

Washington County, Oregon 2004-000258
01/02/2004 03:44:44 PM
D-R/B Cnt=2 Str=6 J.GREGORY
\$225.00 \$5.00 \$6.00 \$11.00 - Total = \$247.00



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I, Jerry Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Jerry Hanson

Jerry R. Hanson, Director of Assessment and Taxation,
Ex-Officio County Clerk



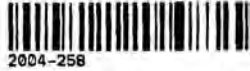
After Recording Return To:
Arbor Reserve L.L.C.
15500 SW Jay Street
Beaverton, OR 97006

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
ARBOR RESERVE**



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After recording return to:
Arbor Reserve LLC
15500 SW Jay Street
Beaverton, OR 97006

**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR ARBOR RESERVE**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF Arbor Reserve ("Declaration") is made this 4th day of December, 2003 by Arbor Reserve, LLC, an Oregon Limited Liability Company, as the Declarant.

RECITALS

WHEREAS, the Declarant is the owner, or controls, all that certain real property and improvements thereon located in the County of Washington, State of Oregon, described in Exhibit "A", attached hereto and incorporated herein by reference, and also referred to as "The Plat of Arbor Reserve", recorded JANUARY 2, 2003 as Document No. 2004000255 and

WHEREAS, Declarant intends to develop the Property as a planned development, and to establish the planned community project of Arbor Reserve, Declarant desires to impose these mutually beneficial covenants, conditions, restrictions, easements, assessments and liens on the Property under a comprehensive general plan of improvement and development for the benefit of all of the Owners, the Lots and Common Area within Arbor Reserve; and

WHEREAS, Declarant has deemed it desirable for the preservation of the values and amenities in Arbor Reserve to create a Homeowners Association, to which will be delegated and assigned the powers and authority to own, maintain and administer the Association and the Common Area and facilities, and administer and enforce the covenants, conditions, and restrictions of this Declaration, and collect and disburse the assessments and charges hereinafter created.

NOW THEREFORE, the Declarant declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the following covenants, conditions, restrictions, easements, charges and liens, or as noted herein, which shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof and shall inure to the benefit of the Association and of each Lot Owner.



ARTICLE 1

DEFINITIONS

1.1. "Architectural Review Committee" or "ARC" shall mean the Declarant until turnover and thereafter shall refer to the Board of Directors unless the Board has appointed a separate body to carry out the functions described in Article 6 in which case "ARC" shall refer to this body.

1.2. "Articles" shall mean the Articles of Incorporation for the non-profit corporation, Arbor Reserve Homeowners Association, or such similar name approved by and filed with the Oregon Corporation Commissioner.

1.3. "Association" shall mean and refer to Arbor Reserve Homeowners Association, its successors and assigns.

1.4. "Arbor Reserve" shall mean the real property described on the attached Exhibit "A", and any annexations of additional lands to Arbor Reserve and all Common Area included within the Plat of Arbor Reserve.

1.5. "Board" or "Board of Directors" shall mean the Board of Directors of Arbor Reserve Homeowners Association.

1.6. "Building Structure" shall mean a building that is comprised of one or more contiguous Homes constructed and located on Lots, including without limitation, garage structures located on the Lots, whether attached to or detached from the Building Structure. The Building Structure shall be deemed to include only the residential and garage structures from the exterior siding and roof through the surface of the drywall. All wall coverings or paint, or anything in or on the interior of the home or garage, including any appliances, heaters and air conditioners, cabinets, flooring, wall and window coverings, personal property, light fixtures, pets, automobiles or outbuildings, except a detached garage as described above, is excluded from this definition of Building Structure.

1.7. "Bylaws" shall mean and refer to the Bylaws of the Association.

1.8. "Common Area" shall mean and refer to any areas of land shown on the recorded Plat of the Property, including any improvements thereon, which are intended to be devoted to the common use and enjoyment of the members of the Association, and areas outlined herein as the maintenance responsibility of the Association, unless provided otherwise in this Declaration. The Tracts so designated as Common Area include, but are not limited to Tracts A, C and D (private streets)



and Tract B (landscape/open common space) and tracts E, F, G, H and I as designated on the Plat. Additional areas may be maintained by the Association where provided for in this Declaration. Additional areas may be designated Common Areas through annexation of additional phases to Arbor Reserve.

1.9. "Declarant" shall mean and refer to Arbor Reserve, LLC, an Oregon Limited Liability Company, its successors or assigns, or any successor or assign to all remainder of its interests in the development of the Property. All successors to Declarant shall have the same rights and interest as the initial Declarant. "Declarant" shall not refer to any other subsequent purchaser of a Lot or Home.

1.10. "Declaration" shall mean the covenants, conditions, restrictions, and all other provisions set forth in this Declaration of Covenants, Conditions and Restrictions for Arbor Reserve.

1.11. "General Common Expenses" shall mean those Common Area expenses incurred by the Association for the benefit of all of the Owners of the Lots within the Property.

1.12. "General Plan of Development" shall mean the Declarant's general plan of development of the Property as approved by appropriate governmental agencies, as may be amended from time to time.

1.13. "Home" shall mean and refer to any portion of a structure situated on a Lot designed and intended for use and occupancy as a residence by a single family or household.

1.14. "Lot" shall mean and refer to any plot of land indicated upon the recorded Plat map of the Property or any part thereof creating individual Home sites, including any annexations to Arbor Reserve. These do not include Common Areas and areas deeded to a government authority or utility.

1.15. "Lot Easement Area" shall mean and refer to those portions of any Lot subject to any easement benefiting the Association. The term "Lot Easement Area" shall not refer to any portions of any Lot encumbered by an easement to any other party, including without limitation, any governmental entity.

1.16. "Members" shall mean and refer to the Owners of Lots in Arbor Reserve and who are members of the Arbor Reserve Homeowners Association.



1.17. "Occupant" shall mean and refer to the occupant of a Home who shall be the Owner, lessee or any other person authorized by the Owner to occupy the premises.

1.18. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession under a land sale contract. The foregoing does not include persons or entities that hold an interest in any Lot merely as security for the performance of an obligation.

1.19. "Plat" shall mean and refer to the recorded Plat of Arbor Reserve and any annexations to the original Plat.

1.20. "Property" shall mean and refer to all real property described on the Plat Arbor Reserve, and any annexations of additional property, including the Common Area Tracts, and all improvements located on the real property, as may be brought within the jurisdiction of the Association and be made subject to this Declaration.

1.21. "Rules and Regulations" shall mean and refer to the documents containing rules and regulations and policies adopted by the Board of the Association or the Architectural Review Committee ("ARC") and as may be from time to time amended by the Board and/or ARC.

1.22. "Tract" shall mean a parcel of land shown on the Plat and denoted by the word "Tract".

1.23. "Turnover Meeting" shall be the meeting called by the Declarant to turn over control of the Association to the Class A members.

1.24. "Type 1 Lot" shall mean any one of Lots 19 through 46 as shown on the Plat, and "Type 1 Lots" shall mean all of such Lots and "Type 2 lots" shall mean any one of lots 47 through 130 as shown on the Plat, and "Type 2 Lots" shall mean all of such lots.

1.25. "Type 3 Lot" shall mean any one of Lots 1 through 18 as shown on the Plat, and "Type 3 Lots" shall mean all of such Lots.

1.26. "Type of Lot" shall mean either a Type 1, Type 2 and Type 3 and as well shall mean any other distinct Type of Lot identified as other than a Type 1, Type 2 or Type 3 Lot in any Declaration of Annexation.



ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

2.1. The real property, which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, is located in the Washington County, Oregon, in that certain Plat map entitled "Arbor Reserve" filed in the plat records of Washington County, Oregon, more particularly described as Lots 1 through 130 and Tracts A through I of Arbor Reserve Plat.

2.2. At any time during the initial term of this Declaration, the Declarant may, at its sole option, annex additional property into the Association to be subject to the terms hereof to the same extent as if originally included herein and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant. Declarant currently anticipates that there will be a total of approximately 290 Lots in the subdivision, including the Lots on this Plat, and Lots expected to be created in property to be annexed to the subdivision, but this number may be adjusted at the sole discretion of Declarant. Declarant shall have no obligation of any kind to annex any additional land to the Property.

(a). Eligible Property. There is no limitation on the number of Lots, which Declarant may annex to the Property, or the right of Declarant to annex common property, except as may be established by applicable ordinances, agreements, or land use approvals.

(b). Consent or Joinder Not Required. No consent or joinder of any Class A member as defined in this Declaration or other party except the record owner of the land being annexed shall be necessary to effect any annexation made pursuant to this Section.

(c). Declaration of Annexation. Annexation shall be evidenced by a written Declaration of Annexation executed by the Declarant, or (in the case of an annexation by action of members) by the Board and the owners of the property being annexed, setting forth the legal description of the property being annexed and any additional covenants, conditions and restrictions to be applied to such annexed property. Notwithstanding any provision apparently to the contrary, a declaration with respect to any annexed property may:

(i). establish such new land classifications and Types of Lots and such limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of the annexed property;



(ii). with respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of such annexed property; and/or

(iii). contain provisions necessary or appropriate to comply with any condition, requirement, or imposition of any governmental or regulatory authority.

Without limitation of the meaning of the foregoing provisions of this Section, in any Declaration of Annexation the Declarant may, but shall not be obligated to, establish different Types of Lots and have particular rights and obligations pertain to different Types of Lots, establish easements particular to different Lots, establish assessments that pertain only to certain Types of Lots, establish maintenance obligations of the Association or of Owners that vary in accordance with different Types of Lots or different tracts of Common Area, establish insurance and casualty provisions that relate to certain Types of Lots and not others, and establish limited common areas that benefit particular Lots to the exclusions of other Lots and provisions particular to such limited common areas.

(d). Voting Rights; Allocation of Assessments. Upon annexation, additional Lots so annexed shall be entitled to voting rights and shall be responsible for payment of assessments as required for that fiscal year. At the beginning of the next fiscal year, assessments for the general Common Areas shall be apportioned equally based upon the total number of Lots following such annexation, but assessments that are relative to a specific product type will be spread equally over only the Lots of that type.

(e). No Duty to Annex. Nothing herein contained shall establish any duty or obligation on the part of the Declarant or any member to annex any property into the Association and no owner of property excluded from the Association shall have any right to have such property annexed thereto. Declarant is under no obligation to build Homes on any or all of the Lots contained in the original Plat.



ARTICLE 3

OWNERSHIP AND EASEMENTS

3.1. Non-Severability. The interest of each Owner in the use and benefit of the Common Area shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Common Area, subject to the provisions of Section 3.3. Any conveyance of any Lot shall automatically transfer the right to use the Common Area without the necessity of express reference in the instrument of conveyance. There shall be no judicial partition of the Common Area. Each Owner, whether by deed, gift, devise or operation of law, for his/her/their own benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interests and causes of action for judicial partition of any interest in the Common Area and does further agree that no action for judicial partition shall be instituted, prosecuted or reduced to judgement. The ownership interest in the Common Area and Lots described in this Article are subject to the easements granted and reserved in this Declaration. Each of the easements reserved or granted herein shall be deemed to be established upon the recordation of this Declaration and shall forever be deemed to be covenants running with the land for the use and benefit of the Owners and their Lots and shall be superior to all other encumbrances applied against or in favor of any portion of Arbor Reserve.

3.2. Ownership of Lots. Title to each Lot in Arbor Reserve shall be conveyed in fee to an Owner. If more than one person and/or entity owns an undivided interest in the same Lot, such person and/or entities shall constitute one Owner.

3.3. Ownership of Common Areas. Title to the Common Area, if any, shall be conveyed to the Association not later than sixty (60) days after eighty percent (80%) of the Lots have been conveyed to purchasers or seven years from the date this Declaration is recorded, whichever is earlier. The Declarant or the Board of Directors may convey title to any present or future Common Area Tracts, if any, to a City, County or other Government agency.

3.4. Easements. Individual deeds to Lots may, but shall not be required to, set forth the easements specified in this Article.

(a). Easements on Plat. The Common Area and Lots are subject to the easements and rights of way shown on, or noted, on the Plat of Arbor Reserve.



(b). Easements for Common Area. Every Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot.

(c). Easements Reserved by Declarant. So long as Declarant owns any Lot, Declarant reserves an easement over, under and across the Common Areas in order to carry out sales activities necessary or convenient for the sale of Lots. In addition, Declarant hereby reserves to itself, and for its successors and assigns, a perpetual easement and right-of-way for access over, upon and across the Common Areas for construction, utilities, communication lines, drainage, and ingress and egress for the benefit of the Lots or other property owned by Declarant. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the improvements on the Property or other real property owned by Declarant in such a way as to not unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Lot by that Owner or his/her/their family, tenants, guests or invitees.

(d). Additional Easements. Notwithstanding anything expressed or implied to the contrary, this Declaration shall be subject to all easements granted by Declarant for the installation and maintenance of utilities and drainage facilities necessary for the development of Arbor Reserve. No structure, planting or other material shall be placed or permitted to remain within any easement area which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow or water through drainage channels in the easements. The easement area of each Lot and all improvements thereon shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, utility company or the Association is responsible.

(e). Association's Easements. There are hereby reserved to the Association and its duly authorized agents and representatives such easements as are necessary to perform the duties and obligations of the Association set forth in this Declaration, the Bylaws and Articles, as the same may be amended or supplemented.



(f). Easement to Governmental Entities. There is hereby reserved and granted a non-exclusive easement over the Common Area to all governmental and quasi-government entities, agencies, utilities, and their agents for the purposes of performing their duties within Arbor Reserve.

(g). Landscaping. The Association shall pay for any landscape maintenance, upkeep and replacement, as well as utilities pertaining to landscaping or maintenance on Type 1, Type 2 and Type 3 Lots (for front and/or street-side yards), and Tract B. Additionally, the Association hereby reserves a landscape maintenance easement for the maintenance, upkeep and replacement, as well as utilities pertaining to any entry monument with associated landscaping.

(h). Drainage Lines. The Association shall maintain the drainage lines for gutters and downspouts from Type 1 and Type 2 Lots to the point of intersection with the publicly owned storm drain facility. The Association hereby reserves a maintenance easement for said drainage lines pursuant to 3.4 (e) and 3.4 (i) as set forth in this Declaration.

(i). Maintenance Easement. An easement is hereby reserved in favor of the Association and its successors, assigns, contractors, agents and employees over, across, and under each Type 1, Type 2 and Type 3 Lots, for the exterior Building Structure on each Type 1 and Type 2 Lot, the Common Area Tracts A, B, C and D, the landscaped areas, the planter strips and any other areas of the Property necessary or appropriate for the purposes of accomplishing the maintenance, repair, and replacement of Improvements as described in this Declaration.

(j). Maintenance Obligations/Owner Restrictions. Except as noted in this document, the Owner, at his/her expense, shall maintain, repair and replace the improvements and utility installations in any Lot Easement Area in a condition acceptable by the Board and shall hold the Association harmless from any such costs.



ARTICLE 4

LOTS AND HOMES

4.1. Residential Use. Lots shall be used for residential purposes only. Except with the consent of the Board of Directors of the Association, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Lot. Nothing in this paragraph shall be deemed to prohibit (a) activities relating to the sale of residences, (b) the right of Declarant or any contractor or homebuilder to construct residences on any Lot, to store construction materials and equipment on such Lots in the normal course of construction of Arbor Reserve, and to use any residence as a sales office or model home for purposes of sales in Arbor Reserve, to maintain on site a temporary construction office or trailer, and (c) the right of the Owner of a Lot to maintain his/her/their professional or personal library, keep his/her/their personal business or professional records or accounts, handle his/her/their personal business or professional telephone calls or confer with business or professional associates, clients or customers, in his/her/their residence, so long as such activity is not observable outside of the residence, does not significantly increase parking or vehicular traffic, or is in violation of applicable local government ordinances. The Board of Directors shall not approve commercial activities otherwise prohibited by this paragraph unless the Board determines that only normal residential activities would be observable outside of the residence and that the activities would not be in violation of applicable local government ordinances.

4.2. Construction. Except for construction performed by or contracted for by Declarant, no construction, reconstruction or exterior alterations shall occur on any Lot, unless the approval of the ARC is first obtained pursuant to Article 6. Consideration such as siting, shape, size, color, design, height, solar access, or material may be taken into account by the ARC in determining whether or not to consent to any proposed work. Such work includes, but is not limited to Homes, storage shelters, swimming pools, spas, landscaping, greenhouses, patios, fencing, basketball hoops or remodeling. The intent of this covenant is to ensure quality of workmanship and material, harmony of external design with the existing and planned structures as to location and visual compatibility and finish grade elevations. Original construction designs, materials and product specifications by Declarant may vary from any or all specified in this document. All construction performed by or contracted for by Declarant, shall be presumed to have met these minimum requirements or have been granted a variance thereto.



4.3. The following restrictions are minimum standards applicable to all Lots:

(a). Height. No Type 1 and/or Type 2 and/or Type 3 Homes shall exceed (3) stories in height above the ground.

(b). Floor Area. The square footage area of a Home shall not be less than eleven hundred (1,100) square feet exclusive of attics, patios, decks, porches, balconies, roof overhangs, and garages;

(c). Garages. A garage must be constructed on each Lot. Garages may be used as a sales office by Declarant, but must be converted to a garage before permanent occupancy. Garages are to be maintained solely for the storage of automobiles or similar vehicles. No garage may be enclosed or otherwise used for habitation, nor may any garage door be removed except when necessary to repair or replace a garage door with the same type of garage door.

(d). Security Doors/Windows and Screen Doors. No security doors and no exterior security bars or devices on windows and doors shall be installed without the prior written approval of the ARC. If the ARC approves any type security door or window security, such approval shall encourage or require a single style for all Homes so they will maintain a uniform and aesthetic appearance.

4.4. Completion of Construction. The construction of any building on any Lot, including painting and all exterior finish, shall be completed within six (6) months from the beginning of the construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the ARC. The Lot and building area shall be kept reasonably clean and in workmanlike order, free of litter, during the construction period with a garbage disposal facility located on site during such construction period. If construction has not commenced within three (3) months after the project has been approved by the ARC, the approval shall be deemed revoked unless the Owner has applied for and received an extension of time from the ARC. All provisions of this Article 4 shall exclude any construction by the Declarant.



