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AMENDED BYLAWS OF SAGE MEADOW HOMEOWNERS' ASSOCIATION

ARTICLE I - NAME AND LOCATION OF CORPORATION

The name of this corporation is Sage Meadow Homeowners' Association. Its principal office is the address of the current Secretary and the mailing address is Post Office Box 1384, Sisters, Oregon 97759.

ARTICLE II - DEFINITIONS

Section 1. Terms: All terms defined in the Amended Protective Covenants and Conditions for Sage Meadow Subdivision, shall be so defined herein.

a. Sage Meadow Homeowners' Association may be appropriately referred to as the "Association" or as "SMHA" with the same meaning.

b. Indian Meadow Water Company is the name of the corporation owned by the members of the five subdivisions described in Article IV, Section 3.1., and it may be appropriately referred to as the "Water Company" or as "IMWC" with the same meaning.

9
Section 2. Declarations: The "Amended Protective Covenants and Conditions - Sage Meadow Subdivision" shall be that instrument filed October 27, 1977 in Volume 260, page 817ff, Deed Records, Deschutes County, Oregon; amendments recorded on January 13, 1978 in Volume 265, page 946ff, Deed Records, Deschutes County, Oregon; amendments recorded on February 21, 1978 in Volume 268, page 21ff, Deed Records, Deschutes County, Oregon; amendments recorded October 20, 1985 in 85-28515, page 0112 0937, Deed Records, Deschutes County, Oregon, and amendments recorded June 18, 1997, 97-21164, pages 451 2681-2693, Deschutes County, Oregon, Official Records.

ARTICLE III - MEMBERSHIP

Section 1. Members: Members of the corporation shall be every lot owner in Sage Meadow Subdivision. There shall be no other qualification for membership. Membership shall terminate upon the transfer of a fee simple title to a lot or a contract purchaser's interest by a contract purchaser.

Section 2. Place of Membership Meetings: Meeting of the members shall be held at the principal office or place of business of the corporation or at such suitable place convenient to the members as may be designated by the Board of Directors.

Section 3. Annual Membership Meetings: The annual meeting of the members shall be held between May and October at a convenient time and place as may be designated by the Board of Directors.

Section 4. Special Membership Meetings: Special meetings of the members may be called at a convenient time and place by the President of the Board of Directors upon resolution by the Board of Directors, or written request of at least twenty-five (25) percent of the members.

Section 5. Notice: It shall be the duty of the Secretary to mail, at least fifteen (15) but not more than sixty (60) days prior to a meeting, a notice of each annual or special membership meeting stating the purpose of the meeting and the time and place of the meeting to each member at the address of the member in the records of the corporation, or the address supplied by such member of the corporation for the purpose of notice.

Section 6. Quorum: Except as hereinafter provided, the presence either in person or by proxy of members entitled to cast at least twenty (20) percent of the total votes of the corporation shall constitute a quorum for the transaction of business at all meetings. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a member or members. If any meeting of members cannot be organized because of lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

Section 7. Voting: At every meeting of the members, each member present, whether in person or by proxy, shall have the right to cast one vote for each lot owned by such person. Fractional voting will be allowed for those lots having multiple ownership. If a majority of the owners of such lot cannot agree, the vote for such lot will be counted fractionally.

Section 8. Proxies: A member may vote in person or by proxy executed in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically terminate upon termination of membership.

ARTICLE IV - BOARD OF DIRECTORS

Section 1. Role: The business, property and affairs of the corporation shall be managed by a Board of Directors as provided in the Articles of Incorporation.

Section 2. Number: The number of members of the Board of Directors shall be not less than three (3) and no more than nine (9) who shall serve for a term of three years, it being the intention that approximately one-third of the directors will be elected each year at the annual meeting. If the number of members of the Board of Directors is increased at any annual meeting, the additional members shall be elected in equal numbers for one-, two- or three-year terms, and if the number is reduced at any annual meeting, the terms of the remaining members shall be adjusted as may be necessary to provide an equal number serving one-, two- or three-year terms.

Section 2.1. Representation: Representation for each block in Sage Meadow Subdivision shall be assigned to a member of the Board of Directors at the meeting of the board immediately following the annual meeting of members.

