50%) of the votes present at any legal meeting.

2.4 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners holding twenty-five percent (25%) or more of the voting rights allocated to the Owners, in accordance with the Declaration and Section 2.2. above, shall constitute a quorum.

2.5 Voting and Proxies. Votes may be cast in person, by written ballot, or by proxy. Proxies must be filed with the secretary of the Association ("Secretary") before or during the appointed meeting. A proxy shall expire one (1) year after the date it was signed unless a shorter period is specified in the proxy. The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. A meeting of the Association may be by written ballot, as the Directors may elect, rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and to pass the proposal specifically propounded on the ballot and must comply with the applicable provisions of the Oregon Non-Profit Corporation statutes, ORS Chapter 65, and the Oregon Planned Community Act, ORS Chapter 94, Sections 94.647, 94.658 and 94.660. Unless withdrawn, a proxy given to another person to vote at a specific meeting shall also be valid at an adjourned meeting called under the provisions of Section 3.7. The outcome of any vote taken by written ballot shall be determined by the Board of Directors within forty-eight (48) hours of the ballot return deadline. Before the ballots are counted, if it is determined that returned ballots will not constitute a quorum or, as to proposals requiring a certain Owner vote for approval, a sufficient number of votes in favor or against has not been received to determine the outcome, the Board of Directors may extend the ballot return deadline for one (1) or more periods by written notice to all Owners, for not more than a total of sixty (60) days.

2.6 Authority to Vote. All Owners shall be entitled to vote, including those who have leased their premises to a third party. An Owner's right to vote may not be revoked. A purchaser under a land sale contract entitled to immediate possession of the Lot shall be deemed the Owner thereof unless otherwise provided in such contract.

2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Lot owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided, however, that he shall satisfy the Secretary that he is the executor, administrator, guardian or trustee, holding such Lot in such capacity. Whenever any Lot is owned by two (2) or more persons jointly according to the records of Deschutes County, the vote of such Lot may be exercised by any one (1) of the Owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the Owners, the vote of such Lot shall be disregarded for all purposes, except for purposes of determining whether a quorum is present.

ARTICLE 3

ADMINISTRATION

3.1 Association Responsibilities. The Owners shall constitute the Members of the Association. A legal meeting is one duly called pursuant to these Bylaws where a quorum is present in person or by proxy at a formal gathering, or if a vote is taken by written ballots, when ballots are returned representing more than twenty-five percent (25 %) of the voting rights allocated to the Owners, unless a larger vote is required to approve a ballot item, in which case there shall be quorum requirements, but the proposal shall not be approved unless Owners holding sufficient votes to approve the proposal vote in favor of it.

3.2 Place of Meetings. Formal meetings of the Association shall be held at suitable places convenient to the Owners as may be designated by the Board of Directors.

3.3 Annual Meetings of Owners. A meeting of the Owners shall be held annually, the date for which, at the discretion of the Board of Directors, may be changed from time to time, but such meeting shall be held annually under the rules and regulations as set out in the Bylaws. At such meetings, new members of the Board of Directors shall be elected by the Owners in accordance with the requirements of Section 4.7 to replace those Directors whose terms have expired. The Owners may also transact such other business of the Association as may properly come before them.

3.4 Special Meeting of Owners. It shall be the duty of the president of the Association (the "President") to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by twenty-five percent (25 %) or more of the Owners having been presented to the Secretary. All meetings called because of petition of Owners shall be held at a formal gathering and not by ballot and shall be held within sixty (60) days after receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the Owners of the Lots or as otherwise set out in these Bylaws.

3.5 Notice of Meetings. It shall be the duty of the Secretary to mail or electronic mail a notice of each annual or special meeting or meeting by ballot stating the purpose thereof and the time and place where it is to be held to each Owner of record at least ten (10), but not more than fifty (50), days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The mailing shall be directed to the Owner's physical or electronic mail address last given the Secretary in writing by the Owner or his vendee. If Lot ownership is split or the Lot has been sold on a contract, notice shall be sent to a single address of which the Secretary has been notified in writing by such parties. If no address has been given the Secretary in writing, then mailing to the affected Lot shall be sufficient. The mailing of a notice in the manner provided in this Section 3.5 shall be considered notice served.

3.6 Adjourned Meetings. If any gathering of Owners is not a legal meeting because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than ten (10) days from the time the original meeting was called. The adjournment provisions of this Section 3.6 do not apply to meetings by ballot.