4.5. Landscaping. The Association reserves an easement and shall maintain any landscaping on Tract B, front and street-side yards for Type 3 Lots, and front, street-rear and street-side yards for Type 1 and Type 2 Lots, including street frontage planter strips for all Lots, and the entry monument, if any. Owners will maintain, and may use any enclosed side and rear yard for any purpose not prohibited hereunder, provided such use is not deemed, by the ARC or the Association to be a nuisance. Association will maintain no landscaping within fenced yards.

(a). Landscape installation on Lot by Owners is subject to approval by the ARC. Completed landscaping on all Lots shall be installed by Owners no later than 6 months after occupancy. All such landscaping on Lots shall be maintained by Owners in a good condition, including watering, weeding, pruning, fertilization, mowing and other forms of maintenance. If Owner fails to maintain said landscaping, Declarant, or Association in their place reserves the rights outlined in Section 4.22 to maintain.

(b). Declarant reserves the right to install and maintain landscape improvements and hereby reserves a landscape easement on any Lot(s) identified as a model home for sales and marketing purposes. Declarant is not obligated to provide any landscaping in said areas noted in this section.

(c). Any plantings that are added to any Association maintained Type 1, Type 2 or Type 3 Lot front, street-rear or street-side yard areas by Owners will be at the sole expense of the Owner and the Owner shall be solely responsible for their maintenance and survival. Further, the Association and their landscape maintenance contractor will bear no responsibility for the survival, maintenance, damage or replacement of Owner/Occupant installed plants.

(d). No item shall be installed in the common landscape area or on a private lot that in any way impedes or obstructs normal routine maintenance performed by the association.

4.6. Exterior Maintenance. The Association shall provide exterior maintenance for Type 1 and Type 2 Lots as follows: paint, repair, replace and care for roofs, gutters, downspouts, drainage lines, exterior building surfaces, and other exterior improvements, including, without limitation, exterior mounted lighting fixtures (except light bulbs and excluding any recessed light fixtures) and the exterior portions of any chimneys. Such exterior maintenance does not include repair or replacement of doors, windows, screens, skylights, glass in light fixtures, and other glass surfaces, concrete walks, drives or aprons, except to the extent of the proceeds of the Association's insurance. The Association shall also maintain front, street-side



yard landscaping for Type 3 Lots, and front, street-rear and street-side yard landscaping for Type 1 and Type 2 Lots, in accordance with Section 4.5. The cost of such maintenance by the Association shall be a Common Expense paid out of Assessments described in Article 10. In the event, however, the need for such maintenance or repair is caused by the willful or negligent act or omission of any Owner, his/her/their family, tenants, guests or invitees, and to the extent such maintenance or repair is not covered by the Association's insurance policy, the costs of such maintenance and repair may, at the discretion of the Board of Directors, be charged to the Owner as an Individual Assessment. The acceptance and submission of any insurance claims for Association insurance is at the sole discretion of the Board of Directors.

4.7. Rental of Homes. An Owner shall be entitled to rent or lease his/her/their residence if:

(a). Written Rental Agreements Required. There is a written rental or lease agreement specifying that: (i) the tenant shall be subject to all provisions of the Declaration, Bylaws and Rules and Regulations, and (ii) failure to comply with any provision of the Declaration, Bylaws and Rules and Regulations shall constitute a default under the rental agreement.

(b). Minimum Rental Period. The period of the rental or lease is not less than thirty (30) days; and

(c). Tenant Must Be Given Documents. The Owner gives each tenant a copy of the Declaration, Bylaws and Rules and Regulations.

(d). Owner Responsibility. Owner shall be responsible for any violations by tenants and shall be solely responsible for either correcting or eliminating such violations, or getting tenant to do same.

4.8. Animals. No animals, livestock or poultry of any kind shall be raised, bred, kept or permitted within any Lot other than a reasonable number of domestic household pets which are not kept, bred or raised for commercial purposes and which are reasonably controlled so as not to be a nuisance. Any inconvenience, damage or unpleasantness caused by such pets, including noise, shall be the responsibility of the respective Owners thereof. No dogs shall be permitted to roam the Property unattended, and all dogs shall be kept on a leash while outside a Lot. An Owner may be required to remove a pet from the property upon the receipt of the third notice in writing from the Association Board of Directors of violation any rule, regulation or restriction governing pets within the Property. A "reasonable number of



domestic household pets” and the definition of “domestic household pets” shall be subject to rules adopted and approved by the Board in its sole discretion.

4.9. Nuisance. No noxious, harmful or offensive activities shall be carried on upon any Lot or Common Area, nor shall anything be done or placed on any Lot or Common Area which interferes with or jeopardizes the enjoyment, or which is a source of annoyance to the other Owners or Occupants.

4.10. Parking. Parking of boats, trailers, commercial vehicles with a sales rating of “1 ton” or greater, mobile homes, campers, other recreational vehicles or equipment regardless of weight shall not be allowed on any part of the Lot or Common Area. Parking shall only be in garages, or driveways if no portion of the vehicle overhangs the street, sidewalks or pathways. Garages shall be primarily used for vehicular parking and not solely for storage. In addition, parking of vehicles is prohibited on any public or private street or Common Area within the Property unless so designated as a parking area.

4.11. Vehicles in Disrepair. No Owner shall permit any vehicle, which is not currently licensed or is in an extreme state of disrepair to be abandoned or to remain parked upon any Lot for a period neither in excess of forty-eight (48) hours, nor on a Common Area for any length of time. A vehicle shall be deemed in an “extreme state of disrepair” when the Board of Directors reasonably determines that its presence offends the Owners and Occupants. Should any Owner fail to remove such vehicle within five (5) days following the date on which the Association mails the notice to him/her, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner. All oil or grease on roadways and/or driveways shall be cleaned up immediately by Owner.

4.12. Signs. No signs shall be erected or maintained on any Lot except that not more than one “For Sale” or “For Rent” sign placed by the Owner, Declarant or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, may be temporarily displayed on any Lot, subject to the provisions of Section 9.2 below. The restrictions contained in this paragraph shall not prohibit the temporary placement of “political” signs on any Lot by the Owner or Occupant, or construction and marketing related signage by the Declarant or its contractors. No signs of any kind, other than Declarant’s marketing signs, and any signs for the common good of the community, which have been previously approved by the Board of Directors, will be allowed in the Common Areas.

4.13. Rubbish and Trash. No Lot or part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate containers for timely and proper disposal, out of



public view. Yard rakings, dirt and other material resulting from landscaping work shall not be dumped onto streets, the Common Areas or any other Lots. Should any Owner fail to remove any trash, rubbish, garbage, yard rakings or any such materials from any Lot, any roadways or Common Area where deposited by him/her within five (5) days following the date on which notice is mailed to him/her by the Board of Directors, the Association may have such materials removed and charge the expense of such removal to the Owner. Each Owner is responsible for trash disposal, and shall remove individual trash containers within 12 hours of collection. No trash and/or storage containers shall be visible from any adjacent street or neighboring Lot, and shall not be allowed to emit any odors or attract insects or rodents.

4.14. Fences and Hedges. No fences or boundary hedges shall be installed without prior written approval of the ARC. Any fencing installed on Owner's Lots either by Owner, or by Declarant, will be Owner's maintenance responsibility. All fences that are Owner's responsibility are to be maintained in a condition acceptable to Board and ARC. Fences on Common Area Tracts along the perimeter boundaries of the Plat will be maintained by the Association. All side yard fencing shall maintain a five (5) foot setback from the front of the house. Further no fencing will be allowed in the front yard. All fence materials, designs, and colors subject to prior approval of the ARC. No chain link fencing will be visible from the street or Common Areas.

4.15. Service Facilities; Utilities. Service facilities (e.g. garbage containers, clotheslines, central air conditioning compressors, etc.) shall be screened such that the elements screened are not visible at any time from the street or a neighboring Home. All utility lines, including those shared in common with Owners of any contiguous Home in the same structure, shall be maintained, repaired and replaced by the Owner of each Lot, or all Owners individually and/or collectively at their sole expense, as may be determined. The Association will be responsible for the maintenance of the drainage lines for gutters from the Homes to the point of intersection with the publicly owned storm drain facility for Type 1 and Type 2 Lots only. The Association is not responsible for the maintenance of any utility, cable TV, or phone facilities. The ARC shall approve the exterior location of any heating and central air conditioning compressors or heat pumps in advance of installation. Said locations must take into consideration the noise and view from adjacent Homes. No window or wall mounted air conditioners are permitted.

4.16. Antennas, Satellite Dishes and Solar Collectors. No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collector panels or equipment upon any Lot unless such apparatus is erected and maintained in such a way that it is screened from public view along the public street right-of-way directly in front (and side, in the case of a corner Lot) of the house erected on such Lot; and no such apparatus shall be



erected without the prior written consent of the ARC. Exterior satellite dishes with a surface diameter of eighteen (18) inches or less may be placed on any Lot so long as they are not visible from the street and are screened from all neighboring Homes.

The ARC, as designated in this Declaration, shall have the absolute authority to determine whether an accessory is adequately screened from public view. The authority of the ARC in this matter shall be subject to any regulations issued by the Federal Communications Commission ("FCC") or any other applicable governmental authority.

4.17. Exterior Lighting or Noisemaking Devices. Except with the consent of the ARC, no exterior lighting or noisemaking devices shall be installed or maintained on any Lot, other than security and fire alarms. However, false alarms of security and fire systems will not be allowed to repeatedly occur. No window or wall mounted air conditioners are permitted. Central air conditioning is permitted.

4.18. Recreational Equipment. No playground, athletic or recreational equipment or structures, including without limitation, basketball backboards, hoops and related supporting structures, shall be permitted, installed or utilized on any Lot in view from any public street, sidewalk or Common Area within the Property.

4.19. Grades, Slopes, and Drainage. There shall be no interference with the established drainage patterns or systems over or through any Lot within the Property so as to affect any other Lot or Common Area or any areas outside the Property unless adequate alternative provisions are made for proper drainage and are approved by the ARC. The term "established drainage" shall mean any wall, drainage swales, conduits, inlets and outlets designed and constructed on the Property.

4.20. Damage or Destruction to Home and/or Lot. If all or any portion of a Lot or Home is damaged by fire or other casualty, the Owner shall restore the damaged improvements subject to the provisions of any applicable insurance policies. Any restoration must be performed so that the improvements are in substantially the same condition in which they existed prior to the damage, subject to current governmental regulations, building codes, and the provisions of Article 6 of this Declaration. The Owner must commence such work within sixty (60) days after the damage occurs and must complete the work within six (6) months thereafter.

4.21. Detached Buildings. Detached accessory buildings, including, but not limited to, detached garages, storage buildings, greenhouses, children's playhouses and similar structures, shall not be built without the prior written consent of the ARC. Every outbuilding shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. Outbuildings shall be of



a one (1) story design and the overall height shall not exceed ten (10) feet, measured from the existing Lot grade, or have total floor area in excess of ten (10) percent of the first floor area of the main dwelling (excluding the area of the garage and any porches). No such buildings shall be used as additional living space and none shall contain any plumbing.



4.22. Owner's Maintenance Obligations. All improvements upon any Lot, not maintained by the Association, shall at all times be maintained by the Owner in a clean and attractive condition, painted and in good repair, and in such a fashion as not to create a hazard of any kind. Type 1 and Type 2 Lots will be provided with exterior building and landscape maintenance, and Type 3 Lots will be provided with landscape maintenance, all as outlined elsewhere in this Declaration. However, Owners of Type 1 and Type 2 Lots are specifically responsible for maintenance, replacement, painting, repair and general upkeep of all exterior doors, including the garage door, and all windows, window screens and skylights and other items outlined in this Declaration. All Owner work is subject to ARC review and approval prior to commencement of work.

Type 1 and Type 2 Homes will be provided with exterior building and front and/or street-side yard landscape maintenance as outlined in this Declaration. Maintenance of exteriors shall include painting, staining, restaining, repairing, and replacing of exterior surfaces, including roofs and roof overhangs; and maintaining, repairing and replacing exterior lighting fixtures, the exterior portions of chimneys, rain gutters, down spouts, and roof and foundation drainage systems.

In the event repair or replacement of common foundations of any Type 1 and Type 2 Building Structure or common firewall (which terms shall have the same meaning as party walls) of a Building Structure should become necessary or appropriate, then the Owners of the Type 1 and Type 2 Lots within the Building Structure that required such repair or replacement shall be jointly responsible for such repair and/or replacement, and the Owners of such affected Lots shall share equally in the expense of such repair and replacement. In the event an Owner of a Type 1 Lot determines repair or replacement of the common foundations or common firewalls of a Building Structure is necessary or appropriate, that Owner shall notify the other Owners of the affected Homes within the Building Structure of the need to perform such repair or replacement. If a majority of the Owners of the affected Homes within the Building Structure agree that such repair or replacement is necessary, they shall jointly cause such work to be performed, and each Owner of an affected Home shall pay an equal portion of the expense of such work. If an Owner of an affected Home determines repair or replacement of the common foundations or common firewalls of a Building Structure is necessary or appropriate and a majority of the Owners of the other Homes affected or claimed to be affected do not concur with such determination, then the Owners of the Homes affected (or claimed to be affected) shall mutually agree upon and retain a professional engineer licensed in the State of Oregon having at least five (5) years experience in such matters to inspect the common foundations or common firewalls, and such engineer shall make a determination as to whether such repair or replacement is required. The determination of such engineer shall be binding to the affected Owners, and all expenses and fees of the engineer and of the repair or



replacement work required to be performed, if any, shall be borne as provided in this Section. In the event the Owners of Homes so affected or claimed to be so affected cannot agree upon a professional engineer having the required qualifications within a 30-day period, then any of the affected Owners may make application to the ACC, which shall select such engineer having the requisite qualifications. The fees and expenses of the engineer shall be shared equally by the Owners of the Homes affected or claimed to be affected. In the event the Owner of an affected Home fails to contribute to the expense of the repair or replacement of the common foundation or common firewalls by thirty (30) days after written demand therefore, then the amount not paid or reimbursed, as well as interest thereon at the rate of twelve percent (12 %) per annum from the date of such written demand shall become a charge and lien against the Owner of a Home failing to make such payment or reimbursement. Each Owner of Type 1 and Type 2 Lots shall be deemed to have agreed by acceptance of a deed conveying the Type 1 and Type 2 Lot, that any such lien shall be effective, without the necessity of obtaining the joinder of such Owner in the execution of any instrument, upon the filing by another Owner of a Type 1 and Type 2 Lot of a claim of lien in the Official Records of Washington County, Oregon.

4.23. Association Rules and Regulations. The Board of Directors, from time to time, may adopt, modify or revoke Rules and Regulations governing the conduct of persons and the operation or use of Lots and Common Areas, as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property. A copy of any Rules and Regulations, upon adoption, amendment, modification or revocation thereof, shall be delivered by the Board of Directors promptly to each Owner and shall be binding upon all Owners and Occupants of all Lots upon the date of delivery or actual notice thereof. The method of adoption of such Rules and Regulations shall be provided in the Bylaws of the Association.

4.24. County Ordinances and Regulations. The standards and restrictions of this Article 4 shall be the minimum required. To the extent the ordinances and regulations of Washington County are more restrictive or provide for a higher or different standard, the ordinances and regulations of Washington County, or any jurisdiction the Property may be annexed into, shall prevail.

4.25. Violation. The Association may impose a fine, charge or penalty for any violation of this Declaration, the Bylaws and Rules and Regulations after reasonable notice of the violation and a reasonable opportunity for a hearing. Additionally, the Association may seek injunctions or other equitable relief or may file an action for money damages owing from such violations.



4.26. Security. The Association is not responsible for security of the neighborhood or any Homes. The Owners are exclusively responsible for security of their Home and Property.



ARTICLE 5

COMMON AREA

5.1 Use of Common Areas. Use of Common Areas is subject to the provisions of the Declaration, Bylaws, Articles and Rules and Regulations promulgated by the Board of Directors. There shall be no use of the Common Area except by Owners and their invitees. There shall be no obstruction of any part of the Common Area. Nothing shall be stored or kept in the Common Area without the prior written consent of the Board of Directors. No alterations or additions to the Common Area shall be permitted without the prior written approval by the Board of Directors. Nothing shall be stored or kept in the Homes or Common Area, which will increase the rate of insurance on the Common Area without the prior written consent of the Board.

5.2 Maintenance of Common Area. The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Area, including, but not by way of limitation, all drainage systems, landscaping, irrigation systems, benches, common area lighting not maintained by a public agency, fencing, pathways and any other Improvements that may be included in Common Area Tracts. The Association shall keep the Common Area and improvements thereon in good condition and repair, provide for all necessary services and cause all acts to be done which may be necessary or proper to assure the maintenance of the Common Area in first class condition.

5.3 Private Street Maintenance. Tracts A, C and D are common areas designated as private streets which will be maintained by the Association at the sole cost of the adjacent property owners. Tract A shall be the financial responsibility of Lots 43 through 46. Tract C shall be the financial responsibility of Lots 47 through 93 and Tract D shall be the financial responsibility of Lots 94 through 130. All maintenance and fees shall be in accordance with the Arbor Reserve Street Maintenance Agreement as duly recorded in Washington County.

5.4 Alterations to Common Area. Only the Association shall construct, reconstruct, or alter any improvement situated upon the Common Area. A proposal for any construction of or alteration, maintenance or repair to an improvement may be made at any meeting. A proposal may be adopted by the Board, subject to the limitations contained in the Bylaws and the Declaration.



5.5 Funding. Expenditures for alterations, maintenance or repairs to an existing capital improvement for which a reserve has been collected shall be made from the reserve account. As provided in Section 10.6, the Board may levy a special assessment to fund any construction, alteration, repair or maintenance of an improvement (or any other portions of the Common Area) for which no reserve has been collected or for which the reserve account is insufficient to cover the cost of the proposed improvement.

5.6 Landscaping. All landscaping on any Lot or portion of the Common Area shall be maintained and cared for in a manner consistent with the standard of design and quality as originally established by Declarant or the ARC. The Association shall be responsible for all landscaping located in Common Area Tract B. Any Owner maintained areas shall be kept free of weeds and diseased or dead lawn, tree, ground cover or shrubs shall be promptly removed and replaced. All lawn areas shall be fertilized and neatly mowed, and trees and shrubs shall be fertilized and neatly trimmed on a regular basis.

5.7 Walls. The Association shall pay for structural maintenance, repair and/or replacement of Declarant installed block wall on Tract B.

5.8 Condemnation of Common Area. If all or any portion of the Common Area is taken for any public or quasi-public use under any statute, by right of eminent domain or by purchase in lieu of eminent domain, the entire award shall be received by and expended by the Board of Directors in a manner which in their discretion is in the best interest of the Association. The Association shall represent the interest of all Owners in any negotiations, suit or action or settlement in connection with such matters.

