

After Recording Return To:
Key Pacific 2, LLC
PO Box 1754
Lake Oswego, OR 97035

Recorded in MULTNOMAH COUNTY, OREGON
C. Swick, Deputy Clerk
C73 2
Total : 26.00 ATADS
2004-200144 11/03/2004 02:52:50pm

DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
DEER GLEN

The herein Declaration of Protective Covenants, Conditions and Restrictions for Lots 1 through 60, inclusively and Tracts A, B, C, D and E, DEER GLEN in the City of Gresham, Multnomah County, Oregon, is made this 3rd day of NOVEMBER, 2004.

Declarant, Western Key Pacific 2, LLC, an Oregon limited liability company, has recorded the plat of DEER GLEN recorded 3 day of NOVEMBER, 2004 in Plat Book 1264, Pages 100-106, Deed Records of Multnomah County, Oregon.

Declarant desires to subject the property described in such plat to the conditions, restrictions and charges set forth in this instrument for the benefit of such property, and its present and subsequent owners.

NOW, THEREFORE, Declarant hereby declares that the property described herein shall be held, sold and conveyed subject to the following covenants, conditions and restrictions, which shall run with such property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit of the Owner thereof as follows:

Any outdoor lighting placed adjacent to the Natural Resource Tracts A, B and C shall be directed away from the Natural Resource Tracts or shaded so as not to shine directly into the Natural Resource Tracts.

Key Pacific 2, LLC, an Oregon limited liability company

By: Edward F. Freeman
Edward F. Freeman, Member

2

11-03-04

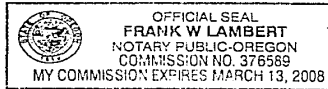
STATE OF OREGON)ss.
County of WASHINGTON

The foregoing instrument was acknowledged before me on this 3rd day of
NOVEMBER, 2004, by Edward F. Freeman, Member, Keys Pacific 2 LLC, an Oregon
limited liability company, on behalf of the limited liability company.

FW. Lambert

Notary for Oregon

My commission expires: 3-13-08



11-03-04

1155
11
After recording return to:
Fidelity National Title
Attn: Kathy Sepich
686 NW Eastman Parkway
Gresham, OR 97030

Recorded in MULTNOMAH COUNTY, OREGON
C. Swick, Deputy Clerk
C73 23 ATKLM
Total : 151.00

2006-037624 03/01/2006 02:35:43pm

AMENDED DECLARATIONS
COVENANTS, CONDITIONS AND RESTRICTIONS

Of

DEER GLEN
Gresham OR

Dated February 15th, 2006

23.

**AMENDED DECLARATIONS
COVENANTS, CONDITIONS AND RESTRICTIONS
Of
DEER GLEN**

Dated February ____, 2006

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Declarant, Keys Pacific 2, LLC, hereby amends Declaration recorded November 3, 2004, in Plat Book 1264, Pages 100-106 Deed Records of Multnomah County, Oregon, for the benefit of Lots 1 through 60, inclusively and Tracts A, B, C, D and E, Deer Glen in the City of Gresham.

RECITALS

A. Declarant is the Owner of real property in the City of Gresham, Multnomah County, Oregon, known as Deer Glen and desires to provide for the preservation of the values and amenities in said community which will make Deer Glen an attractive place to reside, and for the maintenance of the open spaces, common tracts, storm water drainage and other conditions as required by the Deer Glen plat.

B. Declarant hereby declares that the property described in the plat of Deer Glen shall be held, sold and conveyed subject to the following covenants, restrictions and charges, and recorded declarations of easement maintenance agreements, which shall run with such property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit of each owner thereof.

ARTICLE I DEFINITIONS

Section 1. **Association** means the Deer Glen Homeowners Association, an Oregon nonprofit corporation.

Section 2. **Owner** means the legal owner or contract purchaser of any lot that is a part of the properties, but excluding those having such interest merely as security for the performance of an obligation.

Section 3. **Properties** means the certain real property described above

Section 4. **Unit** means one of the 60 separate lots and the improvements thereon.

Section 5. **Declarant** means Keys Pacific 2, LLC.

Section 6. **Declaration** means the Amended Declaration of Covenants, Conditions and Restrictions, all of the easements, charges and rules or regulations promulgated hereunder as the same may be amended or supplemented from time to time in accordance with the provisions hereof.

Section 7. **Articles of Incorporation** means those articles filed with the Oregon Corporation Commissioner's Office for the Association.

Section 8. **Bylaws** means the bylaws adopted by the initial Board of Directors for the Association.

Section 9. **Board of Directors** means the Board of Directors of the Association.

Section 10. **Design Review Committee** means the committee as appointed by Declarant or the Homeowners Association Board of Directors.

ARTICLE II USE OF THE PROPERTIES

Section 1. Residential Use. All units shall be used for residential purposes only. All rental or lease agreements shall be in writing and shall provide that the terms of the lease shall be subject in all respects to the provisions of the Declaration, Bylaws, and Articles of Incorporation and that any failure by the lessee to comply with the terms of such documents shall be a default under the lease.

Section 2. Exterior Maintenance. Each Owner shall be responsible for the exterior maintenance, repair and landscaping of such Owner's lot in accordance with usual community standard for high quality single family subdivisions. No Owner shall permit the overgrowth of any plant materials or the growth of noxious or annoying weeds on any lot.

Section 3. Animals. No animals or fowl shall be raised, kept or permitted within the properties, except domestic dogs, cats or other dwelling hold pets kept within a unit. No animals of any kind shall be kept, bred or raised for commercial purposes or in unreasonable numbers. Those Owners keeping pets will abide by municipal sanitary regulations, leash laws, and rules or regulations promulgated by the Board of Directors. An Owner may be required to remove a pet after receipt of two notices in writing from the Board of Directors or violations of any such laws, rules or regulations governing pets.

Section 4. Vehicle Parking. No dwelling trailers, motor homes, pickup campers, mobile homes, boats or like recreational vehicles shall be parked on the properties except within the confines of the garage or behind fencing in side or backyards, subject to provisions of Article III, Section 14.

Section 5. Commercial Activity. Commercial activities are limited to home office businesses, which do not create heavy customer traffic in and out of the location, and to activities relating to the sale or rental of units.

Section 6. Lawful Use. No unlawful use shall be made of the unit nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

Section 7. Disabled Vehicles. No Owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any unit for a period in excess of forty-eight (48) hours, unless kept within a garage. A vehicle shall be deemed to be in an "extreme state of disrepair" when in the opinion of the Association, its presence offends the occupants of the neighborhood. Should any Owner fail to remove such vehicle within five (5) days following the date on which notice is mailed to him by the Association, the Association may have the vehicle removed from the unit and charge the expense of such removal to the Owner in addition to the assessments made upon him in accordance with this Declaration.

Section 8. Refuse. No part of any unit or any part of the common tracts shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste. Trash, garbage, recyclables or other wastes shall be kept only in containers provided by sanitary service.

Section 9. Residential Use Outside of Living Areas. No trailer, van, bus, camper, truck, tent, garage or outbuilding may be used as a residence, either permanently or temporarily.

Section 10. Outbuildings. No outbuilding or garden house, gazebo, storage shed or any other outbuilding or structure shall be constructed on any lot unless the same has received prior approval from the Design Review Committee. Any such outbuilding shall be constructed of the same exterior materials and style as the dwelling on such lot, except as may be waived by the Design Review Committee.

Section 11. Vacant Lot. Any vacant lot shall be maintained by its Owner in a reasonable, clean, presentable condition, including, without limitation, grass mowing, removal of debris, weeds and the trimming and cutting of hedges, trees, shrubs, plants and lawns.

