

After recording return to:
Parker Development NW, Inc.
2020C SW 8th Avenue, PMB 166
West Linn, OR 97068

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2005

DECLARATION OF PROTECTIVE COVENANTS

OF

JACKSON HILLS

This Declaration of Protective Covenants ("Declaration") is applicable to Jackson Hills, which shall be Class II planned community subject to the Planned Community Act ORS 94.550 to 94.783.

WHEREAS, Jeffrey I. Parker, hereinafter referred to as Declarant, is the owner of certain real property located in the City Of Happy Valley, County of Clackamas, and State of Oregon, know as JACKSON HILLS, described as follows:

Lots 1-105 (First Phase) inclusive and Tracts A,B and E as shown on the plat map of Jackson Hills ("Property").

WHEREAS, the Declarant desires to impose certain protective covenants and Conditions to the ownership of said property, all of which are for the purpose of enhancing and protecting the value, livability and aesthetic quality of the property in JACKSON HILLS.

NOW THEREFORE, the undersigned hereby declares that the following protective covenants, conditions, restrictions, reservations and easements shall run with the land; shall become and are hereby made a part of all conveyances of Lots within the plat of JACKSON HILLS recorded on December 20, 2004, in plat book 127, page 021, Clackamas County, Oregon and shall by reference apply thereto as fully and with the same effect as if set forth at large therein.

**ARTICLE 1
DEFINITIONS**

As used herein, the following capitalized terms shall have the following meanings unless the context of their usage clearly indicates otherwise:

Architectural Control Committee or "ACC" or "Committee" shall refer to that Committee constituted and acting pursuant to Article 5 of this Declaration.

Association. Means the Jackson Hills Homeowner's Association which shall be an Oregon Nonprofit corporation.

Bylaws. The Bylaws of the Association which shall be recorded in the Clackamas County, Oregon deed records.

Clackamas County Official Records
Sherry Hall, County Clerk

2004-115712



\$221.00

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\$175.00 \$5.00 \$11.00 \$10.00 \$20.00

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Declarant Jeffrey I. Parker or his successors or assigns.

Lot. Any numbered parcel of land shown upon any recorded plat of the property.

Owner. The owner of record, whether one (1) or more persons, of fee simple title to any Lot, whether or not subject to any mortgage or deed of trust, but excluding those having such interest merely as security for the performance of an obligation. A contract purchaser under a recorded agreement of sale or contract for the sale of real property wherein the legal title remains in the vendor thereunder shall be deemed to be the Owner. If title to a lot is vested of record in a mortgage, or beneficiary under a deed of trust by foreclosure, the mortgagee or beneficiary shall be deemed to be the Owner of the Lot.

Dwelling. Any structure constructed on a Lot intended to be occupied by ne family as a dwelling under applicable zoning and building laws and restrictions.

Open Space. Those common area parcels or tracts of land as shown as Tracts A, B, and E on the recorded plat of Jackson Hills.

Easements. Those portions of the Property designated as such on th3e plat and in this Declaration of Protective Covenants which are reserved for a specific limited use or enjoyment.

ARTICLE 2

ANNEXATION OF ADDITIONAL PROPERTY

2.1 Annexation of Additional Property. Additional property may be added to Jackson Hills as subsequent phases without the approval of any other Owner or the Association. Provided, however, such additional property must be residential lots or common area tracts, must abut to some portion of the property or would abut except for intervening public streets or other publicly owned real property, and **must be annexed by a supplemental declaration not later than ten (10) years from the date this Declaration is recorded.** There shall be no limitation of lots which the Declarant may create or annex to the planned community. In addition, there is no limitation on the right of the Declarant to create or annex open space/common area. The annexation of such real property shall be accomplished as follows:

2.2.1 Supplemental Declaration. The owner(s) of such real property shall record a supplemental declaration which shall be executed by or bear the approval of Declarant and shall, among other things, described the real property to be annexed, establish land classifications for the additional property, establish any additional limitations, uses, restrictions.

Covenants and conditions which are intended to be applicable to such property, and declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration.

- 2.2.2 Annexed Property a Part of Jackson Hills. The property included in any such annexation shall thereby become a part of Jackson Hills and the Association shall accept and exercise administration of any supplemental declaration with respect to such property.
- 2.2.3. Voting Rights of Annexed Lots. Upon annexation, additional Lots so annexed shall be entitled to voting rights as set forth in Section 6.4 below.
- 2.2.4. Annexed Lot Owners as Members. After complying with the procedures for annexation and upon conveyance of the first Lot in the annexed phase to an Owner, Owners of Lots in the annexed phase shall be members, shall be subject to this Declaration and shall be entitled to the use and enjoyment of all Open Space in Jackson Hills in the manner and for the purpose for which such Open Space is intended to be used and enjoyed. The Association shall reallocate the assessments so as to assess each Owner of a Lot in Jackson Hills and equal share of the total expenses of the Association.
- 2.3 De annexation and amendment. Declarant reserves the right, at its sole Option, to (i) amend this Declaration or any supplemental declaration by executing and recording an amendment (provided that the amendment is consistent with this Article), or (ii) remove from the effect of this declaration any property described in the Declaration or supplemental declaration concerning any future phase by executing any recording a rescission or the annexation of specified Lots or Tracts to this Declaration as long as all of the following conditions are satisfied at the time of the execution and recordation of the amendment or rescission: (a) no Lot in that phase has been conveyed to an Owner; and (b) assessments have not commenced for any Lot in the annexed property.
- 2.4 Amendment. After the conversion of Class B membership to Class A Membership, this Article may not be amended without the consent of Declarant as long as the Declarant owns a Lot or has a right to annex additional property to Jackson Hills.

ARTICLE 3 RESIDENTIAL COVENANTS

- 3.1 Use. All lots in Jackson Hills shall be single-family residential use only. Any permanent multi-family, communal or group use is prohibited. No Business venture shall be conducted in or abut any Property in Jackson

Hills except for (a) one-room offices which are not designated by exterior signs and do not create additional vehicle traffic, and (b) builders', Declarant, or real estate agents' temporary sales offices or model homes.

- 3.2 Dwelling Size. The ground floor area of one-story Dwelling, exclusive of open porches or garages, shall not be less than 2,400 square feet and the ground floor level of a two-story Dwelling exclusive of open porches or garages shall not be less than 1,300 square feet.

The total square footage of living space of multi-level Dwelling shall not be less than 2,400 square feet. The Architectural Control Committee may in its sole discretion approve any changes to the Dwelling size standards as set forth herein. The Architectural Control Committee, upon application, may waive any violation of this provision, which it finds to have been inadvertent.

- 3.3 Building Restrictions. All Dwellings shall be constructed in accordance with the following minimum requirements.

3.3.1 Walls shall be double wall constructed with siding of cedar, redwood stucco, masonry or other material approved by the Architectural Control Committee.

3.3.2 Roofs shall be constructed of wood shakes, wood shingles, tiles, or Celotex Presidential Shakes; or architectural composition.

3.3.3 Chimneys shall be faced with brick, stone or other material approved by the Architectural Control Committee. The Committee reserves the right to grant a variance, at its sole discretion, relative to a second fireplace, which shall be contingent upon design (flue pipe must be disguised), location and visibility from the street.

3.3.4 Window frames shall be wood or vinyl.

3.3.5 All plans and exterior colors must meet ACC approval.

- 3.4 Easements

3.4.1 Utility and Drainage. Easements for installation and maintenance of utilities and drainage facilities are served as shown on the recorded plat. Within these easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities or which may change the direction of flow of water or retard the flow of water, through drainage channels in the easements. Each Lot Owner shall be responsible for removal of

any fencing or vegetation in the event a utility company makes such a request.