5.9 Damage or Destruction of Common Area. In the event any Common Area is damaged or destroyed by an Owner or any of his/her/their Occupants, guests, tenants, licensees, agents or members of his/her/their family in a manner that would subject such Owner to liability for such damage under Oregon law, such Owner does hereby authorize the Association to repair such damage. The Association shall repair the damage and restore the area in workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association in the discretion of the Board of Directors. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot of the Owner who caused or is responsible for such damage.



ARTICLE 6

ARCHITECTURAL REVIEW COMMITTEE

6.1. Architectural Review. No improvement shall be commenced, erected, placed or altered on any Lot until the construction plans and specifications showing the nature, shape, heights, materials, colors, and proposed location of the improvement have been submitted to and approved in writing by the ARC. It is the intent and purpose of this Declaration to assure quality of workmanship and materials and to assure harmony of exterior design with the existing improvements and landscaping. The ARC is not responsible for determining compliance with structural and building codes, solar ordinances, zoning codes or other governmental regulations, all of which are the responsibility of the Lot Owners. The procedure and specific requirements for review and approval of construction may be set forth in design guidelines adopted from time to time by the ARC. Construction by the Declarant is presumed to have been approved and is thereby exempt from this review. In all cases for which the ARC consent is required by this Declaration, the provision of this Article shall apply.

6.2. Architectural Review Committee, Appointment and Removal. The ARC shall consist of no fewer than three (3) members and no more than five (5) members, as the Board may appoint from time to time. The Declarant reserves the right to appoint all members of the ARC and all replacements thereto until turnover. The Declarant may appoint a single person to serve as the ARC prior to the turnover meeting. After build out, Declarant shall delegate the right to appoint and remove members of the ARC to the Board of Directors. The terms of office for each member of the ARC shall be for one (1) year unless lengthened by the Board at the time of appointment or unless the Board serves as the ARC in which event the terms of the ARC members shall be the same as their terms as Board members. The Board may appoint any or all of its members for the ARC and there should be no requirement for non-Board members on the ARC. The Board may appoint one or more members to the ARC who are not Owners, but who have special expertise regarding the matters that come before the ARC. In the sole discretion of the Board, such non-Owner members of the ARC may be paid and that cost paid by applicants or the Association.

6.3. Majority Action. Except as otherwise provided in this Declaration, a majority of the members of the ARC shall have the power to act on behalf of the ARC, without the necessity of a meeting and without the necessity of consulting the remaining member of the ARC. The ARC may render its decision only by written instrument setting forth the action taken by the members consenting thereto.



6.4. Duties. The ARC shall consider and act upon the proposals and/or plans submitted pursuant to this Article. The ARC, from time to time and at its sole discretion, may adopt architectural rules, regulations and guidelines (“Architectural Standards”). The Architectural Standards shall interpret and implement the provisions of this Declaration for architectural review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes and materials and similar features which may be used in Property; provided, however that the Architectural Standards shall not be in derogation of the minimum standards established by this Declaration.

6.5. ARC Decision. The ARC shall render its approval or denial decision with respect to the construction proposal within twenty (20) working days after it has received all material required by it with respect to the application. All decisions shall be in writing. In the event the ARC fails to render its decision of approval or denial in writing within sixty (60) days of receiving all material required by it with respect to the proposal, the application shall be deemed approved. Approval by the ARC does not imply government approval, which is solely the responsibility of the Owner.

6.6. ARC Discretion. The ARC may, at its sole discretion, withhold consent to any proposed work if the ARC finds the proposed work would be inappropriate for the particular Lot or incompatible with the design standards that the ARC intends for Arbor Reserve. Consideration such as siting or location on the Lot, shape, size, color, design, height, solar access, or other effect on the enjoyment of other Lots or the Common Area, and any other factors which the ARC reasonably believe to be relevant, may be taken into consideration by the ARC in determining whether or not to consent to any proposed work.

6.7. Nonwaiver. Consent by the ARC to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing the ARC’s right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

6.8. Appeal. At any time after Declarant has delegated appointment of the members of the ARC to the Board of Directors pursuant to Section 6.2, any Owner adversely impacted by action of the ARC may appeal such action to the Board of Directors. Appeals shall be made in writing within ten (10) days of the ARC’s action and shall contain specific objections or mitigating circumstances justifying the appeal. If the Board is already acting as the ARC, the appeal shall be treated as a request for a rehearing, but in such case the Board must actually meet and receive evidence and argument. A final, conclusive decision shall be made by the Board of Directors within fifteen (15) days after receipt of such notification. The determination of the Board shall be final.



6.9. Effective Period of Consent. The ARC's consent to any proposed work shall automatically be revoked three (3) months after issuance unless construction of the work has been commenced or the Owner has applied for and received an extension of time from the ARC.

6.10. Determination of Compliance. The ARC shall inspect, from time to time, all work performed and determine whether it is in substantial compliance with the approval granted. If the ARC finds that the work was not performed in substantial conformance with the approval granted, or if the ARC finds that the approval required was not obtained, the ARC shall notify the Owner in writing of the noncompliance. The notice shall specify the particulars of any noncompliance and shall require the Owner to take the necessary action to bring the work into compliance with the approved project.

6.11. Non-compliance. If the ARC determines that an Owner has not constructed an improvement consistent with the specifications on which approval is based, and if the Owner fails to diligently commence to remedy such non-compliance in accordance with the provisions of the notice of noncompliance, then at the expiration of the third (3rd) day from the date of such notification, the ARC shall provide a notice of a hearing to consider the Owner's continuing noncompliance. The hearing shall be set not more than thirty (30) days from the date of the notice of non-compliance. At the hearing, if the ARC finds that there is no valid reason for the continuing noncompliance, the ARC shall determine the estimated costs of correcting it. The ARC shall then require the Owner to remedy or remove the same within a period of not more than ten (10) days from the date of the ARC's determination. If the Owner does not comply with the ARC's ruling within such period or within any extension of such period as the ARC, at its discretion, may grant, the Association may (a) remove the non-complying improvement, (b) remedy the non-compliance, or (c) file suit to compel compliance. The costs of such action shall be assessed against the Owner and his/her/their Lot, including all attorneys' fees and other costs expended and incurred to enforce compliance before suit or action is filed and at trial or on any appeal or review of therefrom.

6.12. Liability. Neither the ARC, the Board, their agents, nor any member thereof shall be liable to any Owner, Occupant, or builder for any damage, loss or prejudice suffered or claimed or claimed to be suffered arising from any action by the ARC or a member thereof or failure of the ARC or a member thereof, provided only that the member has acted in good faith in accordance with the actual knowledge possessed by him.



6.13. Estoppel Certificate. Within fifteen (15) working days after written request is delivered to the ARC by an Owner, and upon payment to the ARC of a reasonable fee fixed by the ARC to cover costs, the ARC shall provide such Owner with a certificate executed by the Chairman of the ARC, and acknowledged, certifying with respect to any Lot owned by the Owner, that as of the date thereof either (a) all improvements made or done upon or within such Lot by the Owner comply with this Declaration or any Rules and Regulations either promulgated by the Board or the ARC, or (b) such improvements do not so comply, in which event, the certificate shall also identify the noncomplying improvements and set forth with particularity the nature of such noncompliance. The Owner, his/her/their heirs, devisees, successors and assigns shall be entitled to rely on the certificate with respect to the matters set forth. The certificate shall be conclusive as between the Declarant, the ARC, the Association and all Owners, and all such persons deriving an interest through any of them.

ARTICLE 7

ARBOR RESERVE HOMEOWNERS ASSOCIATION

7.1. Members. Each Owner shall be a mandatory member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot automatically transfers membership in the Association. Without any other act or acknowledgement, Occupants and Owners shall be governed and controlled by this Declaration the Articles, Bylaws, and Rules and Regulations and any amendments thereof.

7.2. Proxy. Each Owner may cast his/her/their vote in person, pursuant to a proxy executed by the Owner, or by written ballot, as provided by ORS 65.222. An Owner may not revoke a proxy given pursuant to this section except by actual notice or revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

7.3. Voting Rights. The Association shall have two (2) classes of voting members.

(a). Class A. Class A members shall be all Owners of Lots other than the Declarant, and each Class A member shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote.



(b). Class B. The Class B member shall be Declarant, its successors and assigns. The Class B member shall have three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the earlier of:

(i). When eighty percent (80%) of the Lots have been sold and conveyed to Owners other than Declarant; or

(ii). At such earlier time as Declarant may elect in writing to terminate Class B membership.

Thereafter, each Owner, including the Declarant, shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote, and the total number of votes shall be equal to 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 will fractional voting be allowed. Fractional or split votes shall be disregarded, except for purposes of determining a quorum. The total number of votes as of the Turnover Date and thereafter shall be equal to and mean the total number of Lots.

7.4. Procedure. All meetings of the Association, the Board of Directors, the ARC, and Association committees shall be conducted with such rules of order as may from time to time be adopted by the Board of Directors. Notwithstanding which rule of order is adopted, the chairman shall be entitled to vote on all matters, not merely to break a tie vote. A tie vote does not constitute a majority or approval of any motion or resolution.

ARTICLE 8

DECLARANT CONTROL

8.1. Interim Board and Officers. The Declarant hereby reserves administrative control of the Association. The Declarant, in its sole discretion, shall have the right to appoint and remove members of the Interim Board of Directors, which shall manage the affairs of the Association and which shall be vested with all powers and rights of the Board of Directors. The Interim Board shall consist of from one to three members. Notwithstanding the provision of this Section, at the Turnover Meeting (as hereinafter defined) at least one (1) Director shall be elected by Owners other than the Declarant, even if the Declarant otherwise has voting power to elect all of the members of the Board.



8.2. Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over administrative control of the Association from the Declarant to the Class A members within ninety (90) days of the earlier of:

(a). Upon Sale of Lots. The date that Lots representing eighty percent (80%) of Lots subject to this Declaration, plus any recorded annexation of additional Lots, have been conveyed to persons other than the Declarant; or

(b). Declarant's Earlier Election. At such earlier time as Declarant may elect in writing to terminate Class B membership.

The Declarant shall give notice of the meeting to each Owner as provided in the Bylaws. If the Declarant does not call the meeting required under this Section, any Owner may do so.

8.3. Board of Directors. At and following Turnover, the Board of Directors of the Association shall be comprised of five (5) directors. The directors will be elected by a plurality of the total membership of the Arbor Reserve Homeowners Association. In the event of a vacancy occurring on the Board, the position of such director(s) shall be filled in accordance with the terms and provisions of the Bylaws through appointment by the Board of Directors. Terms of office shall be staggered such that in the first election at the Turnover Meeting, as described in the Bylaws, three Directors shall serve a term of 2 years and two for 1 year. At all subsequent Annual Meetings, the term of office for elected Directors will be 2 years.

ARTICLE 9

DECLARANT'S SPECIAL RIGHTS

9.1. General. Declarant is undertaking the work of developing Lots and other improvements within Arbor Reserve. The completion of the development work and the marketing and sale of the Lots is essential to the establishment and welfare of the Property as a residential community. Until the Homes on all Lots on the Property have been constructed, fully completed and sold, with respect to the Common Areas and each Lot on the Property, the Declarant shall have the special rights set forth in this Article 9.



9.2. Marketing Rights. Declarant shall have the right to maintain a sales office and model on one or more of the Lots which the Declarant may or may not own, to be staffed by the employees of the Declarant or any licensed real estate sales agents. The Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week. The Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations of the Property, including, without limitation, the Common Area

9.3. Declarant's Easements. The Declarant has reserved easements over the Property as more fully described in Article 3, Sections (c) and (d) hereof.

9.4. Appearance and Design of Arbor Reserve. Declarant shall not be prevented from changing the exterior appearance of the Common Area, including the landscaping or any other matter directly or indirectly connected with project in any manner deemed desirable by Declarant, provided that the Declarant obtain governmental consents required by law. The construction and material standards of Article 4 notwithstanding, Declarant may change exterior and/or interior designs from initial plans and provisions in this document, without notice. This may include designs, colors, and type of materials, provided Declarant obtains any necessary governmental consent.

9.5. Construction by Declarant. All construction by Declarant is presumed to have been approved by the ARC and to meet any Design Guidelines of the Association.

ARTICLE 10

FUNDS AND ASSESSMENTS

10.1. Purpose of Assessment. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and Occupants, and for the improvement, operation and maintenance of the Common Area, including maintenance and administrative costs, a community high-speed internet access if a "server/vendor" should be granted a contract for the entire Property, and insurance for Association.

10.2. (a) Common Expense Designations. Common Expenses of the nature described in Section 10.1 which are to be, or are, incurred by the Association for the benefit of all of the Owners of Lots within the Property shall be separately budgeted for allocation among all such Owners and shall be designated "General Common Expenses".



(b) Insurance By the Association. The Board shall obtain, and maintain in effect, from reputable insurance companies authorized to do business in the State of Oregon, public liability insurance with respect to all the Common Area in such amounts and in such forms as the Board deems advisable to provide adequate protection for bodily injury, including deaths of persons, and property damage, whether caused by the negligence of the Association or otherwise; provided, however, that such policy(ies) shall not be for an amount of less than \$1,000,000.00 per person, per occurrence, and that such policy(ies) shall provide that the coverage there under cannot be canceled or substantially modified without at least 10 days written notice to the Association. Additionally, for Lots 19 through 130 only, known as Type 1 and type 2 Lots, the Association shall obtain, and maintain in effect, from such companies fire and extended coverage casualty insurance (including coverage for damage resulting from vandalism and malicious mischief) with respect to each Building Structure, as defined in Article 1, Section 1.6, and the Common Areas (including any insurable improvements in the Common Areas) in an amount equal to 100% of the replacement cost thereof. The casualty coverage may be obtained on a "blanket" basis. The Association may obtain such other and further policies of insurance as it deems advisable. The named insured on the policy may read "Arbor Reserve Homeowners Association." The casualty insurance to be obtained by the Association pursuant to this Section 10.1(b) shall include the following terms, if the Board determines they are reasonably available:

- i) A waiver of subrogation by the insurer as to any claims against the Board, any Owner, or any guest of an Owner;
- ii) A waiver by the insurer of its right to repair and reconstruct instead of paying cash;
- iii) A provision that no policy may be canceled, invalidated, or suspended because of the action of an Owner;
- iv) A provision that no policy may be canceled, invalidated, or suspended because of the conduct of any director, officer, or employee of the Association unless the insurer gives the Association a prior written demand that the Association correct the defect and allows the Association a reasonable time to make the correction; and
- v) A provision that any "other insurance" clause in any policy shall exclude from its coverage all owners' policies.



At the discretion of the Board, the Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Corporation, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his/her/their status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of the Articles of Incorporation of the Corporation.

(c) Insurance by the Owners. The fire and extended coverage casualty insurance described in Section 10.1 (b) for Lots 19 through 130 does not apply to Lots 1 through 18. Owners of Lots 1 through 18 are responsible for providing fire and extended coverage casualty insurance on their Building Structure. In addition, the other insurance described in Section 10.1 (b) above does not provide personal liability coverage for the Owners of any Lots, nor fire or extended coverage casualty insurance for any Lot Owners' personal property, the inside surfaces of the Building Structure, and all other improvements including, but not limited to, appliances, heaters and air conditioners, cabinets, flooring, wall and window coverings, light fixtures and personal property nor the Lot or land on which the Building Structure resides. The responsibility for obtaining insurance that covers at least these items rests solely with the individual Owners of Type 1, Type 2 and Type 3 Lots.

10.3. Covenants to Pay. Declarant, on behalf of each and every subsequent Owner of any Lot, covenants and agrees that each Lot will pay the Association the assessments and any additional charges levied pursuant to this Article 10.

(a) Funds Held. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely for the operation, care and maintenance of Arbor Reserve as provided by this Declaration. Upon the sale or transfer of any Lot, the Owner's interest in the funds shall be deemed automatically transferred to the successor in interest of such Owner, and is not refundable.

10.4. Basis of Assessments and Commencement of Assessments. Assessments are to be levied against all Lots, except those owned by the Declarant, whether or not such Lots have been improved with a substantially completed Home. Provided, however, that no Assessment shall be levied against any Lot until such time as it is first sold to a purchaser other than Declarant or Declarant assignee. Assessments for all Lots conveyed by the Declarant to purchaser/Owner, either by deed or land sales contract, assessments shall begin on the day of the recording of the deed or land sale contract conveying or contracting to convey the Lot of the new Owner.



10.5. Annual Assessments. Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. Annual assessments shall be levied on a fiscal year basis. The fiscal year shall be the calendar year unless another year is adopted by vote of the Board members. Unless otherwise specified by the Board, annual assessments shall be due and payable in monthly installments on the first day of each month during the term of this Declaration.

(a) Budget. Regardless of the number of Members or the amount of assets of the Association, each year the Board shall prepare, approve and make available to each Member a pro forma operating statement (budget) containing; (i) estimated revenue and expenses on an accrual basis; (ii) the amount of the total cash reserves of the Association currently available for replacement or major repair of the Common Area and for contingencies; (iii) an itemized estimate for the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of the Common Area; and (iv) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs and repair, replacement or additions to major components of the Common Area. For the first fiscal year, the budget shall be approved by the Board no later than the date on which annual assessments are scheduled to commence. Thereafter, the Board shall annually prepare and approve the budget and distribute a copy thereof to each Member, together with written notice of the amount of the annual assessments to be levied against the Owner's Lot, not less than thirty (30) days and not more than ninety (90) days prior to the beginning of the fiscal year.

(b) Allocation of Assessments. The total amount in the General Association budget shall be charged equally against all Lots, which have closed escrow to an Owner other than the Declarant or a Declarant assignee as annual assessments. However, Lots designated in the Arbor Reserve Street Maintenance Agreement will be charged an additional fee for the maintenance of Tracts A, C and D.

(c) Assessments Particular to Type 1 and Type 2 Lots. In addition to all assessments described in this Article 10, the Association shall assess Type 1 and Type 2 Lots for costs and expenses incurred by or at the direction of the Board for upkeep and maintenance of the exterior walls, exterior paint and roofing, and other exterior maintenance described in this Declaration for Type 1 and Type 2 Lots and Building Structures, including blanket fire and casualty insurance for Type 1 and Type 2 Lots as further described in Article 10, Section 10.1 (b) above."