Section 3. Vacancies: The Board of Directors shall have the power to fill vacancies in its own membership by a vote of a majority of the remaining directors. Such new membership shall hold office until the next annual meeting of the corporation.

Section 3.1. Vacancies on Indian Meadow Water Company's Board of Directors: Each homeowners' association comprising the original Indian Ford Ranch properties, i. e. High Meadow, Pine Ridge, Sage Meadow, Squaw Back Woods and The Hill, is obligated to provide a Director and an Alternate to serve on IMWC's Board of Directors. The directors and alternates from Sage Meadow and The Hill subdivisions are designated Class A directors and alternates. The directors and alternates from High Meadow, Pine Ridge and Squaw Back Woods subdivisions are designated Class B directors and alternates. The terms for directors and alternates on the Water Company's Board of Directors are concurrent from each subdivision and are two years duration. Should a vacancy of less than one year occur for the position of Director or Alternate from SMHA to the IMWC's Board of Directors, the Board of Directors of SMHA shall have the power to fill such vacancy from among the membership of SMHA. Should the remaining term for such a vacancy exceed one year by more than three months, the SMHA Board of Directors shall appoint a temporary Director or Alternate to represent SMHA on the IMWC Board of Directors for that fractional year until the vacancy is filled by election.

Section 4. Election: At least thirty (30) days before the date of the annual meeting of members, the Secretary shall furnish the Nominating Committee with the names of the members of the Board of Directors whose terms will expire at such annual meeting. Directors whose terms expire may be re-elected.

Section 4.1. Election To Water Company's Board of Directors: At least thirty (30) days before the expiration of a term on the Water Company's Board of a Director or Alternate chosen by SMHA to serve on that Board, the Secretary of SMHA shall furnish the Nominating Committee of SMHA with the name of the person whose term will expire and the date of expiration. A Director or Alternate whose term expires may be re-elected.

Section 5. Absences: A member of the Board of Directors who is absent without reasonable excuse for three consecutive meetings or for more than half the meetings in any calendar year, may be removed from office by a majority vote of the directors present at a regular or special meeting provided that the affected Director has been notified in writing prior to the meeting.

Section 5.1. Absences of Director or Alternate Representing SMHA on IMWC Board: A Director or Alternate representing SMHA on IMWC's Board of Directors who is absent without reasonable excuse for three consecutive meetings or for more than half the meetings in any calendar year, may be removed from office by a majority vote of the directors of SMHA present at a regular or special meeting provided that the affected Director or Alternate has been notified in writing prior to the meeting.

Section 6. Removal of Directors: Directors may be removed from office before their term expires by a majority vote of all members, whether voting by proxy or in person, at a special meeting called for the purpose of such removal or at a general meeting of the members of the corporation.

Section 6.1. Removal of Director or Alternate Representing SMHA on IMWC Board: A Director or Alternate representing SMHA on IMWC's Board of Directors may be removed from office before their term expires by a majority vote of all members, whether voting by proxy or in person, at a special meeting called for the purpose of such removal or at a general meeting of the members of the corporation.

Section 7. Compensation: No director shall receive any compensation for any service rendered to the corporation as a director. However, any director may be reimbursed for actual expenses incurred in performance of their duties as director, or may receive compensation for services to the corporation in a capacity other than as a director.

Section 8. Manner of Election: Prospective directors will run for at-large positions on the Board of Directors. After the report of the Nominating Committee and nominations from the floor at the annual meeting of members, a secret ballot will be taken of all members or their proxies for the vacant positions. Cumulative voting is not permitted. The persons receiving the most votes shall be elected to full three-year terms, and the person(s) receiving the next highest number of votes shall be elected to fill partial or unexpired terms in order of their length.

Section 8.1. Manner of Election of Director and Alternate From SMHA to IMWC Board: Prospective directors and alternates who are nominated to represent SMHA on the IMWC's Board of Directors will run for a Class A vacancy on the Water Company's Board. Vacancies will generally occur every two years. After the report of the Nominating Committee and any nominations from members, a vote will be taken of all members or their proxies for filling vacancies. Cumulative voting is not permitted. In the event that vacancies exist for both Director and Alternate, the person receiving the largest number of votes shall be elected Director, and the person receiving the next largest number of votes shall be elected Alternate. Should only one position be vacant, the person receiving the most votes shall be elected to that position. Voting may be by mail unless a special meeting of the membership or another method is called for.