3.4.2 Easements Reserved by Declarant. So long as Declarant owns any Lot, Declarant reserves an easement over, under and across the open space in order to carry out sales activities necessary or convenient for the sale of Lots. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress to, from, over, in, upon, under and across the Open Space and the right to store material thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the improvements on the property in such a way as not to interfere unreasonably with the occupancy, use, enjoyment or access to an Owner's Lot by such Owner or such Owner's Family, tenants, employees, guests or invitees.

3.43 Association's Easements. Declarant grants to the Association and its duly authorized agents and representatives such easements over the Lots and Open Space as are necessary to perform the duties and obligations of the Association, as set forth in this Declaration, the Bylaws and the Articles, as the same may be amended.

3.5 Maintenance of Dwelling and Ground. Each Owner shall maintain their Lot and improvements in clean and attractive condition, in good repair and in such a fashion as not to create a hazard of any kind. Such maintenance shall include, without limitation, painting or staining, repair, replacement and care of roofs, gutters, down spouts, landscaping, surface water, drainage, walks and other exterior improvements and glass surfaces. In addition, each Owner shall keep shrubs, trees, grass and plantings of every kind neatly trimmed, properly cultivated and free of trash, weeds and other unsightly materials. The provisions of this section include the areas between the property line of any Lot and the nearest curb, including sidewalks and street trees.

3.6 Animals. No animals, including poultry, shall be raised or kept on any Lot except that a reasonable number of dogs, cats or other household pets may be kept, provided they are not raised or kept for commercial purposes and are not permitted to be a nuisance or annoyance or cause damage or discomfort to any Owner, neighbor and/or neighboring Lot. An Owner may be required to remove a pet upon receipt of the third notice in writing from the Board of Directors of any violation of any rule, regulation or restriction governing pets.

3.7 Garbage and Refuse Disposal. No Lot shall be used as a dumping ground for garbage, rubbish, or their waste. All garbage and trash shall be kept in

- sanitary containers and out of public view.
- 3.8 Signs. No signs shall be erected or maintained on any Lot, except that "For Sale" "For Lease" or "For Rent" signs may be placed by the Owner, Declarant, builder or Real Estate Agent. Block Home signs and temporary placement of "Political" signs are permissible.
- 3.9 Parking and Storage of Equipment. Boats, Trailers, truck-campers, motorhomes, mobile homes, commercial vehicles, recreational vehicles and like equipment shall not be parked in the driveway servicing a dwelling or on public streets adjacent thereto for a period not to exceed forty-eight (48) hours in any thirty (30) day period. Provided, further, that such vehicles/equipment may be parked in a fully enclosed garage or on that portion of the lot not located between the street and the front setback line which is completely screened from view, specifically designed for such an additional parking pad, and had been approved by the Architectural Control Committee.
- 3.10 Offensive Activities. No obnoxious or offensive activity or condition shall be permitted upon any part of the property nor shall anything be done which may be or may become an annoyance or nuisance to the neighborhood or any Owner.
- 3.11 Antenna and Service Facilities. Except as permitted by law, no exterior antennas, aerials or satellite dishes, except satellite dishes 19" or less in width, shall be permitted on any part of the Property. Clotheslines and other service facilities shall be screened so as not to be viewed from the street.
- 3.12 Completion of Construction. The construction of any Dwelling, including Painting and all exterior finish, shall be completed with eight (8) months from the beginning of construction so as to present finished in appearance when viewed from any angle. In the event of undue hardship due to extraordinary weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Architectural Control Committee. The building area and streets shall be kept reasonably clean and in workmanlike order during the construction period, and the Owner of each Lot shall be responsible for any and all damage to curbs, streets and utilities during construction.
- 3.13 Landscape Completion. All front yard landscaping must be completed with two (2) months from the date of occupancy of the Dwelling thereon. In the event of undue hardship due to weather conditions, this provision may be extended upon written approval of the Architectural Control Committee. Landscape completion shall also include provisions for adequate surface water drainage to prevent unnecessary discharge onto adjoining Lots.

- 3.14 Fencing. As used herein, fencing shall mean any barrier, boundary hedge or wall. Plantings or site obscuring fences shall not exceed four (4) feet in height in the front yard or on side Lot lines forward of the building line with the greatest setback on the lot or the adjoining Lot. The maximum height of a site-obscuring fence located on the remainder of the lot shall be six (6) feet.
- 3.15 Trees. All Owners shall comply with the planting of street trees as required by the City of Happy Valley. Once planted, street trees may not be removed except by written permission from the City of Happy Valley.
- 3.16 Improvements. Declarant does not agree to build any improvements in Jackson Hills not described in this Declaration.
- 3.17 Vehicles in Disrepair. No Owner shall permit any vehicle that is in a state of disrepair or that is not currently licensed to be abandoned or to remain parked upon the Open Space or on any street on or adjacent to the Property at any time and may not permit them on a Lot for a period in excess of forty-eight (48) hours. A vehicle shall be deemed in a "State of disrepair" when the Board reasonably determines that its presence offends the occupants of the neighborhood. If an Owner fails to remove such vehicle with five (5) days following the date on which the Association mails or delivers to such Owner a notice directing such removal, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner as an assessment, which may be collected and enforced as any other assessments imposed pursuant to the Declaration and Bylaws.
- 3.18 Right of Maintenance and Entry by Association. If an Owner fails to perform maintenance and/or repair that such Owner is obligated to perform pursuant to this Declaration, and if the Board determines, after notice, that such maintenance and/or repair is necessary to preserve the attractiveness, quality, nature and/or value of Jackson Hills, the Board may cause such maintenance and/or repair to be performed and may enter any such Lot wherever entry is necessary in connection with the performance thereof. An Owner may request, and the Board shall conduct, a hearing on the matter. The Owner's request shall be in writing delivered within five (5) days after receipt of the notice, and the hearing shall be conducted within not less than five (5) days nor more than twenty (20) days after the request for a hearing is received. Entry shall be made with as little inconvenience to an Owner as practicable and only after advance written notice of not less than forty-eight (48) hours, except in emergency situations. The costs of such maintenance and/or repair shall be chargeable to the Owner of the Lot as an assessment, which may be collected and enforced as any other assessments authorized hereunder.**

- 3.19 Temporary Structures. No structure of a temporary character or any trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot as a residence, either temporarily or permanently.

ARTICLE 4
OPEN SPACE

- 4.1 Open Space. The Owners of Lots within Jackson Hills and their respective invitees shall be entitled to the exclusive use of the Open space designated on the recorded plat; subject however, to the restriction that the Open Space shall be dedicated for open space and those recreational use which do not harm or otherwise disturb the natural setting of the areas or trees or landscaping and vegetation thereon. Any conveyance of any Lot shall automatically transfer the right of use of the Open Space without the necessity of express reference in the instrument of conveyance. Declarant (or, after turnover, the Association) may establish reasonable rules regulating the use of the Open Space.
- 4.2 Ownership of Open Space. Title to the Open Space shall be conveyed to the Association upon recordation of the plat of Jackson Hills.
- 4.3 Public Right-of-Way. The public right-of-ways, as shown on the recorded plat, have been dedicated to the public for walkway purposes and shall be used by Owners of Lots within Jackson Hills jointly with members of the public; however, maintenance of the landscape improvements constructed by Declarant in the public right-of-way shall be the obligation and responsibility of the Association.
- 4.4 Benefited Party – City of Happy Valley. The City of Happy Valley shall be a benefited party for the enforcement of the maintenance provisions of this Declaration with respect to the common areas.

ARTICLE 5
ARCHITECTURAL CONTROLS

- 5.1 Construction. No Dwelling structure, including storage shelter, swimming pools, greenhouses and remodeling shall be commenced on any Lot until the plans and specifications have been submitted to and approved in writing by the Architectural Control Committee. The intent of this covenant

is to assure quality of workmanship and material, harmony of external design with the existing and planned Dwellings as to location, appearance, finish grade elevations and to avoid plan repetition.