In addition to the maintenance fund and the reserve fund described above, separate funds are hereby established for receipt, administration and distribution of proceeds arising from assessments against Type 1 and Type 2 Lots related to the upkeep and maintenance of the exterior building maintenance described above. Such assessments will be fixed annually in accordance with the general budget guidelines outlined in Section 10.4 (a) above for the general association assessment. All Type 1 and Type 2 assessments will be in addition to the general assessment for the maintenance of the Common Areas. Type 1 and Type 2 assessments will be accounted for separately with different bank accounts and general ledgers. Such assessments for upkeep and maintenance of these Type 1 and Type 2 maintenance responsibilities shall be subject to the same terms and conditions as the regular or special periodic assessments described above, with the exception that the funds established pursuant to this Section shall be managed and expended solely for the upkeep of the exterior maintenance of the Type 1 and Type 2 Lots described above and the insurance described in Section 10.1 (b) above. This is to also to be interpreted that the funds for Type 1 and Type 2 Homes will be kept separate for the exclusive use on those Types of Homes. Said funds will include reserves for the exterior maintenance including but not limited to walls and roofs. A reserve study required in Section 10.5 (b) below shall incorporate these maintenance responsibilities, although any additional costs associated with such reserve study will be chargeable to the separate Types of Homes, to the extent possible. Exterior wall painting is to include any trim. All doors, windows and any skylights, including frames, glass replacement and cleaning is the sole responsibility of Owners.

(d) Non-Waiver of Assessments. If before the expiration of any fiscal year the Association fails to fix annual assessments for the next fiscal year, the annual assessments established for the preceding year shall continue until a new annual assessment is fixed.

10.6. Reserve Funds

(a) Reserve Fund for Replacing Common Area Improvements. Declarant shall establish a reserve fund in the name of the Association for replacement, in whole or in part, of any completed improvements located in, on, or under the Common Area or Lots for which the Association is responsible pursuant to this Declaration, that will normally require replacement in more than three (3) and fewer than thirty (30) years, for any exterior painting to the extent the Common Area improvements include exterior painted surfaces, for other items, whether or not involving the Common Area, if the Association has responsibility to maintain the items, and



for other items for which reserves are required by the Declaration or Bylaws ("Reserve Fund"). The Reserve Fund need not include those items that could reasonably be funded from the maintenance fund or operating assessments, or for which one or more Owner is responsible for maintenance and replacement under the provisions of this Declaration or the Bylaws. For purposes of funding the Reserve Fund, Declarant initially, and thereafter the Association, shall impose an assessment to be called the "Reserve Fund Assessment" equally against each Lot. The Reserve Fund Assessment shall be based on the reserve study, and updates thereof, described in Section 10.5 (b), or other sources of reliable information. Nothing herein shall limit the authority of the Declarant or the Association to establish other separate and unrelated reserve funds that are funded by assessments for reserves that are in addition to the Reserve Fund or that relate only to Type 1 and Type 2 Lots. The Reserve Fund shall be kept separate from other funds and may be used only for the purposes for which reserves have been established as specified in this Section.

Required Reserve Fund Assessments for completed improvements shall begin accruing from the date the first Lot assessed is conveyed. Declarant may elect to defer payment of the Reserve Fund Assessments due on Lots it owns until the date of the conveyance of the Lot to an Owner. However, the Declarant may not defer such payment beyond the date of the Turnover Meeting. The book and records of the Association shall reflect the amount owing from the Declarant for all Reserve Fund Assessments.

After the Turnover Meeting, the Board may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet other unexpected increases in expenses. However, such funds borrowed shall only be borrowed from the reserves for the respective needs. By way of example only, if funds are borrowed from the Common Area Reserve Fund Assessments, they can only be used to meet current needs for Common Area expenses. By way of further explanatory example, if funds are borrowed from the reserve funds for a particular Type of Home, then those funds are to be used only for the current needs and expenses related to that Type of Home, not Common Area expenses or expenses related to the other Types of Homes. Such funds borrowed from any Reserve Account to meet temporary expenses under this Section shall be repaid from regular annual or special assessments against the appropriate Lots, in other words all the Lots for the Common Areas and the specific Type of Home for any funds borrowed from their reserves. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a written payment plan providing for repayment of the borrowed funds within a reasonable period.



The Board may adjust the amount of the Reserve Fund Assessments as indicated by any reserve study or update, and provide for other reserve items that the Board, in its discretion, may deem appropriate. In addition, after the second anniversary of the turnover meeting, the Association may elect to reduce or increase future Reserve Fund Assessments by a 75% vote of the Owners.

Any funds established for any of the purposes mentioned in this Section shall be deemed to be within the Reserve Fund notwithstanding that it may not be so designated by the Board of Directors. The amount of the Reserve Fund shall constitute an asset of the Association and shall not be refunded or distributed to any Owner.

(b) Reserve Study. The Board of Directors shall annually conduct a reserve study, or review and update an existing study, of the Common Area, and Common Home Exterior components to determine the requirements of the reserve fund described in Section 10.5(a) above. The reserve study shall include (a) identification of all items for which reserves are required to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) the estimated cost of maintenance, repair, or replacement of each item at the end of its useful life; and (d) a thirty (30) year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on the reserve fund, to meet the maintenance, repair, and replacement schedule. Any reserve study costs for Type 1 and Type 2 Lots shall be a cost of the Type 1 and Type 2 Lots and included in their annual assessment budget.

10.7. Special Assessments. The Board of Directors shall have the power to levy special assessments against an Owner or all Owners in the following manner for the following purposes:

(a) Deficits in Operating Budget. To correct a deficit in the operating budget, by vote of a majority of the Board;

(b) Breach of Documents. To collect amounts due to the Association from an Owner for breach of the Owner's obligations under the Declaration, the Bylaws, or the Rules and Regulations, by vote of a majority of the Board;

(c) Repairs. To make repairs or renovations to the Common Area if sufficient funds are not available from the operating budget or replacement reserve accounts by vote of a majority of the Board; or



(d) Capital Additions. To make capital acquisitions, additions or improvements, by vote of at least seventy-five percent (75%) of all votes allocated to the Lots.

10.8. Accounts.

(a) Types of Accounts. Assessments collected by the Association may be deposited into at least two (2) separate accounts with a bank, which accounts shall be designated as (i) the Current Operating Account and (ii) the Reserve Account. Those portions of the assessments collected for current maintenance and operation levied under Section 10.4 (b) will be in the Current Operating Account and those portions of the assessments collected as reserves for replacement and deferred maintenance of capital improvements into the Reserve Account. Special Assessments shall be deposited into one of the two accounts, whichever is deemed by the Board to be appropriate. Withdrawal of funds for the Association's Reserve Account shall require the signatures of two (2) Directors.

(b) Reserve Account. The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair or replacement of capital improvements for which reserves have been collected and held. No funds collected for the Reserve Account may be used for ordinary maintenance and operation purposes, unless repaid within six (6) months of withdrawal, or as approved by a majority of Owners.

(c) Current Operating Account. All ordinary maintenance and operating expenses shall be paid from the Current Operating Account.

10.9. Default in Payment of Assessments, Enforcement of Liens.

(a) Personal Obligation. All assessments properly imposed under this Declaration or the Bylaws shall be the joint and several personal obligation of all Owners of the Lot to which such assessment pertains. In a voluntary conveyance (that is, one other than through foreclosure or a deed in lieu of foreclosure) the grantees shall be jointly and severally liable with the grantor(s) for all Association assessments imposed through the recording date of the instrument affecting the conveyance. A suit for a money judgement may be initiated by the Association to recover such assessments without either waiving or foreclosing the Association's lien.



(b) Association Lien. At any time any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof is delinquent, the Association, by and through its Board or any management agent, may file a notice of lien in the deed records of Washington County, Oregon against the Lot in respect to which the delinquency pertains. Once filed, such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorneys' fees (whether or not suitor action is instituted) and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. The provisions regarding the attachment, notice, recordation and duration of liens established on real property under ORS 94.704 to 94.716, as the same may be amended, shall apply to the Association's lien. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens under ORS Chapter 88. The lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or land sale contract recorded previously to the Association's notice of lien and any mortgage or deed of trust granted to an institutional lender which is recorded previously to the Association's notice of lien.

(c) Interest; Fines; Late Fees; Penalties. The Board in its reasonable discretion may from time to time adopt resolutions to set the rate of interest, and to impose late fees, fines and penalties on delinquent assessments or for violations of the provisions of this Declaration, the Bylaws, any Rules and Regulations, and any rules and regulations adopted by the ARC. The adoption of such impositions shall be communicated to all Owners in writing not less than thirty (30) days before the effective date by a notice mailed to the assessment billing addresses of such Owners. Such impositions shall be considered assessments which are lienable and collectible in the same manner as any other assessments. Provided, however, no fine or penalty for violation of this Declaration, the Bylaws or any Rules and Regulations (other than late fees, fines or interest arising from an Owner's failure to pay regular or special assessments) may be imposed against an Owner or his/her/their Lot until such Owner is given an opportunity for a hearing as provided in Section 4.22.

(d) Acceleration of Assessments. In the event an Owner is delinquent in payment of any assessment or installment on any assessment, the Association, upon not less than ten (10) days written notice to the Owner, may accelerate the due date of the full annual assessment for that fiscal year and all future installments of any special assessments.



(e) Association's Right to Rents/Receiver. In any 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/her/their Lot or shall be entitled to the appointment of a Receiver. Any default by the Owner in any provisions of the Declaration or Bylaws shall be deemed to be a default by the Owner of any mortgage to which the Owner is party or to which the Lot is subject.

10.10. Financial Records & Report. The Board of Directors shall prepare, or cause to be prepared, for any calendar year in which the Association levies or collects assessments, and shall distribute to all Owners at the annual meeting a balance sheet and operating statement (income and expense) of the Association. The Board of Directors shall cause detailed and accurate records of the receipts and expenditures of the Association to be kept specifying and itemizing all expenditures. All records of the Association, including names and addresses of Owners and other occupants of the Lots, shall be available for examination by all Owners, holders of mortgages on the Lots, and their respective authorized agents on reasonable advance notice during normal working hours at the offices of the Association or its managing agent. Subject to ORS 94.670 (4) and its applications, if the Association has annual assessments exceeding \$75,000, it shall cause the financial statement, required herein, to be reviewed within 180 days after the end of the fiscal year by an independent certified public accountant licensed by the State of Oregon.

ARTICLE 11

GENERAL PROVISIONS

11.1. Records. The Board of Directors shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board of Directors shall also keep detailed and accurate financial records including individual assessment accounts of Owners, the balance sheet, and income and expense statements. Individual assessment accounts shall designate the name and address of the Owner or Owners of the Lot, the amount of each assessment as it becomes due, the amounts paid upon the account, and the balance due on the assessments. The minutes of the Association, the Board and 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 or its agent for providing copies.



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11.2. 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/she 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), judgements, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he/she acted in good faith and in a manner he/she 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/her/their conduct was unlawful. The termination of any action, suit or proceeding by judgement, 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/she 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/her/their 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 such 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 with or benefited from the acts which created said liability.

11.3. Enforcement; Attorneys' Fees. The Association and the Owners within the Property or any mortgagee on any Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or hereinafter imposed by any of the provisions of this Declaration as may pertain specifically to such parties or owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter.

11.4. Severability. Invalidation of any one of these covenants, conditions or restrictions by judgement or court order shall not affect the other provisions hereof and the same shall remain in full force and effect.



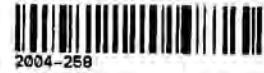
2004-258

11.5. Duration. The covenants, conditions and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at least ninety percent (90%) of the Owners and ninety percent (90%) of the first mortgagees. Provided however, amendments which do not constitute rescission of the planned development may be adopted as provided in Section 11.6 below. Additionally, any such rescission that affects the Common Area shall require the prior written consent of Washington County.

11.6. Amendment. Except as otherwise provided in Sections 11.5, 11.8, and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than seventy-five percent (75%) of the total votes for all Lots subject to this Declaration, of each class of members that are eligible to vote. However, during the period of time prior to the Turnover Meeting, Declarant has right to amend Declaration, Bylaws and Articles of Incorporation without notice to or approval by any Class A members. Any amendment must be executed, recorded and certified as provided by law. Provided, however, that no amendment of this Declaration shall effect an amendment of the Bylaws or Articles without compliance with the provisions of such documents, and the Oregon Non-Profit Corporation Act. Provided further, so long as the Declarant own any Lot, no amendment affecting the general plan and development or any other right of the Declarant herein contained may be effected without the express written consent of the Declarant or its successors and assigns.

11.7. Release of Right of Control. The Declarant may give up its right of control in writing at any time by notice to the Association.

11.8. Unilateral Amendment by Declarant. The Declarant may amend this Declaration in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, the approval of which entity is required in order for it to insure, guarantee or provide financing in connection with development of the Property and sale of Lots. Prior to the Turnover Meeting, no Declarant amendment shall require notice to or approval by any Class A member.



11.9. **Resolution of Document Conflicts.** In the event of a conflict among any of the provisions in the documents governing Arbor Reserve, such conflict shall be resolved by looking to the following documents in the order shown below:

1. Declaration of Covenants, Conditions and Restrictions;
2. Articles of Incorporation;
3. Bylaws;
4. Rules and Regulations.

IN WITNESS WHEREOF, the undersigned being the Declarant herein, has executed this instrument this 4th day of December, 2003.

ARBOR RESERVE, LLC,
An Oregon Limited Liability Company

By: [Signature]

STATE OF OREGON
County of Washington

ss. December 4, 2003

This instrument was acknowledged before me on December 4, 2003, by Walter E. Kemmers of Arbor Reserve, LLC.

[Signature]
NOTARY PUBLIC FOR OREGON

My Commission Expires: 3-7-2007





2004-258



DESIGN GROUP, INC.

3300 NW 211th Terrace
Hillsboro, OR 97124
P 503.858.4242
F 503.645.5500
www.lcdcdesign.com

ARBOR RESERVE PHASE 1

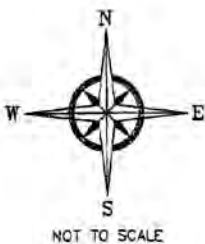
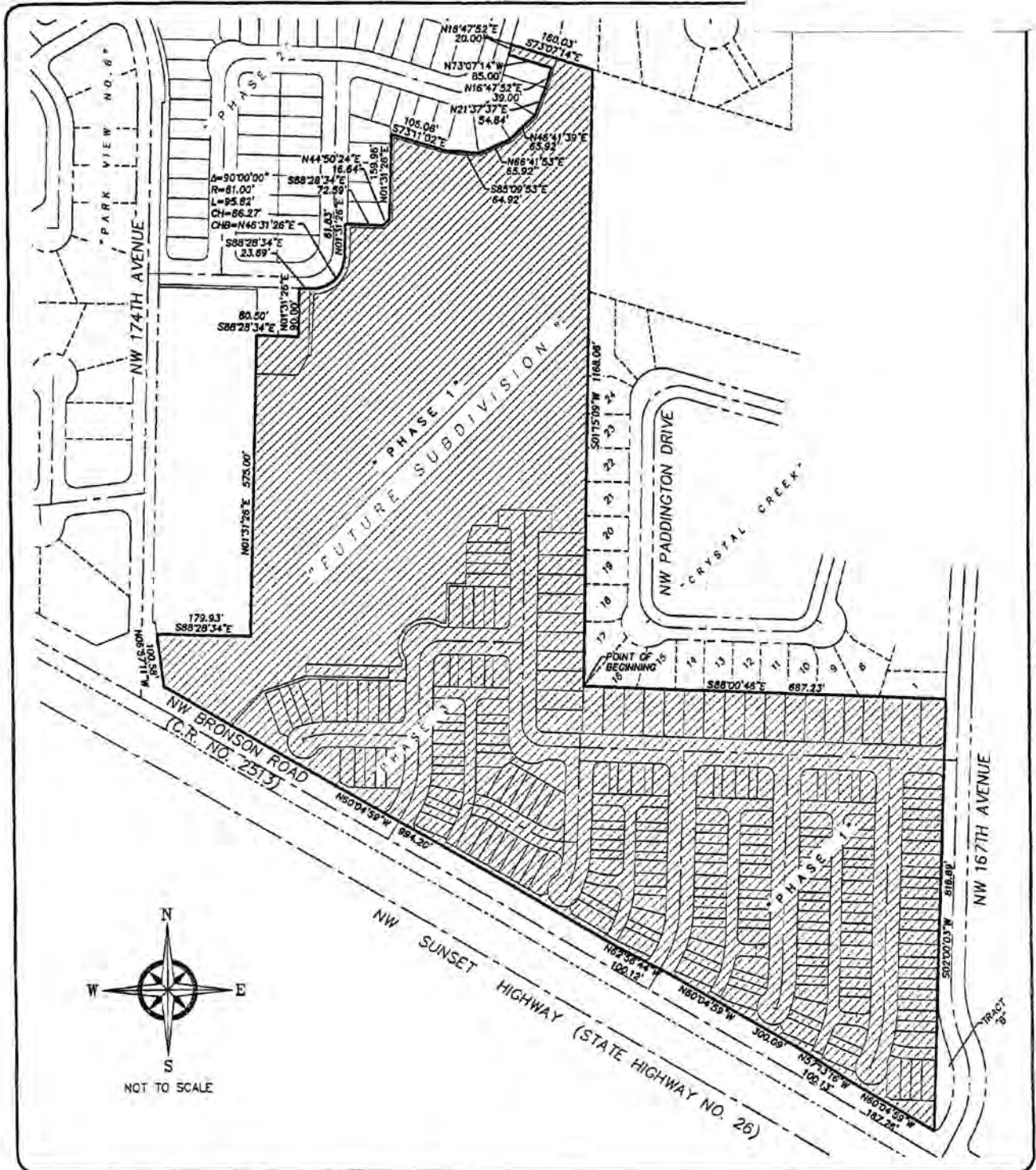
May 11, 2003

Legal Description

A portion of the Winslow Bronson D.L.C., situated in the Southeast ¼ of Section 30, Township 1 North, Range 1 West, Willamette Meridian, County of Washington, State of Oregon, being more particularly described as follows:

Beginning at the 5/8" Iron Rod marking the Southwest Corner of Lot 16, Crystal Creek, a Plat of Record in Washington County; thence along the South line of said Lot 16, and continuing along the South lines of Lots 1 and 8 through 15, said Plat, S88°00'46"E, 687.23 feet to the Westerly Right of Way line of N.W. 167th Avenue, thence along said Right of Way line, and continuing along the West line of Tract B, said Crystal Creek, S02°00'03"W, 816.89 feet to the Northerly Right of Way line of N.W. Bronson Road (C.R. No. 2513); thence along said Right of Way line, N60°04'59"W, 187.76 feet to an angle point; thence continuing along said line, N57°13'16"W, 100.13 feet to an angle point; thence continuing along said line, N60°04'59"W, 300.09 feet to an angle point; thence continuing along said line, N62°56'44"W, 100.12 feet to an angle point; thence continuing along said line, N60°04'59"W, 994.20 feet to an angle point; thence along said line and continuing along the easterly Right of Way line of N.W. 174th Avenue (C.R. No. 2139) N06°57'11"W, 100.58 feet to the South line of the Gould Tract of Land as described in deed, recorded in Book 155, Page 159, Washington County Deed Records; thence along said line S88°28'34"E, 179.93 feet to the Southeast Corner thereof; thence along the East line of said Tract of Land N01°31'26"E, 575.00 feet to a point; thence leaving said East line the following 16 courses: thence S88°28'34"E, 80.50 feet; thence N01°31'26"E, 90.00 feet; thence S88°28'34"E, 23.69 feet; thence along the arc of a 61.00 foot radius curve concave to the Northwest, through a central angle of 90°00'00" (Chord bears N46°31'26"E, 86.27 feet) a distance of 95.82 feet; thence N01°31'26"E, 61.83'; thence S88°28'34"E, 72.59 feet; thence N44°50'24"E, 16.64 feet, thence N01°31'26"E, 159.96 feet, thence S73°11'02"E, 105.06 feet; thence S85°09'53"E, 64.92 feet; thence N66°41'53"E, 65.92 feet; thence N46°41'39"E, 65.92 feet; thence N21°37'37"E, 54.84 feet; thence N16°47'52"E, 39.00 feet; thence N73°07'14"W, 85.00 feet; thence N16°47'52"E, 20.00 feet to a point on the South line of Somerset, a Plat of Record in said County; thence along the South lines of Lots 6 and 7, said Plat, S73°07'14"E, 160.03 feet to the Northwest corner of Crystal Creek No. 2, a Plat of Record in said County; thence along the West line of Tract G, said Plat and continuing along the West line of Tract A and Lots 17 through 24, Crystal Creek, said County, S01°15'09"W, 1168.06 feet to the point of beginning.