ARTICLE V - MEETINGS OF THE BOARD OF DIRECTORS

Section 1. Frequency of Regular Meetings: The Board of Directors will meet semi-annually whenever possible, including immediately after the annual membership meeting, at such place and time as the Board of Directors shall designate. Immediately after each annual meeting of the members, the directors elected at such meeting and those holding over shall hold a meeting for the purpose of electing officers as hereinafter provided and for the transaction of such other business as may come before the meeting. No prior notice of such meeting shall be required to be given to the directors.

Section 2. Special Meetings: Special meetings may be called by the President at the request of at least two directors, or at the President's discretion. These special meetings may be held at such reasonable times and places as the President may determine and shall be limited to only those items of business described in the notice of such special meeting.

Section 3. Notices: No notice need be given for a meeting held immediately after each annual meeting as described in Section 1. above. Notice of special meetings must be given at least two days prior to the time of the meeting and shall include all business to be considered at such meeting. Attendance at a meeting shall constitute a waiver of notice thereof.

Section 4. Quorum: A majority of the directors shall constitute a quorum. Directors may take any action which is within their power without a meeting by obtaining written approval of all the directors to such action.

Section 5. Action Without Meeting: Any action required or permitted to be taken by the Board of Directors under any provision of law or these Bylaws may be taken without a meeting if all members of the Board shall individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board. Such action by written consent shall have the same force and effect as a unanimous vote of such directors. Any certificate or other document filed under any provision of the Oregon Non-Profit Corporation Law which relates to action so taken shall state that the action was taken by unanimous written consent of directors to so act, and such statement shall be prima facie evidence of such authority.

Section 6. Waiver of Notice: When all the directors are present at any directors' meeting, however called or noticed, or, if a majority of the directors are present, and if those not present sign in writing a waiver of notice of such meeting, whether prior to or after the holding of such meeting, which said waiver shall be filed with the Secretary of the Corporation, the transactions thereof are as valid as if said meeting had been regularly called and noticed.

ARTICLE VI - POWERS AND DUTIES OF BOARD

Section 1. General Powers: The Board of Directors shall have the right to exercise all powers, duties and authority vested in or delegated to the Corporation and not reserved to the membership by provisions of these Bylaws, the Articles of Incorporation, and the Amended Protective Covenants and Conditions - Sage Meadow Subdivision.

Section 2. Assessment: The Board of Directors shall have the power, as more fully provided in the Amended Protective Covenants and Conditions - Sage Meadow Subdivision, to fix the amount of assessments against each lot and give the owner subject thereto written notice of such assessment at least sixty (60) days prior to the due date thereof, and to cause to be prepared a roster of property subject to assessment with assessments applicable to each such property and to keep such roster in the Corporation's office subject to inspection by any owner.

Section 2.1. Non-payment of Assessment: In the event of non-payment of an assessment, the Board of Directors may direct the Association's Treasurer to file a lien in the office of the Deschutes County Clerk within one hundred twenty (120) days after such delinquency, a statement of delinquent assessments, together with interest, all costs of filing and removing the lien, and an additional fee of fifty dollars (\$50.00) per lien. The Treasurer will be instructed to apply a rate of interest of ten (10) percent annually accruing from the date the assessment became delinquent and continuing until final payment of the assessment.

Section 2.2. Regular Annual Assessments:

a. It is the duty of the Board of Directors to anticipate future revenue and expenses in such a manner that adequate funds will be available for prudent fiscal operations of the Association. Annual, as well as long-range budgets will be created and maintained to effectively anticipate future cash flows that will allow the maintenance of a treasury balance of a minimum of \$30,000 dollars and a maximum of \$60,000 dollars, with a five year average running annual balance of \$45,000 dollars. Reflecting the decreasing value of the dollar from inflation, the average annual running balance of \$45,000 may be increased over time, in relation to the annual rise in the consumer price index. (CPI), with the CPI at the end of year 2004 as the starting point.

b. The annual and long range budgets will be made public to the Association members by letter, web site posting, and/or at the annual Members meeting.

c. Annual assessments will be limited to an amount that will meet the budget requirements as described above.