- 5.2 Procedure. Prior to application for a building permit or commencement of any work, Owners shall prepare and submit one set of plans and specifications for the proposed work showing the material and colors to be used, and plot plan showing the location of the improvements on the Lot. The Architectural Control Committee shall render its decision, in writing, within ten (10) days after it has received said requested information. In the event the Committee fails to render its approval or disapproval within twenty (20) working days after plans, specifications and plot plan have been submitted to it, approval will be deemed to have been given. The Architectural Control Committee, from time to time, and at its sole discretion, may adopt architectural rules, regulations and guidelines ("Architectural Standards").
- 5.3 Architectural Control Committee Appointment and Removal. The Committee shall consist of no fewer than three (3) members and no more than (5) members, as the Declarant may appoint from time to time. Declarant reserves the right to appoint all members of the Committee and all replacements thereto until Jackson Hills is one hundred percent (100%) built out. After build out, Declarant shall delegate the right to appoint and remove members of the Committee to the Board of Directors. The terms of office for each member of the committee shall be for one (1) year unless lengthened or shortened by the Board at the time of appointment. The Board may appoint any or all of its members for the Committee and there shall be no requirement for non-Board members on the Committee.
- 5.4 Liability. Neither the Architectural Control Committee nor Declarant or their successors or assigns shall be liable to anyone submitting plans to them for approval, or to any Lot Owner by reason of mistake in judgment, negligence of nonfeasance arising out of or in connection with the approval or disapproval or failure to approve such plans. Every person who submits plans to the Committee for approval agree, by submission of such plans to the Committee, and every Owner, by acquiring title to a Lot or interest therein, that they will not bring any action or suit against the Committee or Declarant to recover any damages. The Committee's review and approval or disapproval of plans and specifications shall be for all Owner's benefit and shall not be relied upon by applicant in any other way, such review having been made solely to assure that the improvements contemplated would be aesthetically compatible with the existing and planned Dwellings in Jackson Hills.
- 5.5 Action. Any two members of the Architectural Control Committee to any matter, proposed to it and within its jurisdiction under this Declaration shall

not be deemed to constitute a precedent or waiver impairing its rights to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

- 5.6 Non-Waiver. Consent by the Architectural Control Committee to any matter, Proposed to it and within its jurisdiction under this Declaration shall not be deemed to constitute a precedent or waiver impairing its rights to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.
- 5.7 Effective Period of Consent. The Committee's consent to any proposed work shall automatically be revoked one (1) year after issuance, unless construction of the work has been commenced or the Owner has applied for and received an extension of time from the Committee.
- 5.8 Appeal. At any time after Declarant has delegated appointment of the members of the Committee to the Board of Directors pursuant to Section 5.3, any Owner adversely impacted by action of the Committee may appeal such action to the Board of Directors. Appeals shall be made in writing within ten (10) days of the Committee's action and shall contain specific objections or mitigating circumstances justifying the appeal. A final, conclusive decision shall be made by the Board of Directors within twenty (20) days after receipt of such notification. The determination of the Board shall be final.
- 5.9 Determination of Compliance. The Committee may inspect, from time to time, all work performed and determine whether it is in substantial compliance with the approval granted. If the Committee finds that the work was not performed in substantial conformance with the approval granted, or if the Committee finds that the approval required was not obtained, the Committee shall notify the Owner in writing of the noncompliance. The notice shall specify the particulars of noncompliance and shall require the Owner to remedy the noncompliance.
- 5.10 Non compliance. If the Committee determines that an Owner has not constructed an improvement consistent with the specifications of a Committee approval, and if the Owner fails to diligently commence to remedy such noncompliance 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 Committee shall provide notice of a hearing to consider the Owner's continuing noncompliance. At the hearing, if the Committee finds that there is no valid reason for the continuing noncompliance, the Committee shall determine the estimated costs of correcting it and may fine the Owner for such noncompliance. The Committee 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

Committee's determination. If the Owner does not comply with the Committee's ruling within such period or within any extension of such period as the Committee, at its discretion, may grant, the Committee may either remove the noncomplying improvement, remedy the noncompliance, and/or record a notice of noncompliance in the county deed records. The cost of any such action shall be assessed against the Owner as an assessment either before or after any remedied act is taken.

- 5.11 Estoppel Certificate. Within fifteen (15) working days after written request is delivered to the Committee by Owner, and upon payment to the Committee of a reasonable fee fixed by the Committee to cover costs, the Committee shall provide such Owner with a certificate executed by the Chairman or other authorized member of the Committee 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 (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, Owner's 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 Committee, the Association and all Owners, and such persons deriving any interest through any of them.
- 5.12 Fees. The Committee may charge a reasonable application fee and charge applicants additional costs incurred or expected to be incurred by the Committee to retain architects, attorneys, engineers and other consultants to advise the Committee concerning any aspect of the applications and/or compliance with any appropriate architectural criteria or standards, including, without limitation, those pertinent to house siting and height. Such fees shall be collectible as assessments pursuant to Article 7.

ARTICLE 6 ASSOCIATION

Declarant shall organize an Association of all the Owners of Lots within the Property. Such Association, its successors and assigns, shall be organized under the name "Jackson Hills Homeowners' Association". Or such similar name as Declarant shall designate, and shall have such powers and obligations as set forth in this Declaration and the Oregon Planned

Community Act, as may be amended from time to time, for the benefit of the Property and all Owners of Lots located herein.

- 6.1 Organization. Declarant shall, not later than the date on which the first Dwelling is conveyed to the initial occupant, organize the Association as a nonprofit corporation under the general nonprofit corporation laws of the State of Oregon.
- 6.2 Membership. Every Owner of one (1) or more Lots within the Property shall, immediately upon creation of the Association and thereafter during the entire period of such Owner's ownership of one (1) or more Lots within the Property, 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,
- 6.3 Powers and Obligations. The Association shall have, exercise and perform all of the following powers, duties and obligations:
 - 6.3.1 Powers, duties and obligations created by this Declaration and the Bylaws.
 - 6.3.2 Powers, duties and obligations of a nonprofit corporation pursuant to the nonprofit corporation laws of the State of Oregon.
 - 6.3.3 Powers, duties and obligations set forth in the Oregon Planned Community Act.
 - 6.3.4 Any additional duties and obligations necessary or desirable for the purpose of maintaining the Open Space, Public Right-of-Way improvements, Tract improvements, or otherwise promoting the general benefit of the Owners within the property.

The Powers and Obligations of the Association may from time to time be amended, repealed, enlarged or restricted by changes in this Declaration made in accordance with the provisions herein, accompanied by changes in the Articles of Incorporation or Bylaws of the Association made in accordance with such instruments and with the nonprofit corporation laws of the State of Oregon.

- 6.4 Voting Rights. The Association shall have two (2) classes of voting members:
 - 6.4.1 Class A. Class A members shall be Owners of Lots other than 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.

6.4.2. 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 the following dates (the "Termination Date").

- (a) The date on which seventy five percent (75%) of the total number of Lots in Jackson Hills have been sold and conveyed to Owners other than Declarant; and
- (b) The date on which Declarant elects in writing to terminate Class B membership.

After the Termination Date, each Owner, including 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 subject to this Declaration, initially or through annexation.

If more than one person holds interest, the vote for such Lot shall be exercised as the persons holding such interest shall determine between themselves, but in no event shall more than one (1) vote be cast with respect to such Lot.

6.5 Liability Neither the Association nor any officer or member of its Board of Directors shall be liable to any Owner for damages, loss of prejudice suffered or claimed on account of any action or failure to act by the Association, any of its officers or member of its Board of Directors, provided only that the officer or Board member has acted in good faith in accord with the actual knowledge possessed by him or her. No officer or Director of the Association shall be liable for any damages or loss arising out of the failure to enforce any term, condition or restriction contained herein.