Containing 28.344 Acres.



MAY 11, 2003
 LDC JOB #2872
 2872SK11.DWG NLF
 PREPARED FOR:
 WEST HILLS DEV. CO.

DESCRIPTION SKETCH - PHASE 1
 FUTURE ARBOR RESERVE SUBDIVISION
 A PORTION OF THE WINSLOW BRONSON D.L.C.,
 SITUATED IN THE SOUTHEAST 1/4 OF SECTION 30,
 TOWNSHIP 1 NORTH, RANGE 1 WEST, WILLAMETTE MERIDIAN,
 COUNTY OF WASHINGTON, STATE OF OREGON

5/16
5/CT 11

AFTER RECORDING, RETURN TO:

West Hills Development
15500 SW Jay St.
Beaverton, OR 97006

Washington County, Oregon
02/27/2004 02:49:26 PM
D-R/BAM Cnt=2 Str=3 TEAKIN
\$15.00 \$5.00 \$6.00 \$11.00 - Total = \$37.00



00538622200400194390030036

I, Jerry Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Jerry Hanson
Jerry R. Hanson, Director of Assessment and Taxation, Ex-Officio County Clerk



AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND ANNEXATION TO ARBOR RESERVE

THIS AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITONS, AND RESTRICTIONS OF ARBOR RESERVE ("Declaration"), AND ANNEXATION TO ARBOR RESERVE (to annex ARBOR RESERVE No. 2) is made as of this 27th day of February, 2004, by ARBOR RESERVE, LLC AN OREGON LIMITED LIABILITY COMPANY ("Declarant").

Recitals

- A. Declarant is the Declarant under the Declaration of Covenants, Conditions and Restrictions for Arbor Reserve recorded in the Records of Washington County, Oregon, as Document #: 2004000258 (the "**Declaration**").
- B. Declarant has recorded the "Plat of Arbor Reserve" as Document No. 2004000255 in Washington County.
- C. Pursuant to Section 11.6 of the "Declaration", Declarant, as the owner of over 75% of all Lots in said Plat, wishes to amend above referenced Declaration, and, pursuant to Section 2.2 of Declaration, annex Arbor Reserve No.2 to Arbor Reserve and subject the same to the Declaration and this Amendment.

NOW, THEREFORE, Declarant hereby declares as follows:

1. **AMENDMENTS TO DECLARATION.**

- (a) Recital, First Paragraph, 4th line, following "...and also referred to as 'The Plat of Arbor Reserve'," **add** "...and also described as Lots 1 through 130, and Tracts A, B, C, D, E, F, G, H, I, J, and K", ...



- (b) Article 1, Section 1.8, delete and replace with following:

1.8 "Common Area" shall mean and refer to any areas of land shown on the recorded Plat of the Property, including any improvements thereon, which are intended to be devoted to the common use and enjoyment of the members of the Association, and areas outlined herein as the maintenance responsibility of the Association, unless provided otherwise in this Declaration. The Tracts so designated as Common Area include, but are not limited to Tracts A, C and D (private streets), Tracts B, F, L and M (landscape/open space/pathways), Tracts G and K (water detention facilities), and Tracts I and J (retaining walls) on the Plat. Additional areas may be maintained by the Association where provided for in this Declaration or the Plat. Additional areas may be designated Common Areas through annexation of additional phases to Arbor Reserve.

(c) Article 1, Section 1.22, add second sentence: "Tract E shall be owned by the Declarant, its successors or assigns, and may be for future development and annexation under the provisions of Article 2, Section 2.2. Tract H is a wetlands and shall be owned by the Declarant, or its successors or assigns. Prior to turnover, Declarant may convey or assign to Association any Tracts it may deem appropriate for Association responsibility and maintenance.

(d) Article 4, Section 4.10, delete the last sentence and add the following sentence: "The parking of vehicles is prohibited on any public or private street within the Property if posted or marked "No Parking", or curbs are painted to restrict parking. No parking in Common Areas, other than private streets, unless so posted."

- (e) Article 4, Section 4.14, delete and replace with following:

4.14 Fences and Hedges. No fences or boundary hedges shall be installed without prior written approval of the ARC. Any fencing installed on Owner's Lots, either by Owner or by Declarant, will be Owner's maintenance responsibility. All fences that are Owner's responsibility are to be maintained in a condition acceptable to Board and ARC. No chain link fencing visible from a street or Common Area will be installed, except that originally installed by the Declarant. All Declarant installed chain link shall be maintained by the Association. Fences on Common Area Tracts along the perimeter boundaries of the Plat will be maintained by the Association, except those on Lots 1 through 18, and 142 through 154, or additional Lots as may be provided for in any future annexation documents. All side yard fencing shall maintain a five (5) foot setback from the front of the house. No fencing will be allowed in the front yard. All fence materials, designs, and colors subject to prior approval of the ARC.



2. **PROPERTY ANNEXED.** Declarant hereby declares that all of the property described below (the "Additional Property") shall be annexed to Arbor Reserve and the Declaration and that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the Declaration:

All real property within that certain plat entitled "Arbor Reserve No. 2" filed in the Plat Records of Washington County, Oregon.

3. **LAND CLASSIFICATIONS.** All of the land within the Additional Property annexed hereby is included in one or another of the following classifications:

(a) Building Lots, which shall consist of Lots 131 through 189 as shown on the Plat of the Additional Property.

(b) Common Area, which shall be Tracts L and M, and all private streets as shown on the Plat of the Additional Property.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first written above

ARBOR RESERVE, LLC AN OREGON LIMITED LIABILITY COMPANY

By [Signature]
Its MEMBER

STATE OF OREGON)
)ss.
County of Washington)

The foregoing instrument was acknowledged before me this 27th day of February, 2004, by Dennis E. Sackhoff, member of ARBOR RESERVE, LLC AN OREGON LIMITED LIABILITY COMPANY

[Signature]
Notary Public for Oregon
My commission expires: 3-7-2007



25
26
11
5

AFTER RECORDING, RETURN TO:
Arbor Reserve LLC
c/o West Hills Development
15500 SW Jay St.
Beaverton, OR 97006

Washington County, Oregon 2004-139694

12/08/2004 11:56:28 AM
D-R/BAM Cnt=2 Str=3 TEAKIN
\$25.00 \$4.00 \$6.00 \$11.00 - Total = \$47.00



00895265200401396940050054

I, Jerry Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Jerry Hanson
Jerry R. Hanson, Director of Assessment and Taxation, Ex-Officio County Clerk



**SECOND AMENDMENT TO DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS,
AND ANNEXATION TO
ARBOR RESERVE
(To Annex Phase 3)**

THIS SECOND AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS OF ARBOR RESERVE ("Declaration"), AND ANNEXATION TO ARBOR RESERVE (to annex ARBOR RESERVE No. 3) is made as of this 27th day of November, 2004, by ARBOR RESERVE, LLC, an Oregon limited liability company ("Declarant").

Recitals

- A. Declarant is the Declarant under the Declaration of Covenants, Conditions and Restrictions for Arbor Reserve recorded in the Records of Washington County, Oregon, as Document #: 2004-000258 (the "**Declaration**"), and the Amendment to the Declaration of Covenants, Conditions and Restrictions for Arbor Reserve recorded in the Records of Washington County, Oregon, as Document #: 2004-019439 (the "**First Amendment**").
- B. Declarant has recorded the "Plat of Arbor Reserve" as Document No. 2004-000255 in Washington County, and the "Plat of Arbor Reserve No. 2" as Document No. 2004-019436.
- C. Pursuant to Section 11.6 of the "Declaration", Declarant, as the owner of over 75% of all Lots in said Plats, wishes to amend above referenced Declaration and Amendment, and, pursuant to Section 2.2 of Declaration, annex Arbor Reserve No.3 to Arbor Reserve and subject the same to the Declaration and Amendments.
- D. The "Plat of Arbor Reserve No. 3" is intended to **delete** the designation of Lots 94 through 130 of the originally recorded "Plat of Arbor Reserve", and **add** the designation of re-platted Lots 190 through 226 of the "Plat of Arbor Reserve Phase 3", and to **re-designate** Tracts B and D of the original "Plat of Arbor Reserve" as Tracts N and O, respectively, of the "Plat of Arbor Reserve No. 3".



NOW, THEREFORE, Declarant hereby declares as follows:

1. **AMENDMENTS TO DECLARATION AND FIRST AMENDMENT**

(a) Recital to Declaration, First Paragraph, 4th line, following "...and also referred to as 'The Plat of Arbor Reserve', recorded January 2, 2004 as Document No. 2004-000255," **amend and add** as follows: "...and 'Plat of Arbor Reserve No. 2', recorded as Document No. 2004-019436, and 'Plat of Arbor Reserve No. 3', recorded as Document No. 2004- 139691", also described as Lots 1 through 93, Lots 131 through 226, and Tracts A, C, E, F, G, H, I, J, K, L, M, N, O; and"

(b) Article 1, Section 1.8, lines 6, 7 and 8 of the Amendment are **amended** and shall now read as follows: "...The Tracts so designated as Common Area include, but are not limited to Tracts A, C and O (private streets), and Tracts F, L, M and N (landscape/open space/pathways)." The remainder of this section remains unchanged.

(c) Article 1, Section 1.24 of the Declaration is **amended** to read "...Lots 19 through 93, and Lots 190 through 226..."

(d) Article 1, Section 1.25 of the Declaration is **amended** to read "...Lots 1 through 18, and Lots 131 through 189..."

(e) Article 2, Section 2.1 shall be **amended** in the last 2 lines to read "...Lots 1 through 93, and Lots 131 through 226 of the Arbor Reserve Plat, including annexed phases No. 2 and No. 3."

(f) Article 3, Section 3.4 (g), line 4, shall be **amended** to read "...and Tracts F, L, M and N."

(g) Article 3, Section 3.4 (i), line 4 & 5, shall be **amended** to read "...Tracts A, C, L, M, N and O, ..."

(h) Article 3, Section 3.5, **add** sub-section "(k)" as follows:

"(k) Retaining Walls. Retaining walls may have been constructed within the Property (the "Retaining Walls"). The Retaining Walls are not in all cases located on a Lot or Tract line. The location of a Retaining Wall (or the construction by an Owner of any improvements on or near the Retaining Wall) shall not constitute evidence of the intended location of a Lot line, or provide grounds for any claim of adverse possession or prescriptive easement. Each Lot upon which any portion of a Retaining Wall is located shall be subject to an easement, for the benefit of all other Lots, for the purposes of support by and natural drainage from such Retaining Wall. Retaining Walls may or may not have been designed by a professional engineer, and no Owner shall take any action to add, construct or place any improvement on the Lot so that it may, in the judgment of the Association: result in disturbance of, weakening of, or damage to the Retaining Walls; increase any engineered load or alter design criteria; or cause damage to the wall and surrounding properties. Any improvements on Lot will need prior approval of Architectural



Review Committee. Regardless of such approval, any Lot Owner who takes such action shall be responsible for all resulting costs of repair and restoration of the Retaining Wall. Otherwise, neither the Association nor any other Owner shall have any affirmative obligation to maintain or repair the Retaining Walls. However, should they elect to do so, the Association, any Owner whose Lot is adjacent to a Retaining Wall, and their duly authorized agents and representatives, shall have the right to enter the property upon which any portion of a Retaining Wall is located for the purpose of making any necessary repair to or maintenance of the Retaining Wall.”

(i) Article 4, Section 4.5, line 2, shall be **amended** to read “...Tract F, L, M and N...,”

(j) Article 4, Section 4.12 is **deleted** in its entirety as it reads in the original Declaration, and is **amended** and shall now read in its entirety as follows:

“4.12 Signs. No signs shall be erected or maintained on any Lot except that not more than one “For Sale” sign placed by the Owner, Declarant or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, may be temporarily displayed on any Lot, subject to the provisions of Article 9.2 below. One “For Rent” or “For Lease” sign not exceeding twenty-four (24) inches high and thirty-six (36) inches long may be displayed inside the first floor, front street side window of a residential Building Structure. The restrictions contained in this paragraph shall not prohibit the temporary placement of “political” signs on any Lot by the Owner or Occupant, or construction and marketing related signage by the Declarant or its contractors. No sign of any kind, other than Declarant’s marketing signs or any Association signs for the common good of the Community, which have been previously approved by the Board of Directors, will be allowed on Common Areas.”

(k) Article 4, Section 4.17, is **deleted** in its entirety as it reads in the original Declaration, and is **amended** and shall now read in its entirety as follows:

“4.17 Antennas, Satellite Dishes and Solar Collectors. No Owner may erect or maintain a television or radio receiving or transmitting antenna, satellite dish or similar implement or apparatus, or solar collector panels or equipment upon any Lot without the prior written consent of the ARC. Placement shall be restricted to building surfaces not considered part of the front plane of the residence. No installations shall be lower than the first level ceiling height. The preferred location shall be the barge rafter or gabled ends of any living unit. Exterior satellite dishes with a surface diameter of eighteen (18) inches or less may be placed on any Lot so long as they are not visible from the street and are screened from all neighboring Homes. Approved installation locations shall in no way violate current FCC rules or regulations concerning said installation locations. The authority of the ARC in this matter shall be subject to any regulations issued by the Federal Communications Commission (“FCC”) or any other applicable governmental authority.”

(l) Article 4, Section 4.17, **add** to end of Section: “Seasonal holiday lighting and decorations are permissible if consistent with any applicable rules and regulations and if removed within thirty (30) days after the celebrated holiday.”



(m) Article 4, **add** Section 4.27 to read:

“4.27 Windows, Decks, Porches and Outside Walls. To preserve the attractive appearance of the Property, the Association may regulate the nature of items that may be placed in or on windows, decks, porches, and the outside walls so as to be visible from the street or Common Areas. Window coverings, curtains, shutters, drapes or blinds, other than those of commercially produced quality, shall not be permitted to be visible from any public or private street, pathway, Common Area or adjacent property. Garments, rugs, laundry and other similar items may not be hung from windows, facades, porches, or decks.”

(n) Article 5, Section 5.3 is **amended** and shall now read as follows:

“5.3 Private Street Maintenance. Tracts A, C and O are common areas designated as private streets which will be maintained by the Association at the sole cost of the adjacent property owners. Tract A shall be the financial responsibility of Lots 43 through 46. Tract C shall be the financial responsibility of Lots 47 through 93 and Tract O shall be the financial responsibility of Lots 190 through 226. All maintenance and fees shall be in accordance with the Arbor Reserve Street Maintenance Agreement as duly recorded in Washington County. Said maintenance will be in accordance with a recorded Maintenance Agreement for each of these Lots. The costs of such maintenance and/or reserves shall be the sole responsibility of the Owners of said Lots. The Arbor Reserve Homeowners Association will collect and administer said funds on behalf of the Owners of said Lots, and the funds collected for these purposes will be used exclusively for street maintenance in the named Tracts, including any future annexations of private street tracts under similar Maintenance Agreements on additional Lots. However, the Association will have no financial obligation for said Tracts, other than that stated herein. Tracts A, C and O are subject to an emergency vehicle access easement, in their entirety.”

(o) Article 5, Section 5.6, line 4 is **amended** to read: “...Common Area Tracts F, L, M and N.”

(p) Article 5, Section 5.7, line 2 is **amended** to read: “...on Tract N.”

(q) Article 10, Section 10.2 (b), line 11 is **amended** to read: “...Additionally, for Lots 19 through 93, and 190 through 226 only, known as Type 1 Lots...”

(r) Article 10, Section 10.2 (c), lines 2 & 3 are **amended** to read: “...for Lots 19 through 93, and 190 through 226 does not apply to Lots 1 through 18, nor Lots 131 through 189.” The remainder of this section remains unchanged.

2. **PROPERTY ANNEXED.** Declarant hereby declares that all of the property described below (the “**Additional Property**”) shall be annexed to Arbor Reserve and the Declaration, and that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the Declaration:

All real property within that certain plat entitled “Arbor Reserve No. 3” filed in the Plat Records of Washington County, Oregon



3. **LAND CLASSIFICATIONS.** All of the land within the Additional Property annexed herein is included in one or another of the following classifications:

(a) Building Lots, which shall consist of Lots 190 through 226 as shown on the Plat of the Additional Property.

(b) Common Area Tracts, which shall be Tracts N and O, including all private streets as shown on the Plat of the Additional Property.