3.7 Order of Business. The order of business at all annual meetings shall be as follows:

Roll call.
Proof of notice of meeting or waiver of notice.
Reading of minutes of the preceding meeting.
Reports of officers.
Reports of committees.
Election of inspectors of election.
Election of Directors.
Unfinished business.
New business.
Adjournment.

ARTICLE 4

BOARD OF DIRECTORS

4.1 Number and Qualification. The affairs of the Association shall be governed by a Board of Directors composed of five (5) persons, all of whom must be an Owner or the Co-Owner of a Lot. An officer or employee of a corporation, a trustee of a trust, a personal representative of an estate, or an employee of the trust or estate, may serve on the Board of Directors, if the corporation, trust or estate owns a Lot. The Association may increase or decrease the number of Directors and the length of terms for which each is elected upon amendment of this Section 4.6.

4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Owners.

4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and shall be responsible for the following matters:

4.3.1 Upkeep of Common Area. Care, upkeep and supervision of the Common Area.

4.3.2 Reserves. Establishment and maintenance of replacement reserve accounts which the Board deems prudent for replacement of Common Area improvements or facilities and as required by ORS 94.595.

4.3.3 Assessment Collection. Designation and collection of monthly assessments from the Owners, in accordance with these Bylaws and the Declaration.

4.3.4 Budget/Voucher System. Establishment of a budget and payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of Association funds.

4.3.5 Insurance. Obtaining and maintaining insurance policies and payment of premiums therefore out of the common expense funds in respect to the Common Area as more specifically provided in Article 8 of these Bylaws.

4.3.6 Personnel. Designation and dismissal of the personnel necessary for the maintenance and operation of the Project

4.3.7 Financial Statements. Causing the preparation and distribution of annual financial Statements of the Association to each of the Owners as more specifically provided in the Declaration and otherwise provided by law.

4.3.8 Rules. Adoption and amendment of administrative rules and regulations governing the details of operation and use of the Common Area; provided, however, any such rules or regulations shall always be subject to rescission or amendment by the Association upon majority vote of Owners present at any properly called meeting.

4.3.9 Copies of Documents. Maintaining copies suitable for duplication of the following: Declaration, Bylaws, Rules and Regulations and any amendments thereto, the most recent annual financial statement and the current operating budget of the Association.

4.4 Limited Authority. The Board shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the voting power of the Owners:

4.4.1 Third Party Contracts. Entering into a contract with a third party wherein the third person shall furnish goods or services for the Common Area or the Association for a term longer than one (1) year with the following exceptions:

- (a) Management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.
- (b) A contract with a public utility company in Deschutes County, the City of Bend or a service contract if the rates charged for the materials or services are regulated by the Oregon Public Utilities Commission; provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.
- (c) Snow removal and landscaping services.
- (d) Prepaid casualty and/or liability insurance policies whose duration is three (3) years or less; provided, however, that such policy or policies permit short rate cancellation by the insured.

4.4.2 Capital Expenditures. Incurring aggregate expenditures for capital improvements related to the Common Area during any fiscal year in excess of ten percent (10 %) of the budgeted gross expenses of the Association for that fiscal year. For the purposes of this section 4.4.2, normally required debt service (principal and interest payments) shall not be considered capital expenditures.

4.4.3 Compensating Board Members. Paying compensation to members of the Board of Directors or to officers of the Association for services performed in the conduct

of the Association's business; provided, however, that the Board of Directors may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.

4.5 Management Agent. The Board of Directors may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 of these Bylaws.

4.6 Election and Term of Office. The term of office of each Director shall be fixed for two (2) years with the term of office for two directors expiring in years alternating with the expiration of the term of office for the other three directors. The Directors shall hold office until their successors have been elected and have held their first meeting. 4.7 Vacancies. A vacant directorship that is caused by any reason other than the removal of a Director by a vote of the Association shall be filled for the balance of the term of such vacant directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected upon expiration of the term for which such person was elected by the other Directors.

4.8 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one (1) or more of the Directors may be removed, with or without cause, by a majority vote of the total voting power of the Owners, and a successor may be then and there elected to fill the vacancy thus created; provided, however, that the notice of meeting shall specifically indicate that the removal of one (1) or more Directors is an agenda item for such meeting. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Any Director or Directors who fail(s) to attend three (3) successive meetings of the Board of Directors, which have been properly called, or who has failed to attend more than one third (1/3) of the Board of Directors meetings, which have been properly called during a twelve (12) month period, may be removed by a majority of the remaining Directors.

4.9 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order legally to hold such meeting, providing a majority of the newly-elected Directors are present.