Section 12. Completion of Construction. Construction of any dwelling, addition to dwelling, outbuilding or structure shall be completed and painted within twelve (12) months from the time construction thereof is commenced, excepting only for delays beyond the reasonable control of the Owner.

Section 13. Utility Services. No outdoor overhead wire work service drop for the distribution of electric energy or for telecommunication purposes or any pole, tower or other structure supporting outdoor overhead wire shall be erected, placed or maintained within the properties. All purchasers of lots shall use underground service wires to connect their dwellings to the underground electric, telephone, cable television or other utility facilities.

Section 14. Modification, Rules and Regulations. The Association from time to time may adopt, modify or revoke such rules and regulations as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the properties. The Association Board of Directors thereof, shall furnish a copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or

revocation to each Owner. The method of adoption of such rules shall be as provided in the Bylaws of the Association.

ARTICLE III CONSTRUCTION MAINTENANCE and DESIGN STANDARDS

Section 1. Construction Maintenance. During construction of structures on the properties, the properties shall be maintained in a clean and neat condition with all debris placed within a container or contained space. A monthly assessment shall be placed on properties upon commencement of construction and continue until final approval for occupancy is received. The purpose of the assessment shall be for street cleaning and enforcement of properties maintenance. The Design Review Committee shall establish the assessment.

Section 2. Construction Hours. Initial home construction, including but not limited to grading, equipment operation, and landscape installation, upon a lot shall be restricted to the hours of 7 am to 5pm Monday through Friday, except for holidays. Saturday permitted hours shall be 8 am to 4 pm. No construction shall be permitted on Sundays or Holidays. The initial construction restriction shall not apply to interior final finish of a dwelling. Subsequent improvement construction performed by homeowners upon their homes or grounds shall not be subject to provisions of this Section 2. Contracted services for subsequent improvements shall be subject to the construction hours of this Section 2.

Section 3. Design Review. The Owner, purchaser and occupant, of each lot by acceptance of title thereto, an interest therein or possession thereof, covenant and agree that no building, driveway, fence, wall or other structure of any type shall be commenced, erected or maintained within the properties, nor shall any exterior addition, change or alteration be made until the plans and specifications showing the nature, kind, shape, height, materials and location by site plan of the same shall have been submitted to and approved in writing by the Design Review Committee as to the quality of workmanship and materials planned, for harmony of external design and location in relation to surrounding structures and topography, building setback restrictions and finish grade elevations, and for conformity with the requirements herein, or as modified from time to time by the Association, subject to adopted fees, fines and procedures.

Section 4. Quality, Compatibility and Uniqueness. Dwellings will be constructed and maintained using high quality materials and workmanship and shall be of such character, quality and design as to be in harmony and compatible with the other surrounding dwellings in Deer Glen and in particular those dwellings in the immediate vicinity of such dwelling. All dwellings shall be constructed in strict accordance with the terms and provisions of these covenants, conditions and restrictions, requirements of the Natural Resource Overlay District as contained in City of Gresham Development Code and all applicable laws, regulations, ordinances and codes.

Section 5. General. Dwellings will be designed and constructed with such differences in exterior style, floor plan, materials and other aspects as will avoid a "tract" appearance.

No two dwellings will be built with the same or substantially the same floor plan or exterior appearance immediately adjacent to or directly across the street from each other. The Design Review Committee will have the power to grant a waiver so as to permit the construction of a neighboring dwelling with substantially the same floor plan, if the exterior design is sufficiently modified such that the two dwellings do not appear substantially similar from the street and cannot be readily identified as having substantially the same floor plan. In considering requests for waivers, the Design Review Committee shall consider the distance between and visibility of homes with substantially the same floor plan, the number of homes with substantially the same floor plan or exterior appearance, and such other factors as the Design Review Committee may consider appropriate.

Section 6. Architectural Compatibility. While differing in design, all dwellings will be compatible with quality dwellings of traditional or transitional style (e.g., dome dwellings and futuristic designs are not permitted.)

Section 7. Design Review Guideline. The Design Review Committee may from time to time publish a Design Guideline or similar document ("Guideline"). Any such Guideline is intended to augment and not replace the provisions of this Article and to provide a general synopsis of the requirements and standards existing from time to time by which architectural plans, specifications, and other submittals to the Design Review Committee may be evaluated. Any such Guideline is subject to periodic review and revisions by the Design Review Committee in its sole discretion. Revisions, if any, of the Guideline need not be recorded but shall be promptly provided without charge to any Owner requesting a copy. It is the responsibility of the Owner to ascertain that he or she has the most current copy of the Guideline. The Guideline, including any revisions, is subject to Section 17 hereof, Waivers. Any apparent conflicts between the Guideline and other provisions of this Amended Declaration shall be interpreted and resolved by the Design Review Committee.

Section 8. Materials, Designs and Specifications. Each dwelling shall be constructed using conventional double-wall wood framing. Siding material shall be natural wood material, manufactured wood siding, fiber-cement products, masonry, brick, stone, stucco or a combination of these. Artificial stucco, vinyl, metal and T-111 siding are not permitted. Roofing material shall be cedar shake/shingle, tile, or 40 year architectural composite shingles. Lower quality composite shingles and metal roofing are not permitted. Window frames will be either bronze tone, white vinyl, off-white or wood. No mill-grade aluminum frames will be permitted. All dwellings shall have a minimum of 30% masonry front façade with 24" wrap-around corners. Roof pitch shall be a minimum 5/12.

All exterior surface materials, designs, and other specifications or dwellings, other structures, and other improvements must be submitted and receive written approval of the Design Review Committee prior to their use. Without limitation, the requirement of prior approval extends to the color quality (from a "natural palette"), materials, composition, physical design, size, placement and all other aspects of the proposed improvements.

Elements of the improvements to be considered by the Design Review Committee shall include, but not be limited to, windows, roofs, chimneys and vents, siding, doors, exterior colors, masonry work, landscape design, fences and walls, driveways and walkways, decks and patios, grading, placement on the lot, and exterior lighting and plumbing equipment.

Outdoor lighting placed adjacent to natural resource boundary shall be directed away from or shaded so as not to shine directly in the natural resource area.

Section 9. Square Footage. No dwelling shall be constructed having fewer than two thousand (2000) square feet. All two and three story dwellings shall have a minimum of twelve hundred (1200) square feet on the main floor. For purposes of the foregoing, the square footage of a dwelling will be determined by the Design Review Committee based on finished floor area, excluding porches, decks and garages. A full daylight basement that is fully improved and has direct ingress-egress at ground level to the outside will be treated as a story or floor and its square footage included for purposes of the foregoing requirements. Waivers from the above may be granted only if the Design Review Committee reasonably believes that the house exceeds the average value of complying houses in Deer Glen.

Section 10. Driveways, Garages Sidewalks. All driveways, walkways and steps visible from a street shall be made of decorative stone, brick, exposed aggregate or concrete. Each dwelling shall have an attached or detached two car or better garage. Sidewalks shall be installed on each lot in compliance with standards established in writing by the Design Review Committee.

Section 11. Set Backs and Height Restrictions. Set back requirements and building height restrictions shall be those currently imposed by the City of Gresham.

Section 12. Landscaping. Not later than substantial completion of a dwelling and before occupancy, plans for front yard landscaping, including sprinkler system, shall have been submitted to and approved by the Design Review Committee. The front yard must be completely landscaped and sprinklered in accordance with such plans within four (4) months following the earlier of initial occupancy or completion of construction of any dwelling. Side and rear yards must be graded the earlier of initial occupancy or completion of construction of any dwelling. The plans for the rear and side yard landscaping must be submitted for approval within six (6) months following occupancy or completion of construction of any dwelling. The rear and side yard landscaping must be completed within one (1) year of the earlier of initial occupancy or completion of construction.