4. **APPLICABILITY OF DECLARATION PROVISIONS.** All terms contained in the original "Declaration" and "First Amendment", which are not altered by the terms of this "Second Amendment and Annexation" document ("Second Amendment") shall remain in effect. If there is a conflict between the terms of any Amendment and the original Declaration, the conflict shall be resolved by looking first to the terms of the most recent Amendment. If conflict still exists the resolution shall be based upon the intent of Declarant herein to have the obligations contained in the original Declaration apply to all Lots in Arbor Reserve, Arbor Reserve No. 2, Arbor Reserve No. 3, plus any future properties to be annexed by Declarant.

IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first written above

ARBOR RESERVE, LLC, an Oregon limited liability company
By [Signature]
Its President

STATE OF OREGON)
)ss.
County of Washington)

The foregoing instrument was acknowledged before me this 25TH day of November, 2004, by Dennis E. Sackhoff, member of ARBOR RESERVE, LLC, an Oregon limited liability company



[Signature]
Notary Public for Oregon
My commission expires

28
11
5
CT

AFTER RECORDING, RETURN TO:
Arbor Reserve LLC
c/o West Hills Development
15500 SW Jay St.
Beaverton, OR 97006

Washington County, Oregon **2005-040049**
04/13/2005 11:55:27 AM
D-R/BAM Cnt#2 Btm#3 T EAKIN
\$20.00 \$5.00 \$6.00 \$11.00 - Total = \$42.00



00754252200500400490040042
I, Jerry Hanson, Director of Assessment and Taxation
and Ex-Officio County Clerk for Washington County,
Oregon, do hereby certify that the within instrument of
writing was received and recorded in the book of
records of said county. *Jerry Hanson*
Jerry R. Hanson, Director of Assessment and Taxation,
Ex-Officio County Clerk



**THIRD AMENDMENT TO THE DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS AND ANNEXATION TO
ARBOR RESERVE
(To Annex Phase 4)**

**THIS THIRD AMENDMENT TO THE DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS AND ANNEXATION TO ARBOR RESERVE** (to
annex **ARBOR RESERVE No. 4**) is made as of this 7th day of April, 2005, by
ARBOR RESERVE, LLC, an Oregon limited liability company ("Declarant").

Recitals

- A. Declarant is the Declarant under the Declaration of Covenants, Conditions and Restrictions for Arbor Reserve recorded in the Records of Washington County, Oregon, as Document #: 2004-000258 (the "**Declaration**"), the Amendment to the Declaration of Covenants, Conditions and Restrictions for Arbor Reserve recorded in the Records of Washington County, Oregon, as Document #: 2004-019439 (the "**First Amendment**"), and the Second Amendment to the Declaration of Covenants, Conditions and Restrictions for Arbor Reserve recorded in the Records of Washington County, Oregon, as Document #: 2004-139694 (the "**Second Amendment**").
- B. Declarant has recorded the "Plat of Arbor Reserve" as Document No. 2004-000255 in Washington County, the "Plat of Arbor Reserve No. 2" as Document No. 2004-019436 and the Plat of Arbor Reserve No. 3 as Document No. 139691.
- C. Pursuant to Section 2.2 and Section 11.8 of the "Declaration", Declarant wishes to amend the Declaration to provide for the annexation of Arbor Reserve No.4 to Arbor Reserve and subject the same to the Declaration and Amendments.



NOW, **THEREFORE**, Declarant hereby declares as follows:

1. **AMENDMENTS TO DECLARATION AND FIRST AMENDMENT**

(a) Recital to Declaration, First Paragraph, 4th line, following "...and also referred to as 'The Plat of Arbor Reserve', recorded January 2, 2004 as Document No. 2004-000255," and as stated in the 'Plat of Arbor Reserve No. 2', recorded as Document No. 2004-019436, and 'Plat of Arbor Reserve No. 3', recorded as Document No. 2004-139691, **amend and add** "...and as stated in the 'Plat of Arbor Reserve No. 4', recorded as Document No. 2005-040047 _____; and"

(b) Article 1, Section 1.8, lines 6, 7 and 8 of the Declaration are **amended** and shall now read as follows: "...The Tracts so designated as Common Area include, but are not limited to Tracts A, C, O, R and S (private streets), and Tracts F, L, M, N, P and Q (landscape/open space/pathways)." The remainder of this section remains unchanged.

(c) Article 1, Section 1.24 of the Declaration is **amended** to read "...Lots 19 through 93, Lots 190 through 226, and Lots 227 through 316..."

(d) Article 1, Section 1.25 of the Declaration is **amended** to read "...Lots 1 through 18, Lots 131 through 189, and Lots 317 through 326..."

(e) Article 2, Section 2.1 shall be **amended** in the last 2 lines to read "...Lots 1 through 93, Lots 131 through 226, and Lots 227 through 326 of the Arbor Reserve Plat, including annexed phases No. 2, No. 3 and No. 4."

(f) Article 3, Section 3.4 (g), line 4, shall be **amended** to read "...and Tracts F, L, M, N, P and Q."

(g) Article 3, Section 3.4 (i), line 4 & 5, shall be **amended** to read "...Tracts A, C, L, M, N, O, P, Q, R and S ..."

(h) Article 4, Section 4.5, line 2, shall be **amended** to read "...Tract F, L, M N, Q and R..."

(i) Article 5, Section 5.3 is **amended** and shall now read as follows:

"5.3 Private Street Maintenance. Tracts A, C, O, R and S are common areas designated as private streets which will be maintained by the Association at the sole cost of the adjacent property owners. Tract A shall be the financial responsibility of Lots 43 through 46. Tract C shall be the financial responsibility of Lots 47 through 93, Tract O shall be the financial responsibility of Lots 190 through 226, Tract R shall be the financial responsibility of Lots 263 through 290, and Tract S shall be the financial responsibility of Lots 227 through 254. All maintenance and fees shall be in accordance with the Arbor Reserve Street Maintenance Agreement as duly recorded in Washington County. Said maintenance will be in accordance with a recorded Maintenance Agreement for each of these Lots. The costs of such maintenance and/or reserves shall be the sole responsibility of the Owners of said Lots. The Arbor Reserve Homeowners Association will collect and administer said funds on behalf of the Owners of said Lots, and the funds collected for these purposes will be used exclusively for street maintenance



in the named Tracts, including any future annexations of private street tracts under similar Maintenance Agreements on additional Lots. However, the Association will have no financial obligation for said Tracts, other than that stated herein. Tracts A, C, O, R and S are subject to an emergency vehicle access easement, in their entirety.”

(j) Article 5, Section 5.6, line 4 is **amended** to read: “...Common Area Tracts F, L, M, N, P and Q.”

(k) Article 5, Section 5.7, line 2 is **amended** to read: “...on Tract N.”

(l) Article 10, Section 10.2 (b), line 11 is **amended** to read: “...Additionally, for Lots 19 through 93, Lots 190 through 226, and Lots 227 through 316 only, known as Type 1 Lots...”

(m) Article 10, Section 10.2 (c), lines 2 & 3 are **amended** to read: “...for Lots 19 through 93, Lots 190 through 226, and Lots 227 through 316 does not apply to Lots 1 through 18, nor Lots 131 through 189, nor Lots 227 through 326.” The remainder of this section remains unchanged.

(n) In addition, a public transit easement is conveyed under separate agreement to the County of Washington for a turnaround easement in Tract F of Arbor Reserve No. 2. The maintenance responsibility of this turnaround area will be that of the Arbor Reserve Homeowners Association, under the terms and conditions of maintenance as outlined in the initial Declaration.

2. **PROPERTY ANNEXED.** Declarant hereby declares that all of the property described below (the “**Additional Property**”) shall be annexed to Arbor Reserve and the Declaration, and that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the Declaration:

All real property within that certain plat entitled “Arbor Reserve No. 4” filed in the Plat Records of Washington County, Oregon.

3. **LAND CLASSIFICATIONS.** All of the land within the Additional Property annexed herein is included in one or another of the following classifications:

(a) Building Lots, which shall consist of Lots 227 through 326 as shown on the Plat of the Additional Property.

(b) Common Area Tracts, which shall be Tracts P, Q, R and S, including all private streets as shown on the Plat of the Additional Property.

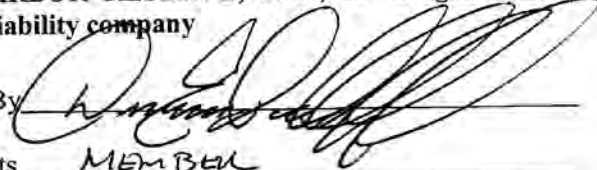
4. **APPLICABILITY OF DECLARATION PROVISIONS.** All terms contained in the original “Declaration” and “First Amendment”, which are not altered by the terms of this “Second Amendment and Annexation” document (“Second Amendment”) shall remain in effect. If there is a conflict between the terms of any Amendment and the original Declaration, the conflict shall be resolved by looking first to the terms of the most recent Amendment. If conflict still exists the resolution shall be based upon the intent of Declarant herein to have the obligations contained in the original Declaration apply to all Lots in Arbor Reserve, Arbor



Reserve No. 2, Arbor Reserve No. 3, Arbor Reserve No. 4, plus any future properties to be annexed by Declarant.


IN WITNESS WHEREOF, Declarant has executed this Declaration of Annexation as of the day first written above

ARBOR RESERVE, LLC, an Oregon limited liability company

By 
Its MEMBER

STATE OF OREGON)
)ss.
County of Washington)

The foregoing instrument was acknowledged, before me this 7th day of APRIL, 2005, by DENNIS E SACKHOFF MEMBER of ARBOR RESERVE, LLC, an Oregon limited liability company


Notary Public for Oregon
My commission expires 3-7-07



After Recording Return To:
Arbor Roses LLC
15500 SW Jay Street
Beaverton, Oregon 97006

Washington County, Oregon **2005-052396**
05/10/2005 03:21:58 PM
D-R/BY Cnt=1 Stn=10 K BARNEY
\$120.00 \$6.00 \$11.00 - Total = \$137.00



00767682200500523960240248

I, Jerry Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Jerry Hanson
Jerry R. Hanson, Director of Assessment and Taxation,
Ex-Officio County Clerk



BYLAWS OF
ARBOR RESERVE HOMEOWNERS ASSOCIATION

Arbor Reserve Bylaws 050905



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After Recording Return To:
Arbor Roses LLC
15500 SW Jay Street
Beaverton, Oregon 97006

BYLAWS OF
ARBOR RESERVE HOMEOWNERS ASSOCIATION

ARTICLE 1.

DEFINITIONS

1.1 **Association.** "Association" means **ARBOR RESERVE HOMEOWNERS ASSOCIATION**, a nonprofit corporation organized and existing under the laws of the State of Oregon.

1.2 **Articles of Incorporation.** "Articles of Incorporation" means the Articles of Incorporation of the Association.

1.3 **Declaration.** The "Declaration" means the Declaration of Protective Covenants, Conditions, and Restrictions for Arbor Reserve to which these Bylaws are attached, as the same may be subsequently amended or supplemented pursuant to the terms thereof.

1.4 **Incorporation by Reference.** Except as otherwise provided herein, the terms that are defined in Article I of the Declaration are used in these Bylaws as therein defined.

ARTICLE 2.

MEMBERSHIP

2.1 **Membership.** Every Owner of one or more Lots within the Property shall, immediately upon creation of the Association and thereafter during the entire period of such ownership, be a member of the Association. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

2.2 **Membership List.** The Secretary shall maintain at the principal office of the Association a membership list showing the name and address of the Owner of each Lot. The Secretary may accept as satisfactory proof of such ownership a duly executed and acknowledged conveyance, a title insurance policy, or other evidence reasonably acceptable to the Board of Directors.



ARTICLE 3.

MEETINGS AND VOTING

3.1 **Place of Meetings.** Meetings of the members of the Association shall be held at such reasonable place convenient to the members as may be designated in the notice of the meeting.

3.2 **Turnover Meeting.** Declarant shall call the first meeting of the Owners to organize the Association within ninety (90) days after termination of the Class B membership as provided in Section 3.7 below. Notice of such meeting shall be given to all Owners as provided in Section 3.5. If the Declarant fails to call the meeting, the meeting may be called and notice given by any Owner or mortgagee of a Lot. The expense of giving notice shall be paid or reimbursed by the Association. No quorum is required for the Turnover Meeting. Nothing in this section shall be construed as preventing Declarant from calling the Turnover Meeting before such date or from calling informal, informational meetings of the Owners.

3.3 **Annual Meeting.** The annual meeting of the members for the election of directors and for the transaction of such other business as may properly come before the meeting shall be held at such reasonable hour and on such reasonable day as may be established by the Board of Directors or, if the Board should fail to designate a date by the first day of September, then the meeting shall occur at 7:00 p.m. on the first (1st) Thursday in November. An annual meeting shall be held within each calendar year, commencing with the year in which the transfer of title occurs for the first lot to an Owner other than the Declarant, the Declarant's successors or assigns. The Turnover Meeting may count as the annual meeting for the year in which it is held.

3.4 **Special Meetings.** A special meeting of the Association may be called at any time by the President or by a majority of the Board of Directors. A special meeting shall be called upon receipt of a written request stating the purpose of the meeting from members having at least thirty percent (30%) of the voting rights entitled to be cast at such meeting. Business transacted at a special meeting shall be confined to the purposes stated in the notice of meeting.

3.5 **Notice of Meeting.**

(a) Written or printed notice stating the place, day and hour of the meeting, the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, any proposal to remove a director or officer and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) or more than fifty (50) days before the date of the meeting. Such notice shall be given either personally or by mail, by or at the direction of the President, the Secretary, or the persons calling the meeting, to each member entitled to vote at such meeting and to all mortgagees who have requested such notice. Notices to Declarant shall be mailed. If mailed, such notices shall be deemed to be delivered when deposited in the United States mail, with postage fully prepaid thereon, addressed to the member at his or her most recent address as it appears on the records of the Association or to the mailing address of his or her Lot.



(b) When a meeting is adjourned for thirty (30) days or more, or when a re-determination of the persons entitled to receive notice of the adjourned meeting is required by law, notice of the adjourned meeting shall be given as for an original meeting. In all other cases, no notice of the adjournment or of the business to be transacted at the adjourned meeting need be given other than by announcement at the meeting at which such adjournment is taken.

3.6 **Quorum.** At any meeting of the Association members having at least twenty percent (20%) of the voting rights entitled to be cast at such meeting, present in person or by proxy, shall constitute a quorum, except when a larger quorum is required by the Declaration. 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 a lack of quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time not less than forty-eight (48) hours or more than thirty (30) days from the time the original meeting was called until a quorum is present. The quorum for the adjourned meeting shall be reduced to ten percent (10%) of the voting rights entitled to be cast at the meeting, present in person or by proxy.

3.7 **Voting Rights.** Voting rights within the Association shall be allocated as follows:

(a) **Residential Lots.** Each Lot shall be entitled to one vote.

(b) **Classes of Voting Membership.** The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to voting rights for each Lot owned computed in accordance with Section (a) above. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more voting rights be cast with respect to any Lot than as set forth in Section (a) above.

Class B. The Class B member shall be Declarant and shall be entitled to three times the voting rights computed under Section (a) for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) When all of the Lots in Arbor Reserve have been sold and conveyed to Owners other than a successor Declarant or a builder for development; or

(ii) At such earlier time as Declarant may elect in writing to terminate Class B membership.

3.8 **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 in such capacity, whether or not the same shall have been transferred to his or her



name; provided that such person shall satisfy the Secretary that he or she is the executor, administrator, guardian or trustee, holding such Lot in such capacity. Whenever a Lot is owned by two or more persons jointly, according to the records of the Association, the vote or proxy of such Lot may be exercised by any one of the Owners then present, in the absence of protest by a co-Owner. In the event of disagreement among the co-Owners, the vote of such Lot shall be disregarded completely in determining the proportion of votes given with respect to such matter, unless a valid court order establishes the authority of a co-Owner to vote.

3.9 **Tenants and Contract Vendors.** Unless otherwise expressly stated in the rental agreement or lease, all voting rights allocated to a Lot shall be exercised by the Owner. Unless otherwise stated in the contract, all voting rights allocated to a Lot shall be exercised by the vendee of any recorded land sale contract on the Lot.

3.10 **Absentee Ballots and Proxies.** A vote may be cast in person, by absentee ballot or by proxy. A proxy given by an Owner to any person who represents such Owner at meetings of the Association shall be in writing and signed by such Owner, and shall be filed with the secretary, at any time prior to or at the start of the meeting. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting or to the Board of Directors if a vote is being conducted by written ballot in lieu of a meeting. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one year after its date unless the proxy specifies a shorter term. Every proxy shall automatically cease upon sale of the Lot by its Owner. An Owner may pledge or assign such Owner's voting rights to a mortgagee. In such a case, the mortgagee or its designated representative shall be entitled to receive all notices to which the Owner is entitled under these Bylaws and to exercise the Owner's voting rights from and after the time that the mortgagee shall give written notice of such pledge or assignment to the Board of Directors. Any first mortgagee may designate a representative to attend all or any meetings of the Association.

3.11 **Majority Vote.** The vote of a majority of the voting rights entitled to be cast by the members present or represented by absentee ballot or proxy, at a meeting at which a quorum is present, shall be necessary for the adoption of any matter voted upon by the members, unless a greater proportion is required by law, by the Declaration, by the Articles of Incorporation, or by these Bylaws.

3.12 **Rules of Order.** Unless other rules of order are adopted by resolution of the Association or the Board of Directors, all meetings of the Association shall be conducted according to the latest edition of *Robert's Rules of Order*, published by Robert's Rules Association.

3.13 **Ballot Meetings.**

(a) At the discretion of the Board of Directors, any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every member who is entitled to vote on the matter; provided, however, that a ballot meeting may not substitute for the Turnover Meeting or, if a majority of the Lots are the principal residences of the occupants, for the annual meetings of the



Association. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action.

(b) The Board of Directors shall provide Owners with at least ten (10) days' notice before written ballots are mailed or otherwise delivered. If, at least three (3) days before written ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the Owners petition the Board of Directors requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Owner, and instructions for marking and returning the ballot. The notice shall state the general subject matter of the vote, the right of the Owners to request secrecy procedures, the date after which ballots may be distributed, the date and time by which any petition must be received by the Board requesting secrecy procedures and the address where any petition must be received. Notwithstanding the applicable provisions of paragraph (c) of this section, written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed.