4.10 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place during any year as shall be determined at the Board's Organizational Meeting by a majority of the Directors. Notice of Regular meetings of the Board of Directors shall be provided all owners at the beginning of each year by first class mail or by electronic mail. For any change in time or place of a Regular Board meeting, the notice requirements for Special meetings shall apply.

In addition, all owners shall be notified of each Regular Board Meeting by first class mail or electronic mail, which notice shall state the time, place and purpose of the meeting, at least seven (7), but not more than thirty (30), days prior to such meeting or three (3) days before the meeting by hand delivery to each Lot Owner's address or by electronic mail.

4.11 Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary or on the written request of at least three (3) Directors. Notice of a special

meeting shall be posted at a place or places on the property at least three days prior to the meeting and electronic mail address last given the Secretary in writing by the Owner or his vendor.

4.12 Emergency Meetings. In the event of an emergency, telephonic meetings may be held by the Board of Directors. Such telephonic meetings shall be carried on by means of a "conference call" in which each Director may speak with any of the other Directors. The Directors shall keep telephone numbers on file with the President to be used for telephonic meetings. No notice to either Directors or Association members shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action; provided, however, that no such telephonic meeting shall occur unless at least sixty percent (60%) of the Board of Directors participate in the same and after an attempt has been made to call each Director at the telephone number maintained on file with the Board of Directors for such purpose.

4.13 Executive Session. Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in an executive session at which time the Board of Directors shall state the general nature of the action to be considered. At the discretion of the Board, the following matters may be considered in a closed executive session: personnel matters, consultation with legal counsel, negotiation of contracts with third parties, and collection of unpaid assessments. All executive session procedures and actions, followed and taken by the Board, must conform to ORS 94.640.

4.14 Waiver of Notice to Directors. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.

4.15 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the existing Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

4.16 Board of Directors Meetings Open to All Association Members. All meetings of the Board of Directors shall be open to any and all Members of the Association; provided, however, that no Association Member shall have a right to vote in the Board of Directors meetings unless such Member is also a member of the Board of Directors. The President shall have authority to exclude any Association member who disrupts the proceedings at a meeting of the Board of Directors.

4.17 Compensation of Directors. No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the Owners.

ARTICLE 5

OFFICERS

5.1 Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Directors. The Directors may appoint an assistant treasurer and an assistant secretary and any such other officers as in their judgment may be necessary.

5.2 Election of Officers. The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new Board or any Board meeting thereafter and shall hold office at the pleasure of the Board.

5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular or special meeting of the Board of Directors.

5.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all duties incident to the office of Secretary.

5.6 Treasurer. The Treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.

5.7 Directors as Officers. Any Director may be an officer of the Association.

ARTICLE 6

OBLIGATIONS OF THE OWNERS

6.1 Assessments. All Owners are obligated to pay assessments imposed by the Association to meet all the Associations' general common expenses as more particularly set forth in the Declaration. Assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board of Directors. In its discretion, Board of Directors may, but

shall not be required to, impose interest or a service charge for installment payments or allow a discount for payment of the annual assessment or any installment in advance.

6.2 Investment of Reserve Account Funds. Each reserve account shall be kept in an account with a safe and responsible depository, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of Lots. No Owner shall have any individual rights in any of these reserves.

6.3 Income Tax Returns: Determination of Fiscal Year.

6.3.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.

6.3.2 Tax Returns. The Board of Directors, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and shall select any and all persons to prepare such tax returns.

6.4 Default. Failure by an Owner to pay any assessment of the Association shall be a default by such Owner of his obligations pursuant to these Bylaws and the Declaration. The Association shall be entitled to the remedies set forth in the Declaration.

In any assessment lien foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of his Lot or shall be entitled to the appointment of a receiver. Any default by the Owner in any provisions of these Bylaws or of the Declaration shall be deemed to be a default by the Holder of any mortgage to which the Owner is a party or to which the Lot is subject.

6.5 Maintenance and Repair.

6.5.1 Lots. Except as otherwise specifically provided in the Declaration and Bylaws, every Owner must perform promptly all maintenance and repair work to his Lot and the exterior of the improvements thereon and keep the same in good repair and sanitary and neat condition.

6.5.2 Common Area. An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Area and/or facility damaged through his fault and not otherwise covered by insurance policies carried by the Association for the Owner's and the Association's benefit.

6.6 Right of Entry: Easements for Maintenance.

6.6.1 Emergencies. In case of an emergency originating in or threatening his Lot, an Owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the Owner is present at the time or not.