In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time by the Design Review Committee. Appropriate security for completion may be required. All yards, growth thereon shall be maintained, cultivated, and kept free from insects and diseases. All trees, shrubs and landscaping of any kind shall be kept neat and pruned so as not to obstruct the view from other lots.

The Design Review Committee shall consider the natural environment and requirements of the Natural Resource Overlay District in approval of landscape plans.

Section 13. Trees. Street trees are required on a 30 foot on center placement when possible. Trees shall be located 10 feet from street lights and 5 feet from underground utilities. No trees shall be planted within 15 feet of a street intersection. Trees shall be placed approximately 5 feet from back of sidewalk. Trees shall be securely staked for the first two years after planting and shall be replaced if they die or are destroyed. Location of trees shall be included in the plans and specifications submitted to the Design Review Committee. Street trees designated for Deer Glen are *Acer rubrum* "Franksred", commonly known as Red Sunset Maps to be placed along SE Regner Road. *Acer rubrum* "October Glory", commonly known as October Glory Maple shall be placed along entry road from Regner to SE Elliott Drive and on SE 27th Street cul de sac. *Fraxinus pensylvanica* "Patmore", commonly known as Patmore Ash shall be placed along SE Elliott Drive. Trees shall be a minimum 2" caliper and 5 feet in height.

Section 14. Fences and Walls. As defined in this section, "fencing" shall mean any barrier or wall other than natural living organic vegetation, including trees and shrubs. Planting 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 set back on the lot or the adjoining residential lot. The maximum height of the site-obscuring fence located on the remainder of the lot shall be six (6) feet. Fences shall be well constructed of quality wood fencing materials, in "good neighbor fence" fashion, subject to approval of the Design Review Committee. Fences shall not detract from the appearances of the dwellings located in adjacent lots or be offensive to the Owners thereof. Side and rear yard plantings shall be sited so as not to obstruct view corridors of adjacent properties.

Section 15. Exterior Colors. All exterior colors shall be approved by the Design Review Committee.

Section 16. Mailboxes, etc. Mailboxes, newspaper tubes, street address and name signs shall be of such design, color and materials as may be approved by the Design Review Committee.

Section 17. Waivers. The Design Review Committee shall have the authority to grant individual waivers from the strict standards for dwellings and improvements set forth Article III if, in the Design Review Committee's best judgment, the requested approval satisfies the criteria for a waiver and if the requested approval as a whole satisfies the requirements of Article III.

Section 18. Governmental Requirements an Additional Standard. The construction of all dwellings and improvements shall be performed in accordance with all statutes, ordinances, and governmental rules, regulations and procedures of any kind or nature that may apply. The Design Review Committee shall not review submitted plans or designs for the construction of any dwelling or improvement to determine compliance with such

existing laws or governmental requirements, and the requirement of approval of such plans, designs and actual construction by the Design Review Committee shall be in addition to, and not in lieu of, the requirements of any government or other entity having jurisdiction over the construction of such a dwelling or improvement.

ARTICLE IV PROPERTY RIGHTS and OBLIGATIONS

Section 1. Designation of Common Tracts. Tracts A, B and C as shown on the plat are private open space dedicated to the Association. Development rights for these open spaces are to be transferred to the public. Tracts D and E as shown on the plat are private for utility construction and maintenance, pedestrian access and vehicular ingress/egress. Tract F is a public pedestrian access easement over its entirety. Common Tracts A, B, C, D and E are owned and maintained by the Association

Section 2. Storm Drainage and Maintenance Access Easement. Tracts A, B, C and D are subject to an easement over their entirety for purposes of storm drainage maintenance and access by the Association.

Section 3. Public Pedestrian Access Easement. Tract E is subject to public pedestrian access over its entirety and maintained by the Association.

Section 4. Wall Maintenance Easement. Tracts B and C and portions of lots 27, 28 and 50 are subject to a wall maintenance easement dedicated to and maintained by the Association.

Section 5. Declaration of Storm Water Drainage Easement. A Declaration is recorded as document 2004-200147 on 11/03/04 creating a private easement over Lots 2, 5 through 8, 16, 20, 21, 36 through 45, 54, 59, 60 and that portion of Tract C abutting Lot 60, which easement is owned and maintained by the Association.

Section 6. Surface Water Drainage, Detention and Storm Drainage Easement. Tract E and on Lot 26 are subject to an easement for the benefit of, and maintained by, the Association.

Section 6. Declarations of Private Access Easement. Declarations are recorded as documents 2004-200148, 2004-200149, 2004-200150, 2004-200151, 2004-200152, 2004-200153 and 2004-200154 which provide common access and run with, benefit and burden certain properties as defined in the recorded Declarations.

Section 7. Private Access Easement. The 12 foot private access easement on Tract B between lots 15 and 16 is for the benefit of all property Owners and maintained by the Association.

Section 8. Surface Water Drainage, Detention and Storm Water Easement. Lot 26 and Tract B are subject to an easement dedicated to and maintained by the Association.

Section 9. Tree Conservation Easements. Lots 55, 56 and 59 are subject to conservation easements in favor of the City of Gresham and maintained by lot Owners.

Section 10. Public and General Utility Easement Maintenance. Easements dedicated by the plat to the City of Gresham are perpetual and exclusive. The City of Gresham and Utilities, in the case of general utility easement, shall have access to and the right to enter the easement property at any time for the purposes of the easement including the reasonable right of ingress and egress from the easement property through abutting property. Property Owner is responsible for maintaining the surface of the easement. Landscaping which by its nature is shallow rooted and may be easily removed, including shrubs capable of reaching no more than 4 feet in height within 20 years and fencing that does not restrict access to or through the easement are permitted within the easement. All other uses require consent from the City.

Section 11. Entry Monument. The Association shall be responsible for upkeep and maintenance of the entry monument easement area and for the maintenance, upkeep, repair and replacement of the entry monument signage.

ARTICLE V ASSOCIATION

Declarant shall organize an association of all of the Owners within the property. Such Association, its successors and assigns, shall be organized under the name "Deer Glen Homeowners Association" and shall have such property, powers and obligations as are set forth in this Amended Declaration for the benefit of the properties and all Owners of property located therein.

Section 1. Organization. Declarant shall, before the first lot is conveyed to an Owner, organize the Association as a nonprofit corporation under the general nonprofit corporation laws of the State of Oregon. The Articles of Incorporation of the Association shall provide for its perpetual existence, but in the event the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event, the assets of the Association shall be dedicated to a public body, or all of the property, powers and obligations of the incorporated association existing thereupon shall automatically vest in a successor unincorporated nonprofit association.

Section 2. 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 Owner's ownership of one 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, and need not be confirmed or evidenced by any certificate or acceptance of membership.

Section 3. Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Class B member and shall be entitled to one vote for each lot owned. 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 than one vote be cast with respect to any lot.

Class B. The Class B member shall be the Declarant and shall be entitled to three (3) votes for each lot owned. 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:

- (a) When seventy-five (75%) percent of the lots have been sold and conveyed to Owners other than Declarant; or
- (b) The expiration of one (1) year after the closing of the sale of the first lot to an Owner other than a successor Declarant.

Section 4. Powers and Obligations. The Association shall have, exercise and perform all of the following powers, duties and obligations:

- (a) The powers, duties and obligations granted to the Association by this Amended Declaration.
- (b) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon.
- (c) The powers, duties and obligation of a homeowners association pursuant to the Oregon Planned Community Act..
- (d) Any additional or different powers, duties and obligations necessary to desirable for the purpose of carrying out the functions of the Association pursuant to this Amended Declaration 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 Amended 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 wit the nonprofit laws of the State of Oregon.