6.6 Turnover Meeting. Declarant shall call a meeting for the purposes of turning over administrative control of the Association from Declarant to the Class A members within sixty (60) days of the earlier of the following dates

6.6.1 Earliest Date. The date on which Lots representing seventy-five percent (75%) of the total number of votes of all lots in Jackson Hills have been sold and conveyed to person other than Declarant;

6.6.2 Optional Turnover. The date on which Declarant has elected in writing to terminate Class B membership.

Declarant shall give notice of the Turnover Meeting to each Owner as provided in the Bylaws.

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ARTICLE 7
MAINTENANCE ASSESSMENTS FUND

7.1 **Maintenance.** Declarant shall maintain, or provide for the maintenance of improvements in Tracts and Public Right-of-Ways (unless the maintenance thereof is assumed by a public body) until such time as Declarant shall delegate or otherwise assign its obligation of maintenance to the Association within the time set forth in Article 56, Section 6.6. In the event the Open Spaces are not properly maintained, the City Of Happy Valley reserves the right to maintain, repair or replace the Open Spaces as found to be necessary and assess the Owners of the Lots on a prorated basis for all costs incurred by the City of Happy Valley for maintenance, repair and replacement.

7.2 **Maintenance Assessment.** Declarant (or, after turnover, the Association) shall assess and collect from every Owner and every Owner shall pay an annual maintenance assessment sufficient to pay the common expenses, but not more than \$500.00 per Lot per year unless such maximum assessment is increased as provided in Article 7, Section 7.5. The annual assessment shall be assessed on January 1 of each year commencing in 2004 unless deferred by Declarant. Lots owned by the Declarant or a homebuilder shall not be subject to assessment until a Dwelling has been completed on any such Lot and such Lot is occupied as a residence. All amounts received shall be deposited in the Maintenance Fund. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely as set forth in this Declaration and the Bylaws. Upon the sale or transfer of any Lot the Owner's interest in such funds shall be deemed automatically transferred to the successor in interest to such Owner. No offsets against any assessment shall be permitted for any reason including, without limitation, any claim that the Association is not properly discharging its duties.

7.3 **Maintenance Fund.** Declarant (or, after turnover, the Association) shall keep all funds received by it as maintenance assessments, together with any proceeds from any condemnation or sale of any part of the Open Space and any other funds received by it pursuant to this Declaration which are by the terms of such this Declaration to be deposited into the Maintenance Fund, separate and apart from its other funds in an account to be known as the "Maintenance Fund" and shall use such fund only for the following purposes:

7.3.1 Payment of the cost of maintaining the entry monuments signs, Tract A, B, & E, landscape and irrigation

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improvements, and any other improvements constructed by Declarant for the benefit of the Property.

- 7.3.2 payment of real property taxes, if any, assessed against Tracts A,B, & E within the Jackson Hills and any Improvements thereon.
- 7.3.3 Payment of cost of garbage and trash disposal for Tracts A, B, & E.
- 7.3.4 Payment of the cost of insurance as provided in the bylaws, Including insurance protecting the Architectural Control Committee, board of Directors, Declarant and the Association against liability arising out of their functions and activities in the administration of this Declaration and the Bylaws.
- 7.3.5 Payment of the cost of enforcing this Declaration and the Bylaws.
- 7.3.6 Payment of the administrative costs of the Association.
- 7.3.7 Payment of the cost of other services which the Declarant, Board of Directors or Association deems to be of general benefit to the Owners of Lots within Jackson Hills, including but not limited to legal accounting and secretarial services.

7.4 Special Assessments of Capital Improvements. In addition to the assessments authorized by article 7, Section 7.2 above, the Board of Directors may levy in any assessment year a special assessment, applicable to that year only, for the purpose of defraying all or part of the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvements upon the areas maintained by the Association. No such assessment may be levied without the vote or written consent of seventy-five percent (75%) of the membership. The special assessment shall be made against each Lot on the Property equally.

7.5 Assessment Adjustments. Any adjustment (increase or decrease) of the maximum assessment set forth in Article 7, Section 7.2 must have the assent of seventy-five percent (75%) of the votes of members of the Association entitled to vote present in person or by proxy at a meeting duly called for that purpose. The minimum annual assessment set forth in Article 7, Section 7.2 shall be automatically increased annually by the

United States Department of Labor Consumer Price Index, all Urban Consumers, all items for Portland Oregon or the successor in such index.

7.6 Default in Payment of Assessments, Enforcement of Liens.

7.6.1 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 grantors for all Association assessments imposed through the recording date of the instrument effecting the conveyance. A suit for a money judgment may be initiated by the Association to recover such assessments without either waiving or foreclosing the Association's lien.

7.6.2 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 the Board or any management agent, may file a notice of lien in the deed records of Clackamas 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 suit or action is instituted), actual administrative costs, and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Said lien may be foreclosed at any time, but not later than six (6) years after the latest lienable charge has been imposed. 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 before the Association's notice of lien and any mortgage or deed of trust granted to an institutional lender that is recorded before the Association's notice of lien.

7.6.3 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, Architectural Standards and the Rules and Regulations adopted by the Board or the Committee. 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 address of such Owners. Such impositions shall be considered assessments that are lienable and collectible in the same manner as any other assessments; provided, however,

that fines or penalties for violation of this Declaration, the Bylaws or any rule and regulation, other than late fees, fines or interest arising from an Owners failure to pay regular, special or reimbursement assessments may not be imposed against an Owner or such Owner's Lot until such Owner is given an opportunity for a hearing as elsewhere provided herein.

- 7.6.4 Acceleration of Assessments. If 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.
- 7.6.5 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 such Owner's Lot or shall be entitled to the appointment of a receiver.
- 7.6.6 Rights to Profits. Association profits, if any, shall be the property of the Association and shall be contributed to the Maintenance Fund.

ARTICLE 8 ENFORCEMENT; ATTORNEYS' FEES

- 8.1 Nonqualifying Improvements and Violation of Use Restrictions. If any Owner constructs or permits to be constructed on his/her Lot an improvement contrary to the provisions of this Declaration or the Architectural Standards, or causes or permits any improvements, activity, condition or nuisance contrary to the provisions of this Declaration or the Architectural Standards to remain uncorrected or unabated on his/her Lot, then the Association, acting through its Board of Directors shall require the Owner to remedy or abate the same in order to bring the Owners Lot, the improvements thereon and the use thereof, in conformance. If the Owner is unable, unwilling or refuses to comply with the Associations specific directives for remedy or abatement, or the Owner and the Association cannot agree to a mutually acceptable solutions within the framework and intent of the this Declaration, within fourteen (14) days after the written notice to the Owner and a hearing with an opportunity for the Owner to be heard, then the Association, acting through its Board of Directors, shall have the right to:
- 8.1.1 Impose reasonable fines against such Owner in the manner

and amount it consistent with the schedule of fines adopted by the Board of Directors.

8.1.2 Enter the offending Lot and remove the cause of such violation, or alter, repair or change the item which is in violation of this Declaration in such a manner as to make it conform thereof, in which case, the Association may assess such Owner for the entire cost of the work done, which amount shall be payable to the Maintenance Fund.

8.1.3 Bring suit or actions against the Owner on behalf of the Association and other Owners to enforce this Declaration and/or the Architectural Standards.