(c) If approval of a proposed action would otherwise require a meeting at which a certain quorum must be present and at which a certain percentage of total votes cast is required to authorize the action, the proposal will be deemed to be approved when the date for return of ballots has passed, a quorum of Lot Owners has voted, and the required percentage of approving votes has been received. Otherwise, the proposal shall be deemed to be rejected. If approval of a proposed action otherwise would require a meeting at which a specified percentage of Lot Owners must authorize the action, the proposal shall be deemed to be approved when the percentage of total votes cast in favor of the proposal equals or exceeds such required percentage. The proposal shall be deemed to be rejected when the number of votes cast in opposition renders approval impossible or when both the date for return of ballots has passed and such required percentage has not been met. Except as otherwise provided in paragraph (b) of this section, votes may be counted from time to time before the final return date to determine whether the proposal has passed or failed by the votes already cast on the date they are entered.

(d) All solicitations for votes by written ballot shall state the number of responses needed to meet any applicable quorum requirement and the total percentage of votes needed for approval. All such solicitations for votes shall specify the period during which the Association will accept written ballots for counting, which period shall end on the earliest of (i) the date on which the Association has received a sufficient number of approving ballots to pass the proposal, (ii) the date on which the Association has received a sufficient number of disapproving ballots to render the proposal impossible of passage, or (iii) a date certain by which all ballots must be returned to be counted. A written ballot may not be revoked.

ARTICLE 4.

BOARD OF DIRECTORS & MEETINGS

4.1 **Number and Qualification**. The affairs of the Association shall be governed by a Board of Directors of five (5) persons. All directors, other than interim directors appointed by Declarant, shall be Owners or co-Owners of Lots. For purposes of this section, the officers of



any corporate Owner, the members of any limited liability company and the partners of any partnership shall be considered co-Owners of any Lots owned by such corporation or partnership.

4.2 **Interim Directors.** Upon the recording of the Declaration, Declarant shall appoint an interim board of one (1) to three (3) directors, who shall serve until replaced by Declarant or until their successors have been replaced by the Owners as provided below.

4.3 **Transitional Advisory Committee.** Unless the Turnover Meeting has already been held, Declarant shall call a meeting of the Owners for the purpose of forming a Transitional Advisory Committee. The meeting shall be called within sixty (60) days after the date Declarant conveys fifty percent (50%) or more of the Lots then existing in Arbor Reserve to Owners other than a successor Declarant. The committee shall consist of two (2) or more Owners elected by the Owners other than Declarant and not more than one (1) representative of Declarant. The members shall serve until the Turnover Meeting. The Transitional Advisory Committee shall be advisory only, and its purpose shall be to enable ease of transition from administrative control of the Association by Declarant to control by the Owners. The committee shall have access to any information, documents and records that Declarant must turn over to the Owners at the time of the Turnover Meeting. If Declarant fails to call the meeting to elect a Transitional Advisory Committee within the time specified, the meeting may be called and notice given by any Owner. If the Owners fail to elect a Transitional Advisory Committee at the meeting called for such purpose, Declarant shall have no further obligation to form the committee.

4.4 **Election and Tenure of Office.**

(a) At the Turnover Meeting, the interim directors shall resign and the members shall elect five (5) directors, three (3) to serve for two (2) years and two (2) to serve for one (1) year. The two nominees receiving the greatest number of votes shall serve for two (2) years. In the event of a tie, term selection shall be by random means. Thereafter the successors to each director shall serve for terms of two (2) years each.

(b) All directors shall hold office until their respective successors shall have been elected by the members. Election shall be by plurality.

4.5 **Vacancies.**

(a) A vacancy in the Board of Directors shall exist upon the death, resignation or removal of any director, or if the authorized number of directors is increased, or if the members fail at any annual or special meeting of members at which any director or directors are to be elected to elect the full authorized number of directors to be voted for at that meeting. Vacancies in interim directors shall be filled by Declarant.

(b) Vacancies in the Board of Directors, other than interim directors, may be filled by a majority of the remaining directors even though less than a quorum, or by a sole remaining director. Each director so elected shall hold office for the balance of the unexpired term and until his or her successor is elected.



4.6 **Removal of Directors.** All or any number of the directors, other than interim directors, may be removed, with or without cause, at any meeting of members at which a quorum is present, by a vote of a majority of the number of votes entitled to be cast at an election of directors. No removal of a director shall be effective unless the matter of removal was an item on the agenda and stated in the notice of the meeting as provided in these Bylaws.

4.7 **Powers.** The Board of Directors shall have all the powers and duties necessary for the administration of the affairs of the Association, except such powers and duties as by law, or by the Declaration, or by these Bylaws may not be delegated to the Board of Directors by the Owners. The Board of Directors may delegate responsibilities to committees or a managing agent, but shall retain ultimate control and supervision. The powers and duties to be exercised by the Board of Directors shall include any provisions in the Declaration, the Oregon Planned Community Act, the Oregon Non-Profit Corporation Act, and the following:

(a) Carry out the program for maintenance, upkeep, repair, and replacement of any property required to be maintained by the Association as described in the Declaration and these Bylaws.

(b) Determine the amounts required for operation, maintenance and other affairs of the Association, and the making of such expenditures.

(c) Prepare a budget for the Association, and assessment and collection of the Assessments.

(d) Employ and dismiss such personnel as may be necessary for such maintenance, upkeep and repair.

(e) Employ legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Association; provided, however, the Board may not incur or commit the Association to incur legal fees in excess of \$5,000 for any specific litigation or claim matter unless the Owners have enacted a resolution authorizing the incurring of such fees by a vote of seventy-five percent (75%) of the voting rights present in person or by absentee ballot or proxy at a meeting at which a quorum is constituted. This limitation shall not be applicable to legal fees incurred in defending the Association or the Board of Directors from claims or litigation brought against them. The limitation set forth in this paragraph shall increase by \$500 on each fifth anniversary of the recording of the Declaration. To the extent required by the Oregon Planned Community Act, the Board shall notify the Owners before instituting litigation or administrative proceedings. With regard to any pending litigation involving the Association, the Board shall periodically report to the Lot Owners as to the status (including settlement offers), progress, and method of funding such litigation. Nothing in this paragraph shall be construed as requiring the Board to disclose any privileged communication between the Association and its counsel.

(f) Open bank accounts on behalf of the Association and designating the signatories required.



(g) Prepare and file, or cause to be prepared and filed, any required income tax returns or forms for the Association.

(h) Purchase Lots at foreclosure or other judicial sales in the name of the Association or its designee.

(i) Sell, lease, mortgage, vote the votes appurtenant to (other than for the election of directors), or otherwise deal with Lots acquired by the Association or its designee.

(j) Obtain insurance or bonds pursuant to the provisions of these Bylaws, and review such insurance coverage at least annually.

(k) Make additions and improvements to, or alterations of, the Common Areas, or modify, close, remove, eliminate or discontinue use of any common facility, including any improvement or landscaping, except that any such modification, closure, removal, elimination or discontinuance (other than on a temporary basis) of any swimming pool, spa or recreational or community building must be approved by a majority vote of the members at a meeting or by written ballot held or conducted in accordance with these Bylaws.

(l) From time to time adopt, modify, or revoke such rules and regulations governing the details for the operation of the Association, the conduct of persons and the operation and use of the Lots and Common Areas as the Board of Directors may deem necessary or appropriate to ensure the peaceful and orderly use and enjoyment of the Property. Such action may be overruled or modified by vote of not less than seventy-five percent (75%) of the voting rights of each class of members present, in person or by proxy, at any meeting, the notice of which shall have stated that such modification or revocation of rules and regulations will be under consideration.

(m) Enforce by legal means the provisions of the Declaration, these Bylaws, Oregon statutes, and any rules and regulations adopted hereunder.

(n) In the name of the Association, maintain a current mailing address of the Association, file annual reports with the Oregon Secretary of State, and maintain and keep current the information required to enable the Association to comply with ORS 94.670(7).

(o) Enter into management agreements with professional management firms and delegate such business and record keeping functions as may be appropriate to said management firm.

4.8 **Meetings.**

(a) Meetings of the Board of Directors shall be held at such place as may be designated from time to time by the Board of Directors or other persons calling the meeting.



(b) Annual meetings of the Board of Directors shall be held within thirty (30) days following the adjournment of the annual meetings of the members.

(c) Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the President or by any two directors.

(d) Unless other rules of order are adopted by resolution of the Association or the Board of Directors, all meetings of the Board of Directors shall be conducted according to the latest edition of *Robert's Rules of Order*, published by Robert's Rules Association.

4.9 **Open Meetings.**

(a) All meetings of the Board of Directors shall be open to Owners except that, in the discretion of the Board, the following matters may be considered in executive session: (i) consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters; (ii) personnel matters, including salary negotiations and employee discipline; (iii) negotiation of contracts with third parties; and (iv) collection of unpaid assessments. Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board of Directors votes to meet in executive session, the presiding officer shall state the general nature of the action to be considered, as precisely as possible, when and under what circumstances the deliberations can be disclosed to Owners. The statement, motion or decision to meet in the executive session shall be included in the minutes of the meeting, and any contract or action considered in executive session shall not become effective unless the Board, following the executive session, reconvenes in open meeting and votes on the contract or action, which shall be reasonably identified in the open meeting and included in the minutes.

(b) Meetings of the Board of Directors may be conducted by telephonic communication or by other means of communication that allows all members of the Board participating to hear each other simultaneously or otherwise to be able to communicate during the meeting, except that if a majority of the Lots are principal residences of the occupants, then: (i) for other than emergency meetings, notice of each Board of Directors' meeting shall be posted at a place or places on the property at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform the Owners of such meeting; and (ii) only emergency meetings of the Board of Directors may be conducted by telephonic communication or such other means. The meeting and notice requirements of this Section may not be circumvented by chance or social meetings or by any other means.

4.10 **Notice of Meetings.**

(a) For other than emergency meetings, notice of Board of Directors meetings shall be posted at a place or places on the property at least three (3) days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform Lot Owners of such meetings. Notice to Directors shall be considered sufficient if actually received at the required time, or if mailed, e-mailed or faxed not less than three (3) days before the meeting. Such notice shall be directed to the address shown on the Association's records, or to the



director's actual address ascertained by the person giving the notice. Such notice need not be given for an adjourned meeting if such time and place is fixed at the meeting adjourned.

(b) Attendance of a director at a meeting shall constitute a waiver of notice of such meeting except when a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

4.11 **Quorum and Vote.**

(a) A majority of the directors shall constitute a quorum for the transaction of business. A minority of the directors, in the absence of a quorum, may adjourn from time to time, but may not transact any business.

(b) The action of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors unless a greater number is required by law, the Declaration, the Articles of Incorporation or these Bylaws.

(c) A director must be present at a meeting of the Board of Directors to cast a vote. No proxy votes by directors for Board actions are permissible.

4.12 **Liability.** Neither a member of the Board of Directors nor an officer of the Association shall be liable to the Association, any Owner or any third party for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties so long as the individual acted in good faith, believed that the conduct was in the best interests of the Association, or at least was not opposed to its best interests, and in the case of criminal proceedings, had no reason to believe the conduct was unlawful. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall defend such individual against such claims and indemnify such individual against liability and expenses incurred to the maximum extent permitted by law. The managing agent of the Association, and its officers and employees, shall not be liable to the Association, the Owners or any third party on account of any action or failure to act in the performance of its duties as managing agent, except for acts of gross negligence or intentional acts, and the Association shall indemnify the managing agent and its officers and employees from any such claims, other than for gross negligence or intentional misconduct.

4.13 **Compensation.** No director shall receive any compensation from the Association for acting as such.

4.14 **Executive, Covenants and Other Committees.** Subject to law, the provisions of the Declaration and these Bylaws, the Board of Directors, may appoint an Executive Committee, a Covenants Committee to be responsible for covenant enforcement as provided in Section 4.15 and such other standing or temporary committees as may be necessary from time to time consisting of Owners and at least one member of the Board of Directors and having such powers as the Board of Directors may designate. Such committees shall hold office at the pleasure of the Board.



4.15 **Enforcement Procedures.** The Association shall have the power, as provided in the Declaration, to impose sanctions for any violation of the Declaration, these Bylaws or the Rules and Regulations. To the extent specifically required by the Declaration, the Board of Directors shall comply with the following procedures prior to the imposition of sanctions:

(a) **Notice.** The Board of Directors or its delegate shall serve the alleged violator with written notice describing (i) the nature of the alleged violation, (ii) the proposed sanction to be imposed, (iii) a statement that the alleged violator shall have fourteen (14) days to present a written request for a hearing before the Board of Directors or a covenants committee appointed by the Board of Directors, if any; and (iv) a statement that the proposed sanction may be imposed as contained in the notice unless a hearing is requested within fourteen (14) days of the notice.

(b) **Response.** The alleged violator shall respond to the notice of the alleged violation in writing within such fourteen (14) day period, regardless of whether the alleged violator is challenging the imposition of the proposed sanction. If the alleged violator cures the alleged violation and notifies the Board of Directors in writing within such fourteen (14) day period the Board of Directors may, but shall not be obligated to, waive the sanction. Such waiver shall not constitute a waiver of the right to sanction future violations of the same or other provisions by any person. If a timely request for a hearing is not made, the sanction stated in the notice shall be imposed; provided, however, that the Board of Directors or covenants committee may, but shall not be obligated to, suspend any proposed sanction if the violation is cured within the fourteen (14) day period. Any response or request for a hearing shall be delivered to the Association's manager, President or Secretary, or as otherwise specified in the notice of violation.

(c) **Proof of Notice.** Prior to the effectiveness of sanctions imposed pursuant to this section, proof of proper notice shall be placed in the minutes of the Board of Directors or covenants committee, as applicable. Such proof shall be deemed adequate if a copy of the notice, together with a statement of the date and manner of delivery, is entered by the officer, director, or agent who delivered such notice. The notice requirement shall be deemed satisfied if the alleged violator or its representative requests and appears at the hearing.

(d) **Hearing.** If a hearing is requested within the allotted fourteen (14) day period, the hearing shall be held before the Board of Directors or the covenants committee, as applicable. The alleged violator shall be afforded a reasonable opportunity to be heard. The minutes of the meeting shall contain a written statement of the results of the hearing (i.e., the decision) and the sanction, if any, to be imposed.

(e) **Appeal.** Following a hearing before the covenants committee, if applicable, the violator shall have the right to appeal the decision to the Board of Directors. To exercise this right, the violator must deliver a written notice of appeal to the Association's manager, President or Secretary within ten (10) days after the hearing date.

(f) **Enforcement Policies.** The Board of Directors, by resolution, may adopt additional policies and procedures governing enforcement of the Declaration, these Bylaws or the Rules and Regulations.



ARTICLE 5.

OFFICERS

5.1 **Designation and Qualification.** The officers of the Association shall be the President, the Secretary, and the Treasurer, as the Board of Directors shall from time to time appoint. Each officer shall be a member of the Board of Directors. The offices of Treasurer and Secretary may be held by the same person.

5.2 **Election and Vacancies.** The officers of the Association shall be elected annually by the Board of Directors at the organization meeting of each new Board to serve for one (1) year and until their respective successors are elected. If any office shall become vacant by reason of death, resignation, removal, disqualification or any other cause, the Board of Directors shall elect a successor to fill the unexpired term at any meeting of the Board of Directors.

5.3 **Removal and Resignation.**

(a) Any officer may be removed upon the affirmative vote of a majority of the directors whenever, in their judgment, the best interests of the Association will be served thereby. The removal of an officer shall be without prejudice to the contract rights, if any, of the officer so removed.

(b) Any officer may resign at any time by giving written notice to the Board of Directors, the President or the Secretary of the Association. Any such resignation shall take effect upon receipt of such notice or at any later time specified therein. Unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective, provided, however, that the Board of Directors may reject any postdated resignation by notice in writing to the resigning officer. The effectiveness of such resignation shall not prejudice the contract rights, if any, of the Association against the officer so resigning.

5.4 **President.** The President shall be the chief executive officer of the Association and shall, subject to the control of the Board of Directors, have powers of general supervision, direction and control of the business and affairs of the Association. He or she shall preside at all meetings of the members and of the Board of Directors. He or she shall be an ex officio member of all the standing committees, including the executive committee, if any, shall have the general powers and duties of management usually vested in the office of president of a nonprofit corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or these Bylaws.

5.5 **Secretary.**

(a) The Secretary shall keep or cause to be kept a book of minutes of all meetings of directors and members showing the time and place of the meeting, whether it was regular or special, and if special, how authorized, the notice given, the names of those present at



directors' meetings, the number of memberships present or represented at members' meetings and the proceedings thereof.

(b) The Secretary shall give or cause to be given such notice of the meetings of the members and of the Board of Directors as is required by these Bylaws or by law. The Secretary shall keep the seal of the Association, if any, and affix it to all documents requiring a seal, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or these Bylaws.

(c) In the absence or disability of the President, the President's duties and powers shall be performed and exercised by the Secretary.

5.6 **Treasurer.** The Treasurer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the Association, including accounts of its assets, liabilities, receipts and disbursements. The books of accounts shall at all reasonable times be open to inspection by any director. The Treasurer shall deposit or cause to be deposited all moneys and other valuables in the name and to the credit of the Association with such depositories as may be designated by the Board. The Treasurer shall disburse or cause to be disbursed the funds of the Association as may be ordered by the Board, shall render to the President and directors, whenever they request it, an account of all of the Treasurer's transactions as Treasurer and of the financial condition of the Association, and shall have such other powers and perform such other duties as may be prescribed by the Board or these Bylaws.

5.7 **Compensation of Officers.** No officer who is a member of the Board of Directors shall receive any compensation from the Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the members. The Board of Directors may fix any compensation to be paid to other officers.

ARTICLE 6.

ASSESSMENTS, RECORDS AND REPORTS

6.1 **Assessments.** As provided in the Declaration, the Association, through its Board of Directors, shall do the following:

(a) Assess and collect from every Owner Assessments in the manner described in the Declaration.

(b) Keep all funds received by the Association as Assessments, other than reserves described in the Declaration, in the Operations Fund and keep all reserves collected pursuant to the Declaration in the Reserve Fund and use such funds only for the purposes described in the Declaration.

(c) From time to time, and at least annually, prepare a budget for the Association, estimating the common expenses expected to be incurred with adequate allowance



for reserves based upon the reserve study required by the Declaration, and determine whether the Annual Assessment should be increased or decreased. Within thirty (30) days after adopting a proposed annual budget, the Board of Directors shall provide a summary of the budget to all Owners. If the Board of Directors fails to adopt a budget, the last adopted annual budget shall continue in effect.