Section 5. Specific Powers and Duties. The powers and duties of the Association shall include, without limitation, the following:

- (a) **Maintenance and Services.** The Association shall provide maintenance and services for the properties, common tracts and easements as provided in Article IV and other provisions of this Amended Declaration.
- (b) **Insurance.** The Association shall obtain and maintain in force policies of insurance.
- (c) **Rulemaking.** The Association shall make, establish, promulgate, amend and repeal Rules and Regulations as provided in Article II Section 8.
- (d) **Assessments.** The Association shall adopt budgets and impose and collect assessments as provided in Article VII of this Amended Declaration.

- (e) **Design Elements.** The Association through the Design Review Committee shall supervise, promulgate, enforce and amend as provided in Article III of this Amended Declaration.
- (f) **Construction Maintenance.** The Association shall supervise, promulgate, enforce and amend as provided in Articles II and III of this Amended Declaration.
- (g) **Enforcement.** The Association shall perform such acts, whether or not expressly authorized by this Declaration, as may be reasonable necessary to enforce the provisions of this Amended Declaration and the Rules and Regulations adopted by the Association
- (h) **Employment of Agents, Advisors and Contractors.** The Association, through its Board of Directors, may employ the services of any person or corporation as manager, employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, architects, planners, lawyers and accountants and contract for or otherwise provide for all services necessary or convenient for the management, maintenance and operation of the properties.
- (i) **Borrow Money, Hold Title and Make Conveyances.** The Association may borrow and repay moneys for the purpose of maintaining and improving common tracts and storm drainage elements, and encumber the common tracts as security for the repayment of such borrowed money. The Association may acquire, hold title to and convey, with or without consideration, real and personal property and interest therein, including but not limited to easements across all or any portion of the common tracts and shall accept any real or personal property, leasehold or other property interests within the properties conveyed to the Association by Declarant.
- (j) **Transfer, Dedication and Encumbrance of Common Tracts.** Except as otherwise provided in Article V, the Association may sell, transfer or encumber all or any portion of the common tracts to a person, firm or entity, whether public or private, and dedicate or transfer all or any portion of the common tracts to any public agency, authority or utility for public purposes.
- (k) **Create Classes of Service and Make Appropriate Charges.** The Association may, in its sole discretion, create various classes of service and make appropriate individual Assessments or charges therefore to the users of such services without being required to render such services to those of its members who do not assent to such charges, subject to such Rules and Regulations as the Board of Directors deems proper. In addition, the Board of Directors shall have the right to discontinue any service upon nonpayment or to eliminate such service for which there is no demand or adequate funds to maintain the same.
- (l) **Implied Rights and Obligations.** The Association may exercise any other right or privilege reasonably to be implied from the existence of any right or privilege expressly given to the Association under this Declaration or reasonably necessary to effectuate any such right or privilege.

Section 6. Liability. A member of the Board of Directors or an officer of the Association shall not be liable to the Association or any member thereof 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, except for acts of gross negligence or intentional acts. 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 indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

Section 7. Interim Board; Turnover Meeting. Declarant shall have the right to appoint an interim board of 1 to 3 directors, who shall serve as the Board of Directors of the Association until replaced by Declarant or their successors have been elected by the Owners at the turnover meeting described in this section. A turnover meeting of the Association shall be called by the Property Management firm, as defined in Section 8 following, for the purpose of turning over administrative responsibility for the properties to the Association not later than 120 days from the date 25 residences shall have been constructed and occupied by Owners. At the turnover meeting, the interim directors shall resign and their successors shall be elected by the Owners as provided in the Bylaws of the Association. If Property Management fails to call the turnover meeting as required by this section, any Owner or mortgagee of a lot may call the meeting by giving notice as provided in the Bylaws.

Section 8. Management Agreement. Declarant shall enter into a property management agreement with a licensed real estate management firm within 30 days after recording of this Amended Declaration for the purpose of collection, enforcement and coordination of provisions herein. Such agreement shall be for a period of three years.

Section 9. Contracts Entered into by Declarant or Prior to Turnover Meeting. Notwithstanding any other provision of this Amended Declaration, any leases or contracts (including management contracts, service contracts and employment contracts) entered into by the Declarant or the Interim Board of Directors on behalf of the Association prior to the turnover meeting described in Section 7 above shall have a term of not in excess of 3 years.

ARTICLE VI DESIGN REVIEW COMMITTEE

Section 1. Creation of Committee. Declarant shall appoint the initial members of the Design Review Committee, which shall consist of four members, one each from the real estate brokerage companies representing Deer Glen builders and two representatives from the Deer Glen builder firms. The Property Management company shall coordinate the work of the Committee.

Section 2. Committee Members. In the event of the resignation of any member of the initially appointed Committee, the remaining Committee members may appoint a replacement.

The terms of the appointed members of the Design Review Committee shall expire at the earlier of 18 months after the sale of the last lot by Declarant or after 75% of all lot and initial building plans have been processed by the Design Review Committee. At the end of the expiration of such terms, the Design Review Committee shall be appointed by the Board of Directors of the Homeowner Association and membership shall be reduced to three members at that time.

Section 3. Duties. The Design Review Committee shall carry out the duties imposed on it in Articles III and VI of this Amended Declaration.

Section. 4. Submittal Procedure. Complete plans and specifications of all proposed buildings, structures and exterior alterations together with detailed plans showing the proposed location of same on the particular building site shall be submitted for approval shall be submitted in writing to the Design Review Committee prior to any action or improvement on any lot where approval of such action is required by the Design Review Committee. The Design Review Committee's approval or disapproval as required in this Amended Declaration shall be in writing, and shall be made within ten (10) business days after said written plans and specifications have been submitted to it. The Design Review Committee shall have the right to reject, for any reason whatsoever, including purely aesthetic grounds, any proposal which it decides is not suitable or desirable. The decision shall be in writing and if a proposal is not approved, the decision shall include a statement of reasons for the action taken. If the plans and specifications are rejected, the owner shall have the opportunity to resubmit plans. As set forth below the Owner agrees to not maintain any action against Declarant, any member of the Committee, Association or Board or officers of the Association due to rejection of the plans and specifications and shall not seek recovery of any consequential damages incurred thereby, including but not limited to architect fees or engineering costs. All buildings and other structures must be designed by a registered architect, a professional building designer, or by another qualified person or firm. Any proposed changes or additions to an approved set of architectural plans, site plan or landscaping plans must be submitted to the Design Review Committee. The members of the Committee shall have no personal liability for any action by or decision of the Committee performed in good faith. By acceptance of a deed to, interest in, or possession of any lot or unit, such party and that party's heirs, successors and assigns agree and covenant not to maintain any action against Declarant, its members, agents or employees, or any member of the Committee, Association or Board or office of the Association, which seeks to hold any of them personally or individually liable for damages or for declaratory, injunctive or equitable relief relating to or caused by any action or decision relating to architectural control.

Section 5. Plans to Remain with Committee. Plans and specifications shall be left with the Design Review Committee until 60 days after notice of completion has been received by the Design Review Committee so that a determination can be made on whether the improvements comply substantially with the plans and specifications submitted.

Section 6. Design Review Fees. The Design Review Committee shall be entitled to charge a fee to reimburse reasonable costs incurred in processing applications pursuant to these covenants, conditions and restrictions, including, but not limited to, costs of outside architectural review, management services, copies, and the like.

ARTICLE VII ASSESSMENTS

Section 1. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the benefit of the Owners and for the improvement, operation and maintenance of the common tracts and easements and other areas to be maintained by the Association.

Section 2. Types of Assessments. The Association may levy annual assessments, special assessments, emergency assessments and individual assessments, all as more particularly described below.