8.2 Attorneys' Fees. In the event suit or action is commenced to enforce the terms and provisions of this Declaration, Bylaws, Rules and Regulations Architectural Standards (including without limitations, for the collection of assessments), the prevailing party shall be entitled to its actual administrative costs incurred because of a matter or event which is the subject of the suit or action, attorneys' fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees, to be set by the appellate court. In addition thereto, the Association shall be entitled to its reasonable attorneys' fees and cost incurred in any enforcement activity or to collect delinquent assessments, together with the Association's actual administrative costs, whether or not suit or action is filed.

ARTICLE 9 GENERAL PROVISIONS

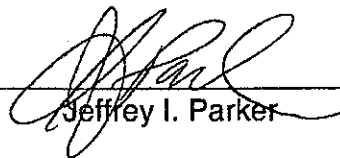
9.1 Duration and Amendment. This Declaration shall run with the land with respect to all Property with Jackson Hills, and shall be binding on all parties and persons claiming under them for a term of twenty (20) years from the date of recording hereof, after which time, they shall automatically be extended for successive periods of ten (10) years. This Declaration of Protective Covenants may be terminated or amended at any time by an instrument approved by not less than seventy-five percent (75%) of the platted Lots. Any amendment or termination must be executed, recorded and certified by the President and Secretary of the Association. No amendment affecting the general plan of development or any other right of Declarant herein contained may be effected without the express written consent of the Declarant or its successors and assigns, including, without limitation, amendment of this Section.

9.2 Severability. Invalidation of any one of this Declaration shall in no way affect any of the other provisions, which shall remain in full force and effect.

- 9.3 Limitation of Liability of Declarant. Neither Declarant nor any officer or director thereof shall be liable to any Owner or on account of any action or failure to act of Declarant in performing its duties or rights hereunder, provided that Declarant has, in accordance with actual knowledge possessed by it, acted in good faith.
- 9.4 Notice. Any notice required to be sent to any Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, postage prepaid, to the last known address of the person who appears as the Owner of record at the time of such mailing.
- 9.5 Disclaimer. This Declaration constitute a private agreement among the Owners of Lots within Jackson Hills and may not be enforced by the City of Happy Valley.

IN WITNESS HEREOF, the undersigned, be the Declarant herein, has hereunto set its hand this 17 day of December, 2004.

By: _____


Jeffrey I. Parker

STATE OF OREGON)

County of Clackamas) ss.

This instrument was acknowledge before me on December 17, 2004 by Jeffrey I. Parker.



Cynthia L. Caufield
Notary Public of Oregon

After Recording Return to:
Parker Development NW, Inc.
2020-C SW 8th Ave, PMB #166
West Linn, OR 97068

**BYLAWS
OF
JACKSON HILLS HOMEOWNERS' ASSOCIATION**

ARTICLE 1

PLAN OF LOT OWNERSHIP; DEFINITIONS

- 1.1 Lot Ownership. These Bylaws are applicable to certain lots in Jackson Hills, a platted subdivision in the City of Happy Valley, Clackamas County, Oregon which have been subjected to the Declaration of Protective Covenants of Jackson Hills (the "Declaration"). Said lots and Common Area may be collectively referred to in these Bylaws as the "Property" or "Project," and the lots individually or collectively as a "Lot" or the "Lots." The Common Area is located in various tracts which may be referred to herein as "Tracts."
- 1.2 Bylaws Applicability. The provisions of the Bylaws are applicable to the Property, the Association and the entire management structure thereof.
- 1.3 Personal Application. All present or future Owners, tenants, occupants, future tenants or their employees, or any other person that might occupy any portion of the Property in any manner, are subject to the provisions set forth in these Bylaws. The acquisition, occupancy or rental of any of the Lots or the mere act of occupancy of any said Lots will constitute acceptance and ratification of these Bylaws and agreement to comply with all the provisions hereof.
- 1.4 Definitions. The terms herein shall have the same meaning as set forth in Article 1 of the Declaration, except that the Tracts and Open Spaces of the Declaration are referred to as Common Areas in these Bylaws.

ARTICLE 2

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

- 2.1 Membership in the Association. Upon recordation of a conveyance or contract to convey a Lot the grantee or purchaser named in such conveyance or contract shall automatically be a member of the Jackson Hills Owners Association (the "Association"), and shall remain a member of the Association until such time as such person's ownership ceases for any reason. For all purposes of the Declaration and the administration of the Property, Lot ownership shall be determined from the records maintained by the Association. The record shall be established by the Owner filing with the Association a copy of the deed to or land sale contract for his Lot, to which shall be affixed the certificate of the recording officer of the County of

Clackamas, Oregon, showing the date and place of recording of such deed or contract. No person shall be recognized as an Owner unless a copy of the deed or contract has been filed with the Association as provided above showing him to be the current Owner or contract purchaser of a Lot. Notwithstanding the foregoing, the Declarant shall be the Owner of all previously unsold Lots, although no deed or land sale contract, with respect to such Lots, has been filed with the Association. 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.

Fractionalized or split votes shall be disregarded, except for purposes of determining a quorum. The total number of votes as of the Termination Date and thereafter shall be equal to the total number of Lots annexed to the Property and subjected to these Bylaws as of the Termination Date.

- 2.2 Declarant Control. Until the turnover meeting described in Section 3.3, the Declarant shall exercise administrative control over the Association. During this period, Declarant may appoint a single director of the Association, who shall exercise sole control over the affairs of the Association.
- 2.3 Majority of Owners. As used in these Bylaws, the term "majority" shall mean those Owners holding over fifty percent (50%) of the voting rights allocated to the Owners in accordance with the Declaration and Section 2 above. "Majority of Owners present" shall mean Owners holding over fifty percent (50%) of the votes present at any legal meeting.
- 2.4 Quorum. Except as otherwise provided in these Bylaws, the presence in person or by proxy of Owners holding twenty-five percent (25%) or more of the outstanding votes in the Association, as defined in Section 2 of this Article, shall constitute a quorum.
- 2.5 Voting and Proxies. Votes may be cast in person, by written ballot, or by proxy. Proxies must be filed with the Secretary before or during the appointed meeting. **A proxy shall expire one (1) year after the date it was signed unless a shorter period is specified in the proxy.** The proxies may require the holder to cast a vote for or against any special proposal set out in the notice calling the meeting. A meeting of the Association may be by written ballot, as the Directors may elect, rather than at a formal gathering. Ballots for such meeting must be properly executed and returned in sufficient quantity to constitute a quorum and to pass the proposal specifically propounded on the ballot and must comply with the applicable provisions of the Oregon Non-Profit Corporation statutes, ORS Chapter 65. **Unless withdrawn, a proxy given to another person to vote at a specific meeting shall also be valid at an adjourned meeting called under the provisions of Section 3.7.**
- 2.6 Authority to Vote. All Owners shall be entitled to vote, including those who have leased their premises to a third party. An Owner's right to vote may not be revoked. A purchaser under a land sale contract entitled to immediate possession of the Lot shall be deemed the Owner thereof, unless otherwise provided in such contract.
- 2.7 Fiduciaries and Joint Owners. An executor, administrator, guardian or trustee may vote, in person or by proxy, at any meeting of the Association with respect to any Lot owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided, that he shall satisfy the Secretary that he is the executor, administrator, guardian or trustee, holding such Lot in such capacity. Whenever any Lot is owned by two or more persons jointly according to the records

of the association, the vote 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 such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among Owners, the vote of such Lot shall be disregarded for all purposes, except for purposes of determining whether a quorum is present.