Section 2.3. Special Assessments: Prior to fixing any assessment other than the regular annual assessment described in Article VI, Section 2.2., the Board of Directors shall mail notice of its intention to assess each lot owner. The notice shall explain the purpose of the assessment, a statement of the need, a cost estimate, and the amount of the proposed special assessment against each lot. Membership approval must be obtained by ballot or by petition. If by ballot, approval of a majority of those voting is required. If by petition, the signatures of a majority of the membership is required for approval.

Section 3. Judicial Enforcement:

a. No action or proceeding for judicial review or enforcement of any decision of the Board of Directors may be commenced by any owner unless such owner has first exhausted any and all remedies provided under this Section 3., the Protective Covenants and Conditions, and any Rules or Regulations adopted by the Board of Directors for Sage Meadow Subdivision.

b. Interpretation and application of the design standards and requirements contained in the Protective Covenants and Conditions for Sage Meadow Subdivision shall be within the sole and exclusive discretion of the Architectural Committee and the Board of Directors.

c. Any action or proceeding commenced to challenge or seek review of any action by the Board of Directors, including any decision, action, omission, inaction, or interpretation or application of the Protective Covenants and Conditions for Sage Meadow Subdivision made by the Board of Directors for the Architectural Committee shall be commenced against the Board of Directors. Such action and proceeding shall be the sole and exclusive remedy for any owner who seeks to challenge a decision of the Architectural Committee or Board of Directors approving, denying or modifying an application for design approval pursuant to the Protective Covenants and Conditions and the Architectural Guidelines of Sage Meadow Subdivision.

d. Nothing contained in these Bylaws, Protective Covenants and Conditions, or the Architectural Guidelines for Sage Meadow Subdivision shall require or be deemed to require the Board of Directors to take any particular action to enforce these Bylaws, Protective Covenants and Conditions, or Architectural Guidelines of Sage Meadow Subdivision, except as specifically required herein or in said Protective Covenants and Conditions or Architectural Guidelines.

e. In the event any action or proceeding is commenced pursuant to these Bylaws, Protective Covenants and Conditions or Architectural Guidelines, the prevailing party shall be entitled to an award of reasonable attorney fees and expenses incurred therein, at trial and on appeal.

Section 4. Other Powers: The Board shall have the power to declare vacant the office of a member of the Board of Directors as per Article IV, Section 5. of these Bylaws. The Board shall have the power to employ employees and officials, prescribe their duties and fix their compensation.

Section 5. Duties of the Board of Directors: It shall be the duty of the Board of Directors to:

a. Cause to be kept a complete record of all of its acts and the proceedings of its meetings and to cause to be presented at the annual meeting of members a report reviewing the business and affairs of the Corporation for the past year;

b. Procure and maintain adequate insurance on property owned, leased, or otherwise used by the Corporation;

c. Cause, at its discretion, all officers or employees having fiscal responsibilities to be bonded with sufficient surety for the faithful performance of their official duties with the premium on such bond to be paid by the Corporation;

d. Perform all other responsibilities given to it by the Protective Covenants and Conditions - Sage Meadow Subdivision;

e. Receive periodic reports from the Director and/or Alternate on IMWC's Board from SMHA regarding matters affecting the ability of the Water Company to provide a reliable delivery of good water to Sage Meadow Subdivision at a reasonable cost.

f. Appoint a Director or Alternate to represent Sage Meadow Subdivision on the Indian Meadow Water Company's Board of Directors to fill fractional-year vacancies; and

g. Perform all duties and exercise all other powers granted by law.

Section 6. Liability and Indemnification of Directors: The directors shall not be liable to the Corporation or the unit owners for any mistake of judgment, negligence or otherwise except for their own willful misconduct or bad faith. The Corporation shall indemnify and hold harmless each director and the manager or managing agent, if any, against all contractual liability to others arising out of contracts made by the Board of Directors, manager, or managing agent on behalf of the Corporation unless any such contract shall have been made in bad faith or contrary to the provisions of the Protective Covenants and Conditions for Sage Meadow Subdivision filed herewith or to these Bylaws. Each director and the manager or managing agent, if any, shall be indemnified by the Corporation against all expenses and liabilities, including attorneys' fees, reasonably incurred or imposed upon them in connection with any

proceeding to which they may be a party, or in which they may become involved, by reason of being or having been a director, manager or managing agent and shall be indemnified upon any reasonable settlement thereof; provided, however, there shall be no indemnity if the director, manager or managing agent is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of his or her duties.