Section 3. Apportionment of Assessments. All lots shall pay an equal pro rata share of the annual assessments, special assessments and emergency assessments commencing upon the date such lots are made subject to this Amended Declaration.

Section 4. Annual Assessments. The Board of Directors of the Association shall from time to time and at least annually prepare an operating budget for the Association, taking into account the current costs of maintenance and services and future needs of the Association, any previous overassessment and any common profits of the Association. The budget shall provide for such reserve or contingency funds as the Board deems necessary or as may be required by law, but not less than the reserves required by Section 9 below. Annual assessments for such operating expenses and reserves shall then be apportioned among the lots as provided in Section 3 above. The method of adoption of the budget and the manner of billing and collection assessments shall be as provided in the Bylaws.

Section 5. Special Assessments. In addition to the annual assessment authorized above, the Board of Directors may levy during any fiscal year a special assessment applicable to that year only, for the purpose of deferring all or any part of the cost of any construction, reconstruction, unexpected repair, or acquisition or replacement of a described capital improvement, or for any other one-time expenditure not to be paid for out of annual assessments. Special assessments may be payable in lump sum or in installments, with or without interest or discount, as determined by the Board of Directors.

Section 6. Emergency Assessments. If the annual assessments levied at any time are, or will become, inadequate to meet all expenses incurred under this Amended Declaration for any reason, including nonpayment of any Owner's assessments on a current basis, the Board of Directors of the Association shall immediately determine the approximate amount of such inadequacy and issue a supplemental budget, noted as to the reason therefore, and levy an emergency assessment for the amount required to meet all such expenses on a current basis.

Section 7. Individual Assessments. Individual assessments include, without limitation, charges for services provided under Articles III, IV and V. Individual assessments shall also include default assessment levied against any lot or its Owner into compliance with the provisions of this Amended Declaration or the Rules and Regulations of the Association and for fines or other charges imposed pursuant to this Amended Declaration for violation thereof. Unless otherwise provided by the Board of Directors, individual assessments shall be due 30 days after the Board of Directors has given written notice thereof to the Owner subject to the individual assessment.

Section 8. Operations Fund. The Association shall keep all funds received by it as assessments, other than reserves described in Section 9 below, in an account known as the operations fund. The Association shall use such fund exclusively for the benefit of the Owners and for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use, safety, welfare and enjoyment of the properties, including but not limited to:

- a. Payment of the cost of maintenance and services as described herein.
- b. Payment of the cost of fire and liability insurance covering the common tracts, easements and improvements as may be thereon and insurance as described in the Bylaws of the Association.
- c. Payment of taxes, if any, assessed against the common tracts.
- d. Payment of the cost of other services which the Association deems to be of general benefit to the Owners, including but not limited to accounting, legal, property management and secretarial services.

Section 9. Reserve Fund. The Declarant or Interim Board of Directors shall establish a reserve fund for replacement of those items to be maintained by the Association all or a part of which will normally require replacement in more than 5 and less than 30 years. Such reserve fund shall be funded by assessments against the individual lots assessed for maintenance of the items for which the reserve fund is being established. The assessments under this section begin accruing against each lot from the date the first lot in the property is conveyed. The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The reserve fund shall be established in the name of the Association and shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The reserve fund shall be used only for replacement of common property as determined by the Board of Directors and shall be kept separate from the operations fund. After the turnover meeting described in Article V, Section 7, however, the Board of Directors may borrow funds from the reserve fund to meet high seasonal demands on the regular operating funds or to meet other temporary expenses that will later be paid from annual assessments, special assessments, or emergency assessments. Nothing in this section shall prohibit prudent investment of the reserve account. Assessments paid into the reserve fund are the property of the Association and are not refundable to sellers or Owners of lots.

Section 10. Creation of Lien and Personal Obligation of Assessments. Declarant, for each lot owned by it within the property, does hereby covenant, and each Owner of any lot by acceptance of a conveyance thereof, whether or not so expressed in any such conveyance, shall be deemed to covenant to pay to the Association all assessments or other charges as may be fixed, established and collected from time to time in the manner provided in this Amended Declaration or the Association Bylaws. Such assessments and charges, together with any interest, expenses or attorneys' fees imposed pursuant to Article VIII, shall be a charge on the land and shall be a continuing lien upon the lot against which each such assessment or charge is made. Such assessments, charges and other costs shall also be the personal obligation of the person who was the Owner of such lot at the time when the assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Article VIII below.

ARTICLE VIII ENFORCEMENT

Section 1. Use of Common Tracts, Easements. In the event any Owner shall violate any provision of this Amended Declaration, the Bylaws of the Association or other rules adopted by the Association governing the use of common tracts, easements or design elements as set forth herein, then the Association acting through its Board of Directors shall notify the Owner in writing that the violation or nuisances exist and that he is responsible for them, and may, after reasonable notice and opportunity to be heard, do any or all of the following: a) suspend his voting rights for the period that the violations or nuisances remain unabated, b) impose reasonable fines upon the Owner, in the manner and amount defined in the Design Review Guideline or as adopted in Association Rules and Regulations, which fines shall be paid into the operations fund, or c) bring suit or action against such Owner to enforce this Amended Declaration.

Section 2. Nonqualifying Improvements and Violation of General Protective Covenants. In the event any Owner constructs or permits to be constructed on his lot or unit an improvement contrary to the provisions of this Amended Declaration, or causes or permits any improvement, activity, condition or nuisance contrary to the provisions of this Amended Declaration to remain uncorrected or unabated on his lot or unit, then the Association, acting through its Board of Directors, shall notify the Owner in writing of any such specific violations of this Amended Declaration and shall require the Owner to remedy or abate the same in order to bring his lot or unit, the improvements thereon and his use thereof, into conformance with this Amended Declaration. If the Owner is unable, unwilling or refuses to comply with the Association's specific directives for remedy or abatement, or the Owner and the Association cannot agree to a mutually acceptable solution within the framework and intent of this Amended Declaration, after notice and opportunity to be heard and within 60 days of written notice to the Owner, then the Association acting through its Board of Directors shall have the right to do any or all of the following:

- a. Impose reasonable fines against such Owner in the manner and amount the Board deems appropriate in relation to the violation,

- b. Enter the offending lot or unit and remove the cause of such violation, or alter, repair or change the item which is in violation of this Amended Declaration in such a manner as to make it conform thereto, in which case the Association may assess such Owner for the entire cost of the work done, which amount shall be payable to the operations fund, provided that no items of construction shall be altered or demolished in the absence of judicial proceedings or
- c. Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Amended Declaration.

Section 3. Default in Payment of Assessments; Enforcement of Lien. If an assessment or other charge levied under this Amended Declaration is not paid within 30 days of its due date, such assessment or charge shall become delinquent and shall bear interest from the due date at the rate set forth below. In such event the Association may exercise any or all of the following remedies:

- a. The Association may suspend such Owner's voting rights until such amounts, plus other charges under this Amended Declaration, are paid in full and may declare all remaining periodic installments of any annual assessment immediately due and payable.
- b. The Association shall have a lien against each lot or unit for any assessment levied against the lot and any fines or other charges imposed under this Amended Declaration or the Bylaws against the Owner of the lot from the date on which the assessment, fine or charge is due. The provision 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 Association, through its duly authorized agents, may bid on the lot at such foreclosure sale and may acquire and hold, lease, mortgage and convey the lot.
- c. The Association may bring an action to recover a money judgment for unpaid assessments, fines and charges under this Amended Declaration without foreclosing or waiving the lien described in paragraph b above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.
- d. The Association shall have any other remedy available to it by law or in equity.