ARTICLE 3

ADMINISTRATION

- 3.1 Association Responsibilities. The Owners will constitute the Members of the Association. Except as otherwise provided in the Declaration or these Bylaws, decisions and resolutions of the Association shall require approval by a majority of the Owners present at any legal meeting. A legal meeting is one duly called pursuant to these Bylaws where a quorum is present in person or by proxy at a formal gathering, or if a vote is taken by written ballots, when ballots are returned representing more than twenty-five percent (25%) of the vote, unless a larger vote is required to approve a ballot item in which case the quorum requirements shall be the number of votes required to approve the proposal.
- 3.2 Place of Meetings. Formal meetings of the Association shall be held at suitable places convenient to the Owners as may be designated by the Board of Directors. Any vote taken by written ballot shall be determined by the Board of Directors within forty-eight (48) hours of the ballot return deadline. Each Owner shall be notified by mail or other delivery of written notice of the results of the ballot meeting or that a quorum of ballots was not returned, within fifteen (15) days after the ballot return deadline. Before the ballots are counted, if it is determined that returned ballots will not constitute a quorum, the Board of Directors may extend the ballot return deadline for one or more periods by written notice to all Owners for not more than a total of sixty (60) days.
- 3.3 Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over administrative control of the Association from the Declarant to the members within one hundred twenty (120) days of the date that Lots representing seventy-five percent (75%) of the total number of votes of the Owners of Lots which have been conveyed to persons other than the Declarant. The Declarant shall give notice of the meeting to each Owner as provided in these Bylaws. If the Declarant does not call the meeting required under this section, any Owner may do so.

At the Turnover Meeting the Declarant shall relinquish control of the administration of the Association and the Owners shall assume such control and the Owners shall elect a Board of Directors in accordance with the Provisions of Article 4 of these Bylaws. Additionally, the Declarant shall deliver to the Association all business and financial records, together with all Association bank accounts, funds and other assets.

- 3.4 Annual Meetings. The first annual meeting of the Association shall be held in the calendar year following the calendar year in which the Turnover Meeting is held and shall be set by action of the Board of Directors. The date for this meeting, at the discretion of the Board of Directors, may be changed from time to time, but must be

held annually under the Rules and Regulations as set out in the Bylaws. At such meetings, new members of the Board of Directors shall be elected by the Owners in accordance with the requirements of Section 4.7 of these Bylaws, to replace those Directors whose terms have expired. The Owners may also transact such other business of the Association as may properly come before them.

- 3.5 Special Meetings. It shall be the duty of the President to call a special meeting of the Owners as directed by resolution of the Board of Directors or upon a petition signed by twenty-five percent (25%) or more of the Owners having been presented to the Secretary. All meetings called because of petition of Owners shall be held at a formal gathering and not by ballot, and shall be held within sixty (60) days after receipt of the petition. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of all the Owners of the Lots or as otherwise set out in these Bylaws.
- 3.6 Notice of Meetings. It shall be the duty of the Secretary to mail a notice of each annual, special or meeting by ballot, stating the purpose thereof and the time and place where it is to be held, to each Owner of record at least seven (7) but not more than fifty (50) days prior to such meeting or the date when ballots for a ballot meeting are required to be returned. The mailing shall be to the Owner's address last given the Secretary in writing by the Owner or his vendee. If Lot ownership is split or the Lot has been sold on a contract, notice shall be sent to a single address, of which the Secretary has been notified in writing by such parties. If no address has been given the Secretary in writing, then mailing to the Project Lot shall be sufficient. The mailing of a notice in the manner provided in this Section shall be considered notice served.
- 3.7 Adjourned Meetings. If any gathering of Owners is not a legal meeting because a quorum has not attended, the Owners who are present, either in person or by proxy, may adjourn the meeting to a time not less than forty-eight (48) hours nor more than ten (10) days from the time the original meeting was called. The adjournment provisions of this Section do not apply to meetings by ballot.
- 3.8 Order of Business. The order of business at all meetings shall be as follows:

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

ARTICLE 4

BOARD OF DIRECTORS

- 4.1 Number and Qualification. After the turnover from Declarant control, the affairs of the Association shall be governed by a Board of Directors composed of three (3) persons, all of whom must be an Owner or the Co-Owner of a Lot. An officer or employee of a corporation, or the trustee of a trust, or personal representative of an estate, or an employee of the trust or estate may serve on the Board of Directors, if the corporation, trust or estate owns a Lot.
- 4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association and may do all such acts and things as are not by law or by these Bylaws directed to be exercised and done by the Owners.
- 4.3 Other Duties. In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have authority to carry out and be responsible for the following matters:
 - 4.3.1 Upkeep of Common Area. Care, upkeep and supervision of the Common Area.
 - 4.3.2 Reserves. Establishment and maintenance of replacement reserve accounts which the Board deems prudent for replacement of Common Area improvements or facilities.
 - 4.3.3 Assessment Collection. Designation and collection of monthly assessments from the Owners, in accordance with these Bylaws and the Declaration.
 - 4.3.4 Budget/Voucher System. Establishment of a budget and payment of all common expenses of the Association and institution and maintenance of a voucher system for such payment, which shall require a sufficient number of signatories thereon as may be reasonably necessary to prevent any misuse of Association funds.
 - 4.3.5 Insurance. Obtaining and maintaining insurance policies and payment of premiums therefor out of the common expense funds in respect to the Common Area as more specifically provided in Article 8 of these Bylaws.
 - 4.3.6 Personnel. Designation and dismissal of the personnel necessary for the maintenance and operation of the Project.
 - 4.3.7 Financial Statements. Causing the preparation and distribution of annual financial statements of the Association to each of the Owners as more specifically provided in the Declaration.
 - 4.3.8 Rules. Adoption and amendment of administrative Rules and Regulations governing the details of operation and use of the Common Area. Provided, however, any such Rules and Regulations shall always be subject to rescission or amendment by the Association upon majority vote of Owners present at any properly called meeting.
 - 4.3.9 Copies of Documents. Maintaining copies suitable for duplication of the following: Declaration, Bylaws, Rules and Regulations and any amendments thereto, the most recent annual financial statement and the current operating budget of the Association.
- 4.4 Limited Authority. The Board of Directors shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the voting power of the Owners other than the Declarant:

- 4.4.1 Third Party Contracts. Entering into a contract with a third party wherein the third person will furnish goods or services for the Common Area or the Association for a term longer than one year with the following exceptions:
- a. Management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.
 - b. A contract with a public utility company in Clackamas County, the City of Happy Valley or a service contract if the rates charged for the materials or services are regulated by the Oregon Public Utilities Commission provided, however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate.
 - c. Prepaid casualty and/or liability insurance policies of not to exceed three years duration provided that the policy permits short rate cancellation by the insured.
- 4.4.2 Capital Expenditures. Incurring aggregate expenditures for capital improvements to the Common Area of any fiscal year in excess of five percent (5%) of the budgeted gross expenses of the Association for that fiscal year.
- 4.4.3 Compensating Board Members. Paying compensation to members of the Board of Directors or to officers of the Association for services performed in the conduct of the Association's business provided, however, that the Board of Directors may cause a member or officer to be reimbursed for expenses incurred in carrying on the business of the Association.
- 4.5 Management Agent. The Board of Directors may employ a management agent, to be compensated in an amount established by the Board, to perform such duties and services as the Board shall authorize, including, but not limited to, the duties listed in Section 4.3 of these Bylaws.
- 4.6 Interim Board and Officers. The Declarant reserves administrative control of the Association until the Turnover Meeting. The Declarant, in its sole discretion, shall have the right to appoint and remove the sole member of an Interim Board of Directors and interim officers. Additionally, at the Turnover Meeting 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 three (3) Directors.
- 4.7 Election and Term of Office. At the Turnover Meeting of the Association, the term of office of one (1) Director shall be fixed for two (2) years. The term of office of two (2) Directors shall be fixed at one (1) year. Should more Directors be added, the same sequential election terms shall apply as nearly as is practicable. At the expiration of the initial term of office of each respective Director, his successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting. At the Turnover Meeting, upon agreement by vote of the Owner, the Board of Directors may be elected by a single ballot with each Owner permitted to vote for three (3) nominees. In such event, the nominee receiving the highest number of votes shall be the two (2) year Director and two (2) nominees receiving the next highest number of votes shall be the one (1) year Directors. The Association may increase or decrease the number of Directors and length of terms for which each is elected upon amendment of this Section 4.7.