6.6.2 Maintenance Easements. An easement is reserved to the Association over, in, upon, under and across any Lot and the Common Property providing access at reasonable times and with reasonable notice for purposes of maintenance, repair and replacement of the Common Area. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any Lot or Common Area, such alterations or damages shall be permitted without compensation, provided that the Lot and/or Common Area are promptly restored to substantially their prior condition by the Association.

ARTICLE 7

USE AND OCCUPANCY RESTRICTIONS: RULES OF CONDUCT

In addition to the restrictions and rules of conduct set forth in the Declaration, the following shall apply:

7.1 Use of the Common Area. No Owner shall place or cause to be placed on any portion of the Common Area any trash, structure, equipment, improvement, furniture, package or object of any kind. Such areas shall be used for no purpose other than for what they are intended and shall be subject to rules adopted by the Board of Directors.

7.2 Appearance of Homes/Lots. Owners shall keep their Lots and the improvements thereon in good repair, clean and with painted, stained or other finished exteriors compatible with the Architectural Standards of the Declaration and Rules and Regulations.

7.3 Nuisances. No nuisances shall be allowed upon the Property, nor shall any use or practice that is a source of annoyance to residents or that interferes with the peaceful possession and proper use of the Property by its residents be allowed. Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, televisions and amplifiers that may disturb other residents. All parts of Village Wiestoria shall be kept in a clean and sanitary condition; no rubbish, refuse or garbage shall be allowed to accumulate; and no fire hazard shall be allowed to exist. All such garbage and trash shall be placed inside disposal containers. No Owner shall permit any use of his Lot or make any use of the Common Property that shall increase the cost of insurance upon the Common Property.

7.4 Improper, Offensive or Unlawful Use. No improper, offensive or unlawful use shall be made of the Property or any part of it; all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction shall be observed. Meeting the requirements of governmental bodies for maintenance, modification or repair of the Property shall be carried out and paid for in the same manner as is maintenance and repair of the Property concerned.

7.5 Additional Rules. Rules and regulations concerning other use of the Property may be made and amended from time to time by the Board of Directors. Copies of such Rules and Regulations shall be furnished to all Owners and Occupants of Village Wiestoria upon request.

ARTICLE 8

INSURANCE

8.1 General. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, including insurance for such other risks of a similar or dissimilar nature as are or as hereafter shall be covered customarily with respect to other planned communities that are similar in construction and design. Such insurance shall be governed by the provisions in this Section 8 and ORS 94.675.

8.2 Types of Insurance Policies. For the benefit of the Association and the Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent that it is available at a reasonable cost:

8.2.1 Property Insurance. A policy or policies of property insurance, including, but not limited to fire, extended coverage, vandalism and malicious mischief, for the full insurable replacement value, if available, of all substantial improvement on the Common Area and on any individual Lot if such Lot is owned by the Association.

8.2.2 Liability. A policy or policies insuring the Association, its Board of Directors, the Owners individually, and the manager against any liability to the public or the Owners and their invitees or tenants, incident to the ownership, supervision, control or use of the Project. Limits of liability under such insurance shall be not less than one million dollars (\$1,000,000.00) per occurrence for bodily injuries and property damage liability. Such limit and coverage shall be reviewed at least annually by the Board of Directors, which may increase the limit of and/or coverage, in its discretion. Said policy or policies shall be issued on a commercial General Liability form and shall provide cross liability endorsements wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

8.2.3 Workmen's Compensation. Workmen's compensation insurance to the extent necessary to comply with any applicable laws.

8.2.4 Fidelity. A fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the Owners as obligees, for an amount determined by the Board of Directors; provided, however, that the Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

8.3 Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA" or better, by Best's Insurance Reports, or having such ratings that shall be otherwise acceptable to all mortgagees and Directors.

8.4 Provisions in Insurance Policies. The Board of Directors shall make every effort to secure insurance policies that shall provide for the following:

8.4.1 Waiver of Subrogation. A waiver of subrogation by the insurer as to any claims against the Board of Directors, the manager, the Owners and their respective servants, agents, invitees and tenants.

8.4.2 Noncancellation for Owner Conduct. A provision that the master policy on the Property cannot be cancelled, invalidated or suspended on account of the conduct of any one (1) or more individual Owners.

8.4.3 Noncancellation without Opportunity to Cure. A provision that the master policy on the Property cannot be cancelled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without prior demand in writing that the Board of Directors or manager cure the defect.

8.4.4 No Other Insurance Clauses. A provision that any "no other insurance" clause in the master policy exclude individual Owners' policies and not otherwise prevent such individual policies from providing coverage for damage to Homes/Lots or Common Area.