Section 4. Notification to First Mortgagee. The Board of Directors shall notify any first mortgage of any individual lot of any default in performance of this Amended Declaration by the lot Owner which is not cured within 90 days.

Section 5. Subordination of Lien to Mortgages. The lien of the assessments or charges provided for in this Amended Declaration shall be subordinate to the lien of any mortgage or deed of trust on such lot which was made in good faith and for value and which was recorded prior to the recordation of the notice of lien. Sale or transfer of any lot shall not affect the assessment lien, but the sale or transfer of any lot which is subject

to any mortgage or deed of trust pursuant to a decree of foreclosure thereunder or any deed or proceeding, deed, or assignment in lieu of foreclosure shall extinguish any lien of an assessment notice of which was recorded after the recording of the mortgage or trust deed. Such sale or transfer, however, shall not release the lot from liability for any assessments or charges thereafter becoming due or from the lien of such assessments or charges.

Section 6. Interest Expenses and Attorneys' Fees. Any amount not paid to the Association when due in accordance with this Amended Declaration shall bear interest from the due date until paid at a rate of twelve percent (12%), or such other rate as may be established by the Board of Directors, but not to exceed the lawful rate of interest under the laws of the State of Oregon. A late charge may be charged for each delinquent assessment in an amount established from time to time by resolution of the Board of Directors of the Association. In the event the Association shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice and a fee for preparing the notice of lien established from time to time by resolution of the Board of Directors of the Association. In the event the Association shall bring any suit or action to enforce this Amended Declaration, or to collect any money due hereunder or to foreclose a lien, the Owner-defendant shall pay to the Association all costs and expenses incurred by it in connection with such suit or action, including a foreclosure title report, and the prevailing party in such suit or action shall recover such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof.

Section 7. Nonexclusiveness and Accumulation of Remedies. An election by the Association to pursue any remedy provided for violation of this Amended Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted hereunder. The remedies provided in this Declaration are not exclusive but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to the Association.

ARTICLE IX MORTGAGEES

Section 1. Right of First Mortgagees Relating to Maintenance. At any time that the common tracts and easements are not maintained or repaired by the Association pursuant to Article ____ to the extent reasonably necessary to protect and preserve the value of the property for security purposes, then the record mortgagee upon giving written notice as hereinafter provided, shall be entitled to exercise the rights of the Owner of the unit as a member of the Association to vote at all regular and special meetings of the members of the Association for a period of one year following the date of such notice. During this one year period, the Association shall give notice of all regular and special meetings to both the Owner and the mortgagee, and the Owner may attend such meetings as an observer. Notice from the mortgagee under this section shall quote this Article IX, Section 1 and shall be sent to the Owner with a copy to the Association.

ARTICLE X MISCELLANEOUS PROVISIONS

Section 1. Association Bylaws and Rules/Regulations. All Owners covenant and agree to strictly comply with the bylaws and duly adopted rules and regulations of the Association, as existing and hereafter adopted and amended, being incorporated herein fully by reference. Failure of an Owner to comply with any such bylaws or rules and regulations shall constitute a violation of these Declarations enforceable pursuant to the provisions hereof or as otherwise provided by law. Failure by the Association or Declarant to enforce any of the foregoing shall not waive the right to do so thereafter. The bylaws and any Association rules and regulations may be reviewed and copies obtained from the principal office of the Association or from the designated management company. Any inconsistency between the bylaws or other Association documents and these covenants, conditions and restrictions shall be resolved in favor of the latter with the proviso that whenever possible all documents shall be construed to be consistent with each other.

Section 2. Amendment and Repeal. This Amended Declaration, or any provision thereof, as from time to time in effect with respect to all or any part of the property, may be amended or repealed by the vote or written consent of Owners owning not less than ninety percent (90%) of the voting rights in the Association. Any such amendment or repeal shall become effective only upon recordation in the Deed Records of Multnomah County, Oregon, of a certificate of the present or secretary of the Association setting forth in full the amendment, amendments or repeal so approved and certifying that said amendment, amendments or repeal have been approved in the manner required by this Amended Declaration. In no event shall an amendment under this section increase the number of lots or units or change the boundaries of any lot or any uses to which any lot or unit is restricted unless the Owners of the affected lots unanimously consent to the amendment.

Section 3. Regulatory Amendments. Notwithstanding the provisions of Section 1 above, Declarant shall have the right to amend this Amended Declaration or the Bylaws of the Association, during the period of Declarant ownership of fifty percent (50%) or more of the lots in order to comply with the requirements of the Federal Housing Administration, the Veterans Administration, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage 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 which insures, guarantees or provides financing for a planned community or lots in a planned community.

Section 4. Duration. All of the covenants, conditions and restrictions contained in this Amended Declaration shall run with the land and shall be and remain in full force and effect at all times with respect to all properties within Deer Glen and shall be binding upon all parties until January 1, 2035, at which time they shall automatically extend for successive periods of 10 years, unless, effective January 1, 2035, or at the end of such 10

year extension, the membership of the Association by two-thirds (2/3) vote of the members eligible to vote, cast at a special meeting called for such purpose, shall resolve to terminate these restrictions.

Section 5. Joint Owners. In any case in which two or more persons share the ownership of any lot, regardless of the form of ownership, the responsibility of such persons to comply with this Amended Declaration shall be a joint and several responsibility, and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Association, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter.

Section 6. Lessees and Other Invitees. Lessees, invitees, contractors, family members and other persons entering the property under rights derived from an Owner shall comply with all other provisions of this Amended Declaration restricting or regulating the Owner's use, improvement or enjoyment of his unit and other areas within the properties. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the Owner himself had committed the failure.

Section 7. Construction; Severability; Number; Caption. This Declaration shall be liberally construed as an entire document to accomplish the purposes thereof as stated in the introductory paragraphs hereof. Nevertheless, each provision of this Amended Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision.

As used herein, the singular shall include the plural and the plural the singular, and 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 this Amended Declaration.

Section 8. Notices and Other Documents. Any notice or other document permitted or required by this Amended Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed made 24 hours after having been deposited in the United States mail, with postage prepaid, addressed as follows: If to the Declarant, 750 Menlo Ave., Suite 250, Menlo Park CA 94025; if to an Owner at the address given by the Owner at the time of his purchase of a lot; if to the Association, to the mailing address of the Association as filed with the Oregon Secretary of State. The address of a party may be changed by him at any time by notice in writing delivered to the Association as provided herein.

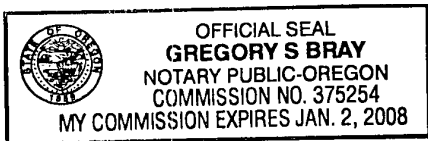
IN WITNESS WHEREOF, Declarant has executed this Declaration as of the date set forth above.

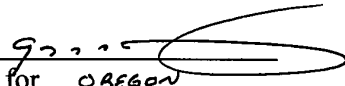
KEYS PACIFIC 2, LLC

By 

State of OREGON
County of CLACKAMAS) ss:

The foregoing instrument was acknowledged before me this 15th day of FEBRUARY 2006, by Ed Freeman, MEMBER of Keys Pacific 2, LLC, on its behalf.
Title




Notary Public for OREGON
My Commission Expires 1.2.08



MULTNOMAH COUNTY OREGON

Division of Assessment & Taxation
501 SE Hawthorne #158
Portland OR 97214
Recording Section (503) 988-3034

Multnomah County Official Records
Cindy Swick, Deputy Clerk

2008-008434



\$61.00

00261854200800084340090095

01/16/2008 10:39:36 AM

1R-BY-LAWS

Cnt=1 Stn=27 ATVLM

\$45.00 \$11.00 \$5.00

**THIS PAGE IS A PART OF THE OFFICIAL DOCUMENT
PLEASE DO NOT REMOVE**

After recording return to:
KMO
15 NE 3rd St
Gresham, Or 97030

BYLAWS
OF
DEER GLEN HOMEOWNER'S ASSOCIATION

ARTICLE I
NAME

The name of the Corporation is Deer Glen Homeowner's Association, an Oregon nonprofit corporation (the "Corporation").