- 4.8 Vacancies. Vacancies on the Board of Directors caused by any reason other than the removal of a Director by a vote of the Association shall be filled for the balance of the term of each directorship by vote of a majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be a Director until a successor is elected upon expiration of the term for which such person was elected by the other Directors to serve.
- 4.9 Removal of Directors. At any legal annual or special meeting, other than a meeting by ballot, any one or more of the Directors may be removed with or without cause, by a majority vote of the total voting power of the Owners and a successor may be then and there elected to fill the vacancy thus created. Provided however, the notice of meeting shall specifically indicate that the removal of one or more named Directors is an agenda item for such meeting. Any Director whose removal has been proposed by the Owners shall be given an opportunity to be heard at the meeting. Any Director or Directors who fail(s) to attend three (3) successive meetings of the Board of Directors which have been properly called, or who has failed to attend more than one third (1/3) of the Board of Directors meetings during a twelve (12) month period which have been properly called, may be removed by a majority of the remaining Directors.
- 4.10 Organizational Meeting. The first meeting of a newly elected Board of Directors shall be held within ten (10) days of election at such place as shall be fixed by the Directors at the meeting at which such Directors were elected, and no notice shall be necessary to the newly elected Directors in order to legally hold such meeting, providing a majority of the newly-elected Directors are present.
- 4.11 Regular Meetings. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Directors. Notice of regular meetings of the Board of Directors may be called by the President on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting.
- 4.12 Special Meetings. Special meetings of the Board of Directors may be called by the President or Secretary or on the written request of at least three (3) Directors. Special meetings of the Board of Directors may be called on three (3) days' notice to each Director, given personally or by mail, telephone or telegraph, which notice shall state the time, place (as herein above provided) and purpose of the meeting.
- 4.13 Waiver of Notice to Directors. Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board shall be a waiver of notice by him of the time and place thereof. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.
- 4.14 Board of Directors' Quorum. At all meetings of the Board of Directors, a majority of the existing Directors shall constitute a quorum for the transaction of business, and the acts of the majority of the Directors shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there be less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such

- adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.
- 4.15 Board of Directors Meetings Open to All Association Members. All meetings of the Board of Directors shall be open to any and all members of the Association. Provided, however, no Association member shall have a right to participate in the Board of Directors meetings unless such member is also a member of the Board of Directors. The President shall have authority to exclude any Association member who disrupts the proceedings at a meeting of the Board of Directors.
- 4.16 Notice to Association Members of Board of Directors Meetings. For other than emergency meetings, notice of Board of Directors' special meetings shall be mailed to each Owner at least seven (7) days before the meeting by first class mail or at least three (3) days' notice by hand delivery to each Lot Owner's address or by facsimile transmission. The Board of Directors shall give Owners notice of regular Board meetings at the beginning of each year by first class mail or other reasonable means setting out the time and place of the regular meetings. For any changed time or place, the notice requirements for special meetings shall apply.
- 4.17 Telephonic Meetings. In the event of an emergency, telephonic meetings may be held by the Board of Directors. Such telephonic meetings shall be carried on by means of a "conference call" in which each Director may speak with any of the other Directors. The Directors shall keep telephone numbers on file with the President to be used for telephonic meetings. No notice to either Directors or Association members shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action. Provided, however, no such telephonic meeting shall occur unless at least seventy-five percent (75%) of the Board of Directors participate in the same and after an attempt has been made to call each Director at the telephone number maintained on file with the Board of Directors for such purpose.
- 4.18 Compensation of Directors. No Director shall be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the Owners.

ARTICLE 5

OFFICERS

- 5.1 Designation. The principal officers of the Association shall be a President, a Secretary and a Treasurer, all of whom shall be elected by the Directors. The Directors may appoint an assistant treasurer and an assistant secretary, and any such other officers as in their judgment may be necessary.
- 5.2 Election of Officers. The officers of the Association may be elected by the Board of Directors at the organizational meeting of each new Board or any Board meeting thereafter, and shall hold office at the pleasure of the Board.
- 5.3 Removal of Officers. Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, either with or without cause, and his successor elected at any regular or special meeting of the Board of Directors.
- 5.4 President. The President shall be the chief executive officer of the Association. He shall preside at all meetings of the Association and of the Board of Directors. He

- shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.
- 5.5 Secretary. The Secretary shall keep the minutes of all meetings of the Board of Directors and the minutes of all meetings of the Association; he shall have charge of such books and papers as the Board of Directors may direct; and he shall, in general, perform all the duties incident of the office of Secretary.
- 5.6 Treasurer. The Treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent, and shall be responsible for keeping full and accurate accounts of all receipts and disbursements in books belonging to the Association. He shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time to time be designated by the Board of Directors.
- 5.7 Directors as Officers. Any Director may be an officer of the Association.

ARTICLE 6

OBLIGATIONS OF THE OWNERS

- 6.1 Assessments. All Owners are obligated to pay assessments imposed by the Association to meet all the Association's general common expenses as more particularly set forth in the Declaration. Assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board of Directors. In its discretion, the Declaration and, after turnover, the Board of Directors may, but shall not be required to, impose interest or a service charge for installment payments or allow a discount for payment of the annual assessment or any installment in advance.
- 6.2 Investment of Reserve Account Funds. Each reserve account shall be kept in an account with a safe and responsible depository, shall be accounted for separately and, if invested, the obligation or security shall be fully guaranteed as to principal by the United States of America or one of its agencies. Assessments paid into the reserve accounts are the property of the Association and are not refundable to sellers of Lots. Provided, however, nothing herein shall prevent sellers of Lots from treating their outstanding allocable share of reserve accounts as a separate or reimbursable item in a sales agreement. No Owner shall have any individual rights in any of these reserves, although it is understood that the value of their respective Lots may increase in proportion to each Lot's right to receive repair, maintenance and replacement there from.
- 6.3 Initial Assessment. The initial annual assessment to Owners other than the Declarant shall be determined by the Declarant. The assessment shall thereafter be subject to review by the Board of Directors. The assessment shall be payable from the date the Declaration is recorded for all Lots conveyed by the Declarant to a third party. The assessment shall commence in respect to each Lot on the first day of the next calendar quarter.
- 6.4 Income Tax Returns; Determination of Fiscal Year.

- 6.4.1 Fiscal Year. The fiscal year of the Association shall be the calendar year unless otherwise determined by the Board of Directors.
- 6.4.2 Tax Returns. The Board of Directors, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and of selecting any and all persons to prepare such tax returns.
- 6.5 Default. Failure by an Owner to pay any assessment of the Association shall be a default by such Owner of his obligations pursuant to these Bylaws and the Declaration. The Association shall be entitled to the remedies set forth in the Declaration.
- 6.6 Maintenance and Repair.
 - 6.6.1 Lots. Except as otherwise specifically provided in the Declaration and Bylaws, every Owner must perform promptly all maintenance and repair work to his Lot and the exterior of the improvements thereon and keep the same in good repair and sanitary and neat condition.
 - 6.6.2 Common Area. An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Area and/or facility damaged through his fault, not otherwise covered by insurance policies carried by the Association for the Owner's and Association's benefit.
- 6.7 Right of Entry, Easements for Maintenance.
 - 6.7.1 Emergencies. In case of an emergency originating in or threatening his Lot, an Owner shall grant the right of entry to the management agent or to any other person authorized by the Board of Directors or the Association, whether the Owner is present at the time or not.
 - 6.7.2 Maintenance Easements. An easement is reserved to the Association in and through any Lot and the Common Area providing access at reasonable times and with reasonable notice for purposes of maintenance, repair and replacement of the Common Area. If, in the process of such repair and maintenance by the Association, it is necessary to alter or damage any Lot or Common Area, such alterations or damages will be permitted without compensation, provided the Lot and/or Common Area are promptly restored to substantially their prior condition by the Association.