8.5 Home/Lot Insurance. The Association shall have no responsibility to procure or assist in procuring property loss insurance or liability insurance except as stated in this Article. Home/Lot Owners should procure their own insurance for their protection.

8.6 Review of Insurance Policies. At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

ARTICLE 9

AMENDMENT

Except as provided otherwise herein or by law, these Bylaws may be amended at any time by an instrument approved by at least a majority of the total votes of members that are eligible to vote. Any amendment must be executed, recorded and certified as provided by law; provided, however, that no amendment of the Bylaws may effect an amendment of the Declaration or the Articles without compliance with the provisions of such documents and the Oregon Non-Profit Corporation Act.

ARTICLE 10

RECORDS AND AUDITS

10.1 General Records. The Board of Directors and the managing agent or manager, if any, shall preserve and maintain minutes of the meetings of the Association, the Board and any Board committees. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association. The minutes of the Association, the Board and Board committees and

the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies. The Board of Directors shall cause to be prepared and distributed to the members an annual financial statement for the Association in compliance with ORS 94.645.

10.2 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.

10.3 Payment of Vouchers. The Treasurer shall pay all vouchers up to One Thousand and No/100 Dollars (\$1,000.00) signed by the President, managing agent, manager or other person authorized by the Board of Directors. Any voucher in excess of One Thousand and No/100 Dollars (\$1,000.00) shall require the signature of the President; provided, however, that any withdrawal from reserve accounts shall require the signature of two (2) Board members or one (1) Board member and an officer of the Association who is not a Board member.

ARTICLE 11

COMPLIANCE WITH PLANNED COMMUNITY ACT/CONFLICTS

These Bylaws are intended to comply with the provisions of the PCA and the provisions of the PCA do apply to Village Wiestoria. In case of any conflict between the provisions hereof, the PCA, the Articles or the Declaration, the provisions in the PCA, Articles and/or Declaration shall apply. The provisions of the PCA shall control over the Articles and Declaration and the Declaration shall be paramount to any contrary provisions in the Articles.

ARTICLE 12

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

The Association shall indemnify any Director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he is or was a Director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he acted in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association and, with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he reasonably

believed to be in, or not opposed to, the best interest of the Association and, with respect to any criminal action or proceedings, had reasonable cause to believe his conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association to reimbursement of such payment from such person, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated in or benefited from the acts which created said liability.

ARTICLE 13

ASSESSMENT COLLECTION COSTS: SUITS AND ACTIONS

An Owner shall be obliged to pay reasonable fees and costs including, but not limited to, attorney's fees incurred in connection with efforts to collect from such Owner delinquent unpaid assessments, whether or not suit or action is filed. In addition to the monthly assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed by the Board of Directors pursuant to ORS 94.630(1)(L),(m) and (n). In the event that a suit or action is commenced by the Association to collect from an Owner or Owners any amounts due pursuant to these Bylaws or to enforce any provision of the Declaration, Articles, Bylaws or rules and regulations against such an Owner or Owners, such Owner or Owners, jointly and severally, shall, in addition to all other obligations, pay the costs of such suit or action, including reasonable attorneys' fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees in the appellate court to be fixed by such court.

ARTICLE 14

MISCELLANEOUS

14.1 Notices. All notices to the Association or to the Board of Directors shall be sent care of the managing agent or, if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Owner shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors or, if no address has been designated, then to the Owner's Lot.

14.2 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

14.3 Invalidity: Number: Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws; provided, however, that if any of the provisions of these Bylaws violates the rule against

perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or, in the event the rule against perpetuities applies, until twenty-one (21) years after the death of the last survivor of the now living descendants of Queen Elizabeth II. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

ARTICLE 15

ADOPTION

It is hereby certified that these Restated Bylaws have been adopted by Village Wiestoria Homeowners Association and shall be recorded in the Deed Records of Deschutes County, together with the Restated Declaration of Covenants, Conditions & Restrictions for Village Wiestoria Homeowners Association.

DATED this 16th day of September 2009

Village Wiestoria Homeowners Association

By: RB Ellsworth RB Ellsworth
Robert Ellsworth, President

By: Alyce Dudley Alyce Dudley
Alyce Dudley, Secretary



STATE OF OREGON,

County of Deschutes

} ss.

On September 23rd 2009, before me personally appeared Robert Ellsworth
and Alyce Dudley

whose identity was established to my satisfaction, and who executed the foregoing instrument, acknowledging to me that the same was executed freely and voluntarily.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal on the date first written above.

Rachael Baker

Notary Public for Oregon

My commission expires 12.3.2011