ARTICLE VII - OFFICERS: ELECTION AND DUTIES

Section 1. Specified Officers: The officers of the corporation shall be a president, a secretary and a treasurer who shall be elected by the Board of Directors annually after the annual meeting of members. If so desired by the Board of Directors, the offices of secretary and treasurer may be combined under one director as secretary-treasurer. All officers shall be members of the Board of Directors. All officers shall serve for one year or until their successors are elected.

Section 2. Removal, Resignation and Vacancies: The Board of Directors shall have the power at any time to fill vacancies among the officers, and officers so elected to fill such vacancies shall serve until the next annual meeting of the corporation, or until their successors are elected.

Section 3. Duties of Officers:

a. **President.** The president shall preside at all meetings of the members of the Board of Directors; shall appoint the members of all committees, except the Architectural Committee and Nominating Committee, and shall be an ex-officio member of all such committees, except the Nominating Committee; shall sign papers as may be required by the office or as may be directed by the Board of Directors; shall make such reports and recommendations to the Board of Directors and to the members of the corporation at any regular or special meeting concerning the work and affairs of the corporation as in his/her judgment may be necessary for their information and guidance; may require such reports from the treasurer and secretary as in his/her judgment are necessary; and shall perform such other duties as may be incidental to the office.

b. **Secretary.** The secretary shall issue in writing or in person all notices of meetings of members of the corporation and of the Board of Directors; notify individuals elected to the Board of Directors and to membership in the corporation; keep an accurate record of attendance at annual and special meetings of members; keep an accurate record of attendance at meetings of the Board of Directors; prepare and issue minutes of all meetings of the membership and of the Board of Directors; furnish the nominating committee with a roster of members and a list of directors and officers complete with the block they represent and the date their term expires; provide custody of all records and papers as shall be kept by the secretary as herein provided; sign such papers as may be required by the office of secretary or as directed by the Board of Directors; and perform such other duties as may be incidental to the office.

c. **Treasurer.** The treasurer shall receive all moneys of the corporation and have custody thereof. Under the direction of the Board of Directors, the treasurer shall deposit the funds of the corporation in one or more banks selected by the Board of Directors to be disbursed in accordance with the direction of and upon the signatures of persons designated by the Board of Directors. The treasurer shall keep a full account of all moneys received and paid out and shall make such reports thereof to the president and Board of Directors as they may require; receive and have custody of all deeds, securities, notes, contracts and other financial papers of the corporation and shall place them for safe keeping in the safe deposit vaults of a bank designated by the board of Directors and under such rules as to access as such Board of Directors shall determine; keep full accounts of all deeds, securities, notes and financial papers of the corporation and make such reports thereof to the president and Board of Directors as they may require; cause the books of account of the corporation to be audited at least once annually by a public accountant approved by the Board of Directors; and present at each annual meeting of the members of the corporation a comprehensive financial statement including the report of the accountant. The treasurer shall sign such papers as may be required by the office or as may be directed by the Board of Directors, and shall perform such other duties as may be incidental to the office. The treasurer may be required by the Board of Directors to give such bonds as they shall determine for the faithful performance of the duties of treasurer.

d. **Subordinate Officers.** The Board of Directors may from time to time appoint such subordinate officers or agents as the business of the corporation may require, including one or more vice presidents, fixing their tenure of office and allowing them suitable compensation.

ARTICLE VIII - STANDING AND SPECIAL COMMITTEES

Section 1. Appointment: Except for the Architectural and Nominating Committees, or as specifically restricted elsewhere in these bylaws, the president shall appoint such other committees as deemed necessary from time to time to direct and carry on the duties of the corporation.

Section 2. Membership: All committees shall consist of at least two members of the corporation.

Section 3. Architectural Committee: As provided in Article III of the Amended Protective Covenants and Conditions, there shall be an Architectural Committee composed of five members; three shall be Active members and two shall be Alternates. Alternates will serve when an Active member resigns or is unavailable for review of plans. All members of the Committee and the position of Chair shall be appointed by the Board of Directors. Active members of the Committee will be appointed to staggered three-year terms. Alternate members will be appointed to staggered two-year terms. Members whose terms expire may be re-appointed.