ARTICLE 7

USE AND OCCUPANCY RESTRICTIONS; RULES OF CONDUCT

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

- 7.1 Use of the Common Area. No Owner shall place or cause to be placed on any portion of the Common Area any trash, structure, equipment, improvement, furniture, package or object of any kind. Such areas shall be used for no purpose other than what is normal.
- 7.2 Appearance of Homes/Lots. Owners shall keep their Lots and the improvements thereon in good repair, clean and with painted, stained or other finished exteriors

compatible with the architectural standard of the Declaration and Rules and Regulations.

- 7.3 Nuisances. No nuisances will be allowed upon the Property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments, radios, televisions and amplifiers that may disturb other residents. All parts of the Project will be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate, nor any fire hazard allowed to exist. All such garbage and trash shall be placed inside disposal containers. No Owner will permit any use of his Lot or make any use of the Common Area that will increase the cost of insurance upon the Common Area.
- 7.4 Improper, Offensive or Unlawful Use. No improper, offensive or unlawful use will be made of the Property nor any part of it; all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction will be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Property will be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the Property concerned.
- 7.5 Additional Rules. The Rules and Regulations concerning other use of the Property may be made and amended from time to time by the Board of Directors. Copies of such Rules and Regulations will be furnished to all Owners and Occupants of the Project, upon request.

ARTICLE 8

INSURANCE

- 8.1 General. The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts hereinafter provided, and including insurance for such other risks of a similar or dissimilar nature as are or shall hereafter customarily be covered with respect to other planned communities similar in construction, design and which insurance shall be governed by the provisions in this numbered section.
- 8.2 Types of Insurance Policies. For the benefit of the Association and the Owners, the Board of Directors shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance to the extent available at reasonable cost:
- 8.2.1 Liability. A policy or policies insuring the Association, its Board of Directors, the Owners individually, and the manager against any liability to the public or the Owners and their invitees or tenants, incident to the ownership, supervision, control or use of the project. Limits of liability under such insurance shall be not less than \$1,000,000 per occurrence for bodily injuries and property damage liability. Such limit and coverage shall be reviewed at least annually by the Board of Directors which may increase the limit of and/or coverage, in its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall

provide cross liability endorsements wherein the rights of named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

- 8.2.2 Workmen's Compensation. Workmen's compensation insurance to the extent necessary to comply with any applicable laws.
- 8.2.3 Fidelity. A fidelity bond naming such persons as may be designated by the Board of Directors as principals and the Association and the Owners as obligees, for the amount determined by the Board of Directors. Provided, however, the Board of Directors shall require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.
- 8.3 Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA" or better, by Best's Insurance Reports, or as may be otherwise acceptable all mortgagees and Directors.
- 8.4 Provisions in Insurance Policies. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:
 - 8.4.1 Waiver of Subrogation. A waiver of subrogation by the insurer as to any claims against the Board of Directors, the manager, the Owners and their respective servants, agents and guests.
 - 8.4.2 Non cancellation for Owner Conduct. A provision that the master policy on the Property cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Owners.
 - 8.4.3 Non cancellation Without Opportunity to Cure. A provision that the master policy on the Property cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board of Directors or the manager without prior demand in writing that the Board of Directors or manager cure the defect.
 - 8.4.4 No Other Insurance Clauses. A provision that any "no other insurance" clause in the master policy exclude individual Owners' policies and not otherwise prevent such individual policies from providing coverage for damage to Home/Lots or Common Area.
- 8.5 Home/Lot Insurance. The Association shall have no responsibility to procure or assist in procuring property loss insurance or liability insurance except as stated in this Article. Home/Lot Owners should procure their own insurance for their protection.
- 8.6 Review of Insurance Policies. At least annually, the Board of Directors shall review all insurance carried by the Association, which review shall include a consultation with a representative of the insurance carrier writing the master policy.

ARTICLE 9

AMENDMENT

Except as otherwise provided in this Article, and the restrictions set forth elsewhere herein, these Bylaws may be amended at any time by an instrument approved by at least a majority of the total votes of each class of members that are eligible to vote. Any amendment must be executed, recorded and certified as provided by law. Provided, however, no amendment of the Bylaws may effect an amendment of the Declaration or the Articles without compliance with the provisions of such documents and the Oregon Non-Profit Corporation Act. Provided further no amendment deleting or affecting any right of the Declarant, or its successor or assignee may be adopted without the prior written consent of the Declarant or successor or assignee.

ARTICLE 10

RECORDS AND AUDITS

- 10.1 General Records. The Board of Directors and the managing agent or manager, if any, shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board of Directors shall maintain a list of Owners entitled to vote at meetings of the Association. The minutes of the Association, the Board and committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies.
- 10.2 Assessment Roll. The assessment roll shall be maintained in a set of accounting books in which there shall be an account for each Lot. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owners, the dates and amounts in which the assessment comes due, the amounts paid upon the account and the balance due on the assessments.
- 10.3 Payment of Vouchers. The Treasurer shall pay all vouchers up to \$1,000 signed by the President, managing agent, manager or other person authorized by the Board of Directors. Any voucher in excess of \$1,000 shall require the signature of the President. Provided, however, any withdrawal from reserve accounts shall require the signature of two Board members or one Board member and an officer of the Association who is not a Board member.

ARTICLE 11

NO COMPLIANCE WITH THE PLANNED COMMUNITY ACT

These Bylaws are not intended to comply with the provisions of the Oregon Planned Community Act and the provisions of that Act do not apply to Jackson Hills. In case of any conflict between the provisions hereof and the Articles or the Declaration, the provisions in the Articles and/or Declaration shall apply. The Declaration shall be paramount to any contrary provisions in the Articles.

ARTICLE 12

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

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

ARTICLE 13

ASSESSMENT COLLECTION COSTS; SUITS AND ACTIONS

Owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney's fees incurred in connection with efforts to collect delinquent any unpaid assessments whether or not suit or action is filed. In addition to the monthly assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed by the Board of Directors. In the event suit or action is commenced by the Association for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Declaration, the Articles or Bylaws, the Owner or Owners, jointly and severally, will, in addition to all other obligations, pay the costs of such suit or action, including reasonable attorney's fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorney's fees in the appellate court to be fixed by such court.

ARTICLE 14

MISCELLANEOUS

- 14.1 Notices. All notices to the Association or to the Board of Directors shall be sent care of the managing agent, or if there is no managing agent, to the principal office of the Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Owner shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors, or if no address has been designated, then to the Owner's Lot.
- 14.2 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.
- 14.3 Invalidity; Number; Captions. The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. Provided, however, that if any of the provisions of these Bylaws would violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law, or in the event the rule against perpetuities applies, until twenty-one (21) years after the death of the last survivor of the now living descendants of former President George Bush. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine, and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.
- 14.4 Dissolution of Owners' Association. The Association shall be dissolved if and as provided in the Declaration of Protective Covenants of Jackson Hills.

ARTICLE 15

ADOPTION

It is hereby certified that these Bylaws have been adopted by Jeffrey I. Parker, Declarant of Jackson Hills, and will be recorded in the Deed Records of Clackamas County, together with the Declaration for said planned community.

DATED this 17 day of December, 2004.

By: 
Jeffrey I. Parker

STATE OF OREGON)
)
County of Clackamas) December 17, 2004

Personally appeared before me the above-named JEFFREY I. PARKER and he acknowledged said instrument to be his voluntary act and deed.




Notary Public for Oregon