ARTICLE II
PURPOSE AND POWERS

2.1 Purpose. The Corporation is organized and shall be operated exclusively for the benefit of the owners of Deer Glen, located in the City of Gresham, County of Multnomah, State of Oregon.

2.2 Powers. Subject to the foregoing purposes and the powers and obligations set forth in the Declaration of Covenants, Conditions, and Restrictions of Deer Glen, the Corporation shall have and may exercise all the rights and powers of a nonprofit corporation under the Oregon Nonprofit Corporation Act.

ARTICLE III
MEMBERS MEETINGS

3.1 Annual Meeting. The annual meeting of the members shall be held during the month of September or: at such time, date, and place as may be determined by the Board of Directors. At such meeting the members entitled to vote shall elect a Board of Directors and transact such other business as may come before the meeting, consistent with the notice provisions of ORS 63.217, which require notice of the meeting to include a description of any matter or matters which must be approved by the members.

3.2 Special Meetings. The Corporation shall hold special meetings of members at any time on the call of the President or the Board of Directors, or on demand in writing by members of record holding at least 30 percent of the votes entitled to be cast on any matter proposed to be considered at the special meeting.

3.3 Notice. Written notice stating the place, date, and time of the meeting, and in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 30 nor more than 60 days prior to the date of the meeting either personally or by mail, by or at the direction of the President or Secretary, to each member of record entitled to vote at such meeting. If mailed, the notice shall be deemed to be delivered when deposited in the United States mail addressed to the members at the member's address as it appears on the current member record of the Corporation, with postage prepaid.

This instrument filed for record by
Fidelity National Title Company as an
accommodation only. It has not been
examined as to its execution or as to
its effect upon the title. 812323

3.4 Waiver of Notice. A member may, at any time, waive any notice required by these Bylaws, the Articles of Incorporation, or the Oregon Nonprofit Corporation Act. The waiver must be in writing, be signed by the member, and be delivered to the corporate records. A member's attendance at a meeting waives any objection to: (a) lack of notice or defective notice of the meeting, unless the member at the beginning of the meeting objects to holding the meeting or transacting business at the meeting; and (b) consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the member objects to considering the matter when it is presented.

3.5 Voting. The Corporation shall prepare on a current basis an alphabetical list of the names, addresses, and membership dates of all the members. The Corporation shall prepare on a current basis through the time of the membership meeting a list of members who are entitled to vote at the meeting. The Corporation shall make the list of members available for inspection by any member for the purpose of communication with other members concerning the meeting, beginning two business days after notice of the meeting is given for which the list was prepared and continuing through the meeting, at the Corporation's principal office or at a reasonable place identified in the meeting notice. The Corporation shall make the list of members available at the meeting, and any member, the member's agent or attorney shall be entitled to inspect the list for any proper purpose at any time during the meeting or any adjournment. Members shall have the voting rights as specified in the Declaration of Protective Covenants, Conditions, Restrictions and Easements of Deer Glen Homeowner's Association. Members who are delinquent on any assessment shall not have the right to vote.

3.6 Quorum: Vote Required. The majority of the members entitled to vote on a matter represented in person or by proxies, shall constitute a quorum with respect to that matter at any meeting of the members. If a quorum is present, action on a matter, other than the election of directors, is approved if the votes cast in favor of the action exceed the votes cast in opposition, unless the vote of a greater number is required by the Oregon Nonprofit Corporation Act or the Articles of Incorporation. Election of directors is governed by Article IV; Section 4.3.

ARTICLE IV DIRECTORS

4.1 Powers. The Board of Directors shall manage the business and affairs of the Corporation and exercise or direct the exercise, of all corporate powers.

4.2 Number. The number of directors shall be five. During the construction phase, the number of directors shall be three.

4.3 Election and Term of Office. Directors shall be elected at the annual meeting of the members by a majority vote of the members present at the meeting; provided however, that a quorum of members is present. Directors shall serve for a three year term, or until their successors have been elected and take office, and may be elected

for successive terms. The initial Board of Directors consisting of homeowners, shall serve terms as follows:

- Position 1 - 1 year term
- Position 2 - 2 year term
- Position 3 - 2 year term
- Position 4 - 3 year term
- Position 5 - 3 year term

4.4 Removal. A director may be removed, with or without cause, by the affirmative vote of two-thirds of the directors then in office, at any meeting of the Board of Directors. The notice of such meeting shall state that the purpose or one of the purposes of the meeting is the removal of the director or directors involved. A director may be removed with or without cause by the affirmative vote of two-thirds of the members at a duly called meeting with notice as required herein.

4.5 Vacancies. Any vacancy occurring in the Board of Directors for any reason, including a vacancy resulting from an increase in the number of directors, shall be filled by the affirmative vote of a majority of the directors then in office.

4.6 Resignation. Any director may resign at any time by delivering written notice of resignation to the President or Secretary. Such resignation shall be effective on receipt unless it is specified therein to be effective at a later time, and acceptance of the resignation shall not be necessary.

4.7 Compensation. Directors shall serve without compensation for services. A director may receive reimbursement for actual and reasonable expenses incurred in performing his or her duties upon the approval of the Board of Directors.

4.8 Annual Meetings. The annual meeting of the Board of Directors shall be held immediately after the adjournment of the annual meeting of members, or at such date, time and place determined by the Board of Directors upon notice as provided in Section 4.11.

4.9 Regular Meetings. The Board of Directors may, from time to time, establish monthly or other regular meetings of the board, the specific date, time and place to be determined by the President.

4.10 Special Meetings. Special meetings of the Board of Directors may be called by the President or any three directors.

4.11 Notice of Meetings. Written notice of the annual meeting of the Board of Directors shall be given at least ten days before the meeting. Written notice of a special meeting of the Board of Directors shall be given at least two days before the meeting. The notice shall, in each case, specify the date, time and place of the meeting and notice shall be sufficient if actually received by the required time or if mailed not less than five

days before the required time. Mailed notices shall be directed to the director's address showing on the corporate records or to the director's actual address showing on the corporate records or to the director's actual address ascertained by the person giving notice. Oral notice may be delivered in person or by telephone. Except as otherwise required by law, the Declarations of Protective Covenants, Conditions, Restrictions and Easements, the Articles of Incorporation or these Bylaws, either the business to be transacted at, nor the purpose of any meeting of the Board of Directors need be specified in the notice.

4.12 Waiver of Notice. Whenever any notice is required to be given to any director, a waiver thereof in writing, signed by the director entitled to such notice, whether before or after the event specified in the waiver, shall be deemed equivalent to the giving of such notice. Furthermore, the attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where 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.

4.13 Quorum: Majority Vote. A majority of the number of directors in office at the time of a meeting of the Board of Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless a different number is required by law, the Declarations of Protective Covenants, Conditions, Restrictions and Easements, Articles of Incorporation, or these Bylaws. A minority of the directors, in the absence of a quorum, may adjourn and reconvene from time to time, but may not transact any business.

ARTICLE V OFFICERS

5.1 Designation. The officers of the Corporation shall be a President, a Secretary, and a Treasurer. Such other officers as may be deemed necessary may be elected by the Board of Directors and shall have such powers and duties as may be prescribed by the Board. The same individual may hold two or more offices.