Section 4. Nominating Committee: A Nominating Committee comprising three members shall be established to nominate persons for positions both on the Board of Directors of SMHA and for Class A Director and Alternate from SMHA to IMWC's Board. Members of the Nominating Committee will serve staggered three-year terms. The Chair of the Nominating Committee will be appointed by the Board of Directors each year from among the elected members on the committee. An ad hoc committee, appointed by the President and confirmed by the Board, will nominate candidates to fill vacancies in elective positions on the Nominating Committee. Vacancies on the Nominating Committee of less than a year will be filled by Board appointment until the next annual election is held. Committee members whose terms expire may be re-elected.

ARTICLE IX - CORPORATE RECORDS AND REPORTS (INSPECTION)

Section 1. Records: The corporation shall maintain adequate and correct accounts, books and records of its business and properties. All such books, records and accounts shall be kept at its principal place of business in the State of Oregon as fixed by the Board of Directors from time to time.

Section 2. Inspection of Books and Records: The books, records and papers of the Association shall, during reasonable business hours, be subject to inspection by any member or authorized agent at the office of the Association.

Section 3. Contracts: The Board of Directors, except as in the Bylaws otherwise provided, may authorize any officer or officers, agent or agents to enter into any contract or execute any instrument in the name of and on behalf of the Association. Such authority may be general or confined to specific instances. Unless so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Association by any contract or engagement, or to pledge its credit, or to render it liable for any purpose or to any amount.

Section 4. Financial Instruments: All checks, drafts or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the Association, shall be signed or endorsed by such person or persons and in such manner as shall be determined from time to time by resolution of the Board of Directors.

ARTICLE X - AMENDMENTS

These Bylaws or the Articles of Incorporation may be amended, repealed, or altered in whole or in part at any regular or special meeting of the Board of Directors called for that purpose by a two-thirds vote of those present and voting, provided that a copy of the proposed amendments has been given in the notice of the meeting and that such notice has been provided at least ten (10) days prior to the date thereof. Amendments may be proposed by the Board of Directors or by petition signed by at least twenty (20) percent of the members. In case of any conflict between the Amended Protective Covenants and Conditions for Sage Meadow Subdivision and these Bylaws, such Amended Protective Covenants and Conditions for Sage Meadow Subdivision shall control.

ARTICLE XI - MISCELLANEOUS

Section 1. Regulation of Meetings: The current edition of *The Standard Code of Parliamentary Procedure*

governs this organization in all parliamentary situations that are not provided for in the law or in its charter, bylaws, or adopted rules.

Section 2. Notices: All notices to the Association or to the Board of Directors shall be sent to the principal office of the Association, or to such other address as the Board of Directors may designate from time to time. All notices to any member shall be sent to such address as may have been designated by the member from time to time in writing to the Board of Directors.

Section 3. 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.

Section 4. Invalidity; Number; Caption: 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. As used herein, the singular shall include 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.

SAGE MEADOW HOMEOWNERS' ASSOCIATION

By Gordon N Golden

Name and Title Gordon N Golden, President

By Penny Elson

Name and Title Penny Elson, Secretary

SAGE MEADOW HOMEOWNERS' ASSOCIATION
PO Box 1384
Sisters, Oregon 97759

Secretary's Certification

I, Penny Elson, being first duly sworn upon oath, depose and state:

1. I am the duly elected Secretary of the Homeowners' Association of Sage Meadow Subdivision, Deschutes County, Oregon.
2. The foregoing Amended Bylaws Of Sage Meadow Homeowners' Association were amended in a special meeting of the Board of Directors of the Association held for that purpose on Wednesday, February 8, 2006.
3. The agenda and minutes for that meeting are maintained in the official records of the Sage Meadow Homeowners' Association.

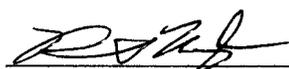


Penny Elson



State of Oregon)
)
County of Deschutes)

Signed and sworn to before me this 14th day of July, 2006.



Notary Public - State of Oregon

My commission expires: March 20, 2010