(d) Fix the amount of the Annual Assessment against each Lot at least thirty (30) days in advance of each Annual Assessment period. Written notice of any Assessment shall be sent to every Owner subject thereto and to any first mortgagee requesting such notice. The due dates shall be established by the Board of Directors, which may fix a regular flat Assessment payable on a monthly, quarterly, semiannual or annual basis. The Board of Directors shall cause to be prepared a roster of the Lots showing Assessments applicable to each Lot. The roster shall be kept in the Association office and shall be subject to inspection by any Owner or mortgagee during regular business hours. Within ten (10) business days after receiving a written request, and for a reasonable charge, the Association shall furnish to any Owner or mortgagee a recordable certificate setting forth the unpaid Assessments against such Owner's Lot. Such certificate shall be binding upon the Association, the Board of Directors, and every Owner as to the amounts of unpaid Assessments

(e) Enforce the Assessments in the manner provided in the Declaration.

(f) Keep records of the receipts and expenditures affecting the Operations Fund and Reserve Fund and make the same available for examination by members and their mortgagees at convenient hours, maintain an Assessment roll showing the amount of each Assessment against each Owner, the amounts paid upon the account and the balance due on the Assessments, give each member written notice of each Assessment at least 30 days before the time when such Assessments shall become due and payable; and for a reasonable charge, promptly provide any Owner or mortgagee who makes a request in writing with a written certificate of such Owner's unpaid Assessments.

6.2 **Records.** The Association shall keep within the State of Oregon correct and complete financial records sufficiently detailed for proper accounting purposes, keep minutes of the proceedings of its members, Board of Directors and committees having any of the authority of the Board of Directors, and retain all documents, information and records turned over to the Association by Declarant. All documents, information and records delivered to the Association by Declarant pursuant to ORS 94.616 and other records of the Association shall be kept within the State of Oregon for the time periods specified in ORS 94.670.

6.3 **Statement of Assessments Due.** The Association shall provide, within ten (10) business days after receipt of a written request from an Owner or mortgagee, a written statement that provides: (a) the amount of assessments due from the Owner and unpaid at the time the request was received, including regular and special assessments, fines and other charges, accrued interest, and late-payment charges; (b) the percentage rate at which interest accrues on assessments that are not paid when due; and (c) the percentage rate used to calculate the charges for late payment or the amount of a fixed-rate charge for late payment. The Association is not



required to comply with this section if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

6.4 **Inspection of Books and Records.** Except as otherwise provided in ORS 94.670(5), during normal business hours or under other reasonable circumstances, the Association shall make reasonably available for examination and, upon written request, available for duplication, by Owners, lenders, and holders of any mortgage of a Lot that make the request in good faith for a proper purpose, current copies of the Declaration, Articles, Bylaws, Rules and Regulations, amendments or supplements to such documents and the books, records, financial statements and current operating budget of the Association. The Association shall maintain a copy, suitable for purposes of duplication, of each of the following: (a) the Declaration, these Bylaws, the Rules and Regulations and any amendments or supplements to them, (b) the most recent financial statement of the Association, and (c) the current operating budget of the Association. The Association, within ten (10) business days after receipt of a written request by an Owner, shall furnish copies of such documents to the requesting Owner. Upon written request, the Association shall make such documents, information and records available to such persons for duplication during reasonable hours. The Board of Directors, by resolution, may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of Association records and the imposition of a reasonable fee for furnishing copies of such documents, information or records. The fee may include reasonable personnel costs for furnishing the documents, information or records.

6.5 **Payment of Vouchers.** The Treasurer or managing agent shall pay all vouchers for all budgeted items and for any non-budgeted items, up to \$1,000 signed by the President, managing agent, manager or other person authorized by the Board of Directors. Any voucher for non-budgeted items in excess of \$1,000 shall require the authorization of the President or a resolution of the Board of Directors.

6.6 **Execution of Documents.** The Board of Directors may, except as otherwise provided in the Declaration, Articles of Incorporation, or these Bylaws, authorize any officer or agent 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, to pledge its credit, or to render it liable for any purpose or for any amount.

6.7 **Reports and Audits.** An annual financial statement consisting of a balance sheet and an income and expense statement for the preceding year shall be rendered by the Board of Directors to all Owners and to all mortgagees who have requested the same within ninety (90) days after the end of each fiscal year. Commencing with the fiscal year following the Turnover Meeting, if the Annual Assessments exceed \$75,000 for the year, then the Board of Directors shall cause such financial statements to be reviewed within 180 days after the end of the fiscal year by an independent certified public accountant licensed in Oregon in accordance with the Statements on Standards for Accounting and Review Services issued by



the American Institute of Certified Public Accountants, or if the Annual Assessments are \$75,000 or less, shall cause such review within 180 days after receipt of a petition requesting such review signed by at least a majority of owners. The Board of Directors need not cause such a review to be performed if so directed by an affirmative vote of at least sixty percent (60%) of the Owners, not including votes of Declarant with respect to Lots owned by Declarant. From time to time, the Board of Directors, at the expense of the Association, may obtain an audit of the books and records pertaining to the Association and furnish copies thereof to the members. At any time any Owner or holder of a mortgage may, at their own expense, cause an audit or inspection to be made of the books and records of the Association.

ARTICLE 7.

INSURANCE

7.1 **Types of Insurance.** 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 Operations Fund, the following insurance:

(a) **Property Damage Insurance.**

(i) The Association shall maintain a policy or policies of insurance covering loss or damage from fire, with standard extended coverage and "all risk" endorsements, and such other coverage as the Association may deem desirable.

(ii) The amount of the coverage shall be for not less than one hundred percent (100%) of the current replacement cost of the improvements on the Common Areas (exclusive of land, foundation, excavation and other items normally excluded from coverage), subject to a reasonable deductible.

(iii) The policy or policies shall include all fixtures and building service equipment to the extent that they are part of the Common Areas and all personal property and supplies belonging to the Association.

(b) **Liability Insurance.**

(i) The Association shall maintain comprehensive general liability insurance coverage insuring the Declarant, the Association, the Board of Directors, and the managing agent, against liability to the public or to Owners and their invitees or tenants, incident to the operation, maintenance, ownership or use of the Common Areas, including legal liability arising out of lawsuits related to employment contracts of the Association. There may be excluded from such policy or policies coverage of an Owner (other than as a member of the Association or Board of Directors) for liability arising out of acts or omissions of such Owner and liability incident to the ownership and/or use of the part of the Property as to which such Owner has the exclusive use or occupancy.



(ii) Limits of liability under such insurance shall not be less than One Million Dollars (\$1,000,000) on a combined single-limit basis.

(iii) Such policy or policies shall be issued on a comprehensive liability basis and shall provide a cross-liability endorsement wherein the rights of named insureds under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

(c) **Workers' Compensation Insurance.** The Association shall maintain workers' compensation insurance to the extent necessary to comply with any applicable laws.

(d) **Fidelity Insurance.**

(i) The Board of Directors may cause the Association to maintain blanket fidelity insurance for all officers, directors, trustees and employees of the Association and all other persons handling or responsible for funds of, or administered by, the Association. In the event that the Association has retained a management agent, the Board of Directors may require such agent to maintain fidelity bonds for its officers, employees and agents handling or responsible for funds of, or administered on behalf of, the Association. The cost of such insurance, if any, shall be borne by the Association.

(ii) The total amount of fidelity insurance coverage required shall be based upon the best business judgment of the Board of Directors.

(iii) Such fidelity insurance shall name the Association as obligee and shall contain waivers by the insurance issuers of all defenses based upon the exclusion of persons serving without compensation from the definition of "employees" or similar terms or expressions. The insurance shall provide that they may not be canceled or substantially modified (including cancellation for nonpayment of premium) without at least ten (10) days' prior written notice to the Association.

7.2 **Insurance by Lot Owners.** Each Owner shall be responsible for obtaining, at his or her own expense, homeowner's insurance covering the improvements on the Owner's Lot and liability resulting from use or ownership of the Lot, unless the Association agrees otherwise. The insurance coverage maintained by the Association shall not be brought into contribution with the insurance obtained under this section by the Owners.

7.3 **Planned Community Act Requirements.** The insurance maintained by the Association shall comply with the requirements of the Oregon Planned Community Act, ORS 94.550 to 94.780.

ARTICLE 8.

GENERAL PROVISIONS

8.1 **Seal.** The Board of Directors may, by resolution, adopt a corporate seal.



8.2 **Notice.** 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 members shall be sent to the member's Home or to such other address as may have been designated by the member from time to time in writing to the Board of Directors.

8.3 **Waiver of Notice.** Whenever any notice to any member or director is required by law, the Declaration, the Articles of Incorporation, or these Bylaws, a waiver of notice in writing signed at any time by the person entitled to notice shall be equivalent to the giving of the notice.

8.4 **Action Without Meeting.** Any action that the law, the Declaration, the Articles of Incorporation or the Bylaws require or permit the members or directors to take at any meeting may be taken without a meeting or ballot meeting if a consent in writing setting forth the action so taken is signed by all of the members or directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the members or directors, shall be filed in the records of minutes of the Association.

8.5 **Conflicts.** These Bylaws are intended to comply with the Oregon Planned Community Act, the Oregon Nonprofit Corporation Law, the Declaration and the Articles of Incorporation. In case of any irreconcilable conflict, such statutes and documents shall control over these Bylaws.

ARTICLE 9.

AMENDMENTS TO BYLAWS

9.1 **How Proposed.** Amendments to these Bylaws shall be proposed by either a majority of the Board of Directors or by members holding at least thirty percent (30%) of the voting rights entitled to be cast for such amendment. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or be attached to any request for consent to the amendment.

9.2 **Adoption.**

(a) A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the members and may be approved by the membership at a meeting called for such purpose, by a ballot meeting pursuant to Section 3.13, or by written consent of the members. Members not present at the meeting considering such amendment may express their approval in writing or by proxy. Any resolution must be approved by members holding a majority (at least 50%) of the voting rights, together with the written consent of the Class B member, if any. Amendment or repeal of any provision of these Bylaws that is also contained in the Declaration must be approved by the same voting requirement for amendment of such provision of the Declaration.



(b) Notwithstanding the provisions of the preceding paragraph, until the Turnover Meeting has occurred, Declarant shall have the right to amend these Bylaws in order to comply with the requirements of the Federal Housing Administration, the United States Department of Veterans Affairs, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for a planned community or lots in a planned community. After the Turnover Meeting, any such amendment shall require the approval of a majority of the voting rights of the Association, voting in person, by proxy, or by ballot, at a meeting or ballot meeting of the Association at which a quorum is represented.

9.3 **Relationship to Declaration.** If a provision required to be in the declaration under ORS 94.580 is included in these bylaws, the voting requirements for amending the declaration shall also govern the amendment of the provision in the bylaws.

9.4 **Execution and Recording.** An amendment shall not be effective until certified by the President and Secretary of the Association as being adopted in accordance with these Bylaws and ORS 94.625, acknowledged and recorded in the Deed Records of Washington County, Oregon.

By: 
 Its: President

STATE OF OREGON)
) ss.
 County of Washington)

This instrument was acknowledged before me on May 9, 2005, by WALTER KEMOS as President of the Arbor Reserve Homeowners Association, and he acknowledged to me that he executed the same freely and voluntarily.



Terry P. Kinney
NOTARY PUBLIC FOR OREGON
My Commission Expires: 3-7-2007



Washington County, Oregon 2003-135700
08/13/2003 03:48:14 PM
D-IPP# Crk=1 Stn=11 C WHITE
\$15.00 \$11.00 - Total = \$26.00



00408464200301357000030036

I, Jerry Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Jerry Hanson

Jerry R. Hanson, Director of Assessment and Taxation,
Ex-Officio County Clerk





After recording, please return to:
Washington County SDL-1
1400 SW Walnut Street, MS 51
Hillsboro, OR 97123

15
11
LUT-B

AGREEMENT TO WAIVE RIGHTS TO NOTICE, HEARING, AND REMONSTRANCE
WASHINGTON COUNTY SERVICE DISTRICT FOR LIGHTING NO. SDL-1

Arbor Reserve No. 1

The undersigned, referred to herein as "owners", are the owners of all property within the proposed assessment area within the Washington County Service District for Lighting No. SDL-1, said property being more particularly described as:

(Legal Description Attached)

In accordance with Washington County SDL-1 Ordinance regulations, owners have petitioned the governing body of SDL-1 to create a service area for the above-described property for purposes of securing and maintaining street lighting. Owners have caused to be executed this agreement in part to reduce start up costs and to avoid delay and with full knowledge that the governing body of SDL-1 will rely upon this agreement in the course of proceedings.

Owners hereby agree and covenant as follows:

- 1) The undersigned owners hereby waive any and all rights to a public hearing for creation of an assessment area within the Washington County Service District for Lighting No. SDL-1, and to any notice of such hearing, all of which would otherwise be accorded owner by virtue of the Washington County SDL-1 Ordinance regulations or applicable State law. The undersigned warrant that they are the sole occupants of the property or that the property is unoccupied.
- 2) Owners agree not to remonstrate against the proposed improvements or proposed charges or assessments.
- 3) These covenants are binding upon and shall constitute a covenant running with the land described above to the benefit of adjacent properties and Washington County. They shall be binding upon the owners, and the owners' heirs, successors, and assigns.

DATED this 11th day of August, 2003.

Arbor Reserve, LLC
Name of Corporation or Partnership

Signature

Walter E. Kenney
Name Printed or Typed

MEMBER
Position

STATE OF OREGON

)
) ss.
)

County of Washington

BE IT REMEMBERED that on this 11th day of August, 2003, before me, the undersigned, a notary public in and for the said County and State, personally appeared the within named Walter E. Kenney known to me to be the identical individual(s) described in and who executed the within instrument and acknowledged to me that same was executed freely and voluntarily.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year last above written.



Notary Public for Oregon
My Commission Expires: 3-7-2007



3300 NW 211th Terrace
 Hillsboro, OR 97124
 P 503.858.4242
 F 503.645.5500
 www.ldcdesign.com

ARBOR RESERVE PHASE 1
Legal Description

May 11, 2003

A portion of the Winslow Bronson D.L.C., situated in the Southeast ¼ of Section 30, Township 1 North, Range 1 West, Willamette Meridian, County of Washington, State of Oregon, being more particularly described as follows:

Beginning at the 5/8" Iron Rod marking the Southwest Corner of Lot 16, Crystal Creek, a Plat of Record in Washington County; thence along the South line of said Lot 16, and continuing along the South lines of Lots 1 and 8 through 15, said Plat, S88°00'46"E, 687.23 feet to the Westerly Right of Way line of N.W. 167th Avenue, thence along said Right of Way line, and continuing along the West line of Tract B, said Crystal Creek, S02°00'03"W, 816.89 feet to the Northerly Right of Way line of N.W. Bronson Road (C.R. No. 2513); thence along said Right of Way line, N60°04'59"W, 187.76 feet to an angle point; thence continuing along said line, N57°13'16"W, 100.13 feet to an angle point; thence continuing along said line, N60°04'59"W, 300.09 feet to an angle point; thence continuing along said line, N62°56'44"W, 100.12 feet to an angle point; thence continuing along said line, N60°04'59"W, 994.20 feet to an angle point; thence along said line and continuing along the easterly Right of Way line of N.W. 174th Avenue (C.R. No. 2139) N06°57'11"W, 100.58 feet to the South line of the Gould Tract of Land as described in deed, recorded in Book 155, Page 159, Washington County Deed Records; thence along said line S88°28'34"E, 179.93 feet to the Southeast Corner thereof; thence along the East line of said Tract of Land N01°31'26"E, 575.00 feet to a point; thence leaving said East line the following 16 courses: thence S88°28'34"E, 80.50 feet; thence N01°31'26"E, 90.00 feet; thence S88°28'34"E, 23.69 feet; thence along the arc of a 61.00 foot radius curve concave to the Northwest, through a central angle of 90°00'00" (Chord bears N46°31'26"E, 86.27 feet) a distance of 95.82 feet; thence N01°31'26"E, 61.83'; thence S88°28'34"E, 72.59 feet; thence N44°50'24"E, 16.64 feet, thence N01°31'26"E, 159.96 feet, thence S73°11'02"E, 105.06 feet; thence S85°09'53"E, 64.92 feet; thence N66°41'53"E, 65.92 feet; thence N46°41'39"E, 65.92 feet; thence N21°37'37"E, 54.84 feet; thence N16°47'52"E, 39.00 feet; thence N73°07'14"W, 85.00 feet; thence N16°47'52"E, 20.00 feet to a point on the South line of Somerset, a Plat of Record in said County; thence along the South lines of Lots 6 and 7, said Plat, S73°07'14"E, 160.03 feet to the Northwest corner of Crystal Creek No. 2, a Plat of Record in said County; thence along the West line of Tract G, said Plat and continuing along the West line of Tract A and Lots 17 through 24, Crystal Creek, said County, S01°15'09"W, 1168.06 feet to the point of beginning.

Containing 28.344 Acres.



00600848200400675370010010

Jerry Hanson, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.
Jerry R. Hanson, Director of Assessment and Taxation, Ex-Officio County Clerk



After recording return to:
Northwest Community Management Company
PO Box 23099
Tigard, Oregon 97281

Statement of Association Information
for
ARBOR RESERVE HOMEOWNERS' ASSOCIATION
(pursuant to ORS 94.667)

Name of Association: The name is Arbor Reserve Homeowners' Association

Treasurer Information: The authorized representative to receive assessments for the Association is:
Northwest Community Management Company
PO Box 23099
Tigard, Oregon 97281-3099
(Tel) 503-670-8111

Property Subject to Assessment by the Association: Arbor Reserve
Plat Records of Washington County, Oregon, Document No.2004-000255

Documents Recorded in the Deed Records of Washington County, Oregon: Declaration of Covenants, Conditions and Restrictions of Arbor Reserve, recorded as Document No. 2004-000258, and Amendment and Annexation, recorded as Document No. 2004-019439

State of Oregon)
County of Washington)ss

I, Marshall Fant, being first duly sworn, say that I am the Agent for the Arbor Reserve Homeowners' Association named in the forgoing instrument; that I have knowledge of the facts therein set forth; that all statements made in this instrument are true and correct as I verily believe.

Marshall Fant, Agent

SUBSCRIBED AND SWORN to before me this 9 day of June, 2004,

By Marshall Fant

NOTARY PUBLIC FOR OREGON