5.2 Qualifications. An officer must be a member of the Board of Directors.

5.3 Election and Term of Office. The officers of the Corporation shall be elected annually by the Board of Directors. Each officer shall hold office until a successor is duly elected or until the officer's resignation, death, or removal.

5.4 Resignation. An officer may resign at any time by delivering written notice of resignation to the President or Secretary. Such resignation shall be effective upon receipt unless it is specified to be effective at a later time. The Board of Directors may reject any postdated resignation by notice in writing to the resigning officer.

5.5 Removal. The Board of Directors may remove any officer with or without cause, by the affirmative vote of a majority of the directors then in office, at any meeting

of the Board of Directors. Removal shall be without prejudice to the contract rights, if any, of the person removed. Election of an officer shall not of itself create contract rights.

5.6 Vacancies. A vacancy in any office because of death, resignation, removal, or otherwise may be filled by the Board of Directors for the unexpired portion of the term.

5.7 President. The President shall be the Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and affairs of the Corporation. The President shall preside at all meetings of the Board of Directors and shall, with the Secretary execute on behalf of the Corporation all contracts, agreements, and other instruments. The President shall have the general powers and management usually vested in the office of President of a Corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors. The President shall also be a nonvoting ex officio member of any committee established pursuant to Article VI hereof.

5.8 Vice President. The Vice President shall be in training for the position of future Presidency and shall be prepared to fill in for the President in the President's absence.

5.9 Secretary. The Secretary shall prepare and keep (or cause to be prepared and kept) the minutes of all meetings of the Board of Directors and any committees of the Board of Directors and shall have custody of the minute books and other records pertaining to corporate business. The Secretary shall give or cause to be given such notice of the meetings of the Board of Directors as is authenticating resolutions and other records of the Corporation and shall countersign on behalf of the Corporation all contracts, agreements, and other instruments. The Secretary shall perform such other duties as may be prescribed by the Board of Directors.

5.10 Treasurer. The Treasurer shall be the Chief Financial and Accounting Officer of the Corporation and shall supervise and monitor the finances of the Corporation. The Treasurer shall (a) cause to be kept correct and complete records of account showing the financial condition of the Corporation, (b) be legal custodian of all moneys, notes, securities, and other valuables that may come unto the possession of the Corporation, (c) cause all funds of the Corporation to be deposited in depositories that the Board of Directors may designate, (d) cause payment of funds in the manner authorized by the Board of Directors, (e) present to the Board of Directors regular statements of the Corporation's financial position and cash flows, (f) ensure that the Corporation files all necessary tax returns, and (g) maintain the record of all gifts, grants, contribution, gross receipts from admissions, sales of merchandise, performance of services, or furnishing of facilities.

ARTICLE VI COMMITTEES

6.1 Creation. The Board of Directors may, by resolution adopted by a majority of the directors then in office, designate and appoint committees and chairman thereof as may be deemed appropriate.

6.2 Authority. Each committee appointed by the Board of Directors shall have and may exercise such powers and authority as may be conferred by the Board of Directors, but no committee shall in any event, have the power or authority to (a) amend, alter, or repeal these Bylaws or the Articles of Incorporation, (b) elect, appoint, or remove any director or officer, (c) approve dissolution or merger or any sale, pledge, or transfer of all or substantially all of the Corporation's assets, or (d) authorize any distribution of the assets of the Corporation. The designation and appointment of any committees and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual director of any responsibility imposed by law. The Board of Directors shall have the power at any time to fill vacancies in, to change the size or membership of any committee.

6.4 Quorum. A majority of the members of a committee shall constitute a quorum for the transaction of business at any committee meeting, and any transaction of a committee shall require a majority vote of the quorum present at the meeting.

ARTICLE VII INDEMNIFICATION OF DIRECTORS AND OFFICERS

7.1 General. The Corporation shall to the fullest extent permitted under Oregon law indemnify any person who is or was a director or officer of the Corporation against any and all liability incurred by such person in connection with any claim, action, suit, or proceeding or any threatened claim, action, suit, or proceeding, whether civil, criminal, administrative, or investigative, by reason of the fact that such person is or was a director or officer of the Corporation, if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the Corporation, and with respect to any criminal proceeding such person had no reasonable cause to believe the conduct was unlawful. Liability and expenses include reasonable attorneys' fees, judgments, fines, costs, and amounts actually paid in settlement. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not of itself create a presumption that such person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal proceeding, had reasonable cause to believe that such conduct was unlawful. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights to which any such director or officer may be entitled under any statute, bylaw, agreement, or otherwise.

7.2 Actions by or in the Right of the Corporation. In connection with any proceeding brought by or in the right of the Corporation, the Corporation may not indemnify any person who is or was a director or officer of the Corporation if such person has been adjudged by a court of law to be liable to the Corporation, unless the court in which the action or suit was brought shall determine upon application that, despite the adjudication of liability, in view of all of the circumstances of the case such person is fairly and reasonably entitled to indemnity.

7.3 Self-interested Transactions. The Corporation may not indemnify any person who is or was a director or officer of the Corporation in connection with any proceeding charging improper personal benefit to such person in which such person has been adjudged liable on the basis that personal benefit was improperly received by such person, unless the court in which the action or suit was brought determines upon application that, despite the adjudication of liability, in view of all circumstances of the case such person is fairly and reasonably entitled to indemnity.

7.4 Determination of the Property of Indemnification. The determination that indemnification is proper shall be made by the majority vote of a quorum consisting of the Directors who were not parties to the proceeding or, if such a quorum cannot be obtained, by the majority vote of a committee, duly designated by the Board of Directors, consisting of at least two Directors who were not parties to the proceeding. If there are not two Directors who were not parties to the proceeding, the full Board of Directors shall select special legal counsel to determine whether indemnification is proper.

7.5 Evaluation of Expenses. An evaluation as to the reasonableness of expenses shall be made by the majority vote of a quorum consisting of Directors who were not parties to the proceeding or, if such a quorum cannot be obtained, by the majority vote of a committee, duly designated by the Board of Directors, consisting of at least two Directors who were not parties to the proceeding. If there are not two directors who were not parties to the proceeding, the full Board of Directors, who were parties to the proceeding, shall evaluate the reasonableness of expenses.

7.6 Insurance. The Board of Directors shall have the power to purchase insurance on behalf of any individual who is or was an Officer or Director of the Corporation against liability asserted against or incurred by such individual arising out of such individual's status as a Director or Officer of the Corporation, whether or not the Corporation would have the power to indemnify such individual against liability under the provisions of this article.

ARTICLE VIII FISCAL YEAR

The Fiscal Year will be on a calendar basis.

**ARTICLE IX
AMENDMENT**

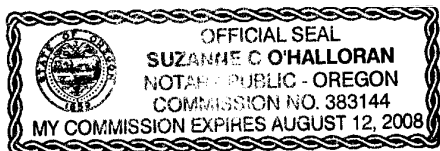
The Board of Directors may amend or repeal these Bylaws or adopt new Bylaws by the affirmative vote of 80 percent of the Directors then in office, at any meeting of the Board of Directors. The meeting notice shall state that a purpose of the meeting is to consider an amendment to the Bylaws and shall contain a copy or summary of the proposed amendment. Any proposed change to the By-Laws requires notice to all members of such changes and date, time and location of meeting at which they are to be considered.

The foregoing Bylaws were adopted on behalf of Deer Glen Homeowner's Association on the 2 day of January, 2008.

By: [Signature]
Association President

STATE OF OREGON)
) ss
COUNTY OF MULTNOMAH)

The foregoing instrument was acknowledged before me on this 2nd day of January, 2008, by Sean McGinnis, President of Deer Glen Homeowner's Association.



[Signature]
Notary Public for Oregon
My Commission Expires 8-12-08