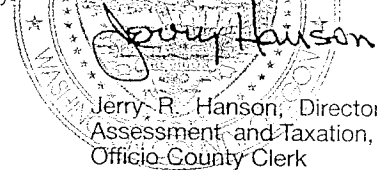


After recording return to:
Portland Investors Limited Partnership
255 S.W. Harrison St., Suite 12G
Portland, Oregon 97201

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



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

Doc : 2000078216.1
Rect: 263876 127.00
09/27/2000 11:03:39am

**DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
FOR
BAUER OAKS NO. 3**

RECITALS

Portland Investors Limited Partnership, an Oregon limited partnership ("Declarant"), is the owner of that certain real property located in Washington County, State of Oregon, more particularly described as BAUER OAKS NO. 3, duly recorded on September 27, 2000 as Document No. 2000078214 in Plat Book 133 Pages * of the plat records of Washington County, Oregon (the "Property").

*4,5,6,7,8,9,10

Declarant desires to subject the Property to the covenants, conditions and restrictions set forth herein for the benefit of the Property and its present and subsequent owners. Declarant also desires to create a nonprofit corporation, to which shall be delegated and assigned the powers of maintaining and administering the Common Property and the Public Property (in each case in conformity with applicable law and the consent of the appropriate governmental entity), administering and enforcing the covenants and restrictions, collecting and disbursing the assessments and charges hereinafter created and promoting the recreational health, safety and welfare of the Owners.

NOW, THEREFORE, Declarant hereby declares that the Property and the improvements constructed or to be constructed thereon are hereby subjected to the provisions of this Declaration and shall be held, sold, transferred, conveyed, used, occupied and mortgaged or otherwise encumbered subject to the covenants, conditions, restrictions, easements, assessments and liens set forth in this Declaration. Such covenants, conditions, restrictions, easements, assessments and liens shall run with the title to the Property and shall be binding on all persons having any right, title or interest in such property or any part thereof, and their respective heirs, successors and assigns and shall inure to the benefit of such and every owner of all or any portion thereof.

I. DEFINITIONS

1.1 "Articles" shall mean the Articles of Incorporation for Bauer Oaks No 3 Homeowners Association as filed with the Oregon Corporation commissioner.

1.2 "Association" shall mean and refer to the "Bauer Oaks No 3 Homeowners Association", an Oregon nonprofit corporation, its successors and assigns.

1.3 "Book of Regulations" shall mean and refer to the document containing rules and regulations and policies adopted by the Board of Directors of the Association as may be from time to time amended.

1.4 "Common Property" and "Common Area Property" shall mean any property purchased or held by the Association for the use of Members, including but not limited to the Private Open Space Tracts shown on the Plat (the "Private Open Space Tracts"). Common Property shall include all facilities, improvements or personal property located or constructed on Common Property.

1.5 "Declarant" means Portland Investors Limited Partnership, an Oregon limited partnership, its successors and assigns.

1.6 "Declaration" shall mean the covenants, conditions and restrictions and all other provisions herein set forth in this entire document and any amendments or supplements.

1.7 "Home" shall mean refer to any portion of a structure situated upon the Property designed and intended for residential use and occupancy.

1.8 "Lot" shall refer to a distinct parcel of real property within the Subdivision.

1.9 "Mortgage" and "first mortgage" refer, respectively, to a recorded mortgage, trust deed or contract of sale and the holder, beneficiary or vendor of such instrument.

1.10 "Occupant" shall mean and refer to the person, or persons, who reside in the Home including the Home owner, a person or persons who lease the Home from the owner or any other person authorized by the owner to occupy the Home.

1.11 "Owner" shall mean and refer to the record owner of any fee or undivided fee interest in any Lot, except that where an Owner has contracted to convey fee title to a purchaser, the contract purchaser, rather than the contract seller, shall be an owner.

1.12 "Plat" refers to the subdivision plat filed with Washington County for Bauer Oaks No.3.

1.13 "Property" shall refer to all real property and fixtures as described in Exhibit A, and all improvements, real property and fixtures which become subject to this Declaration pursuant to

Article II hereof.

1.14 "Public Property" shall refer to public property contiguous to the Property for which the responsibility of maintenance has been delegated by any governmental authority to Declarant or the Association. Public Property shall include all facilities, or improvements, or personal property located or constructed on the land designated as Public Property.

1.15 "Quorum" shall mean, unless otherwise designated in this Declaration, persons entitled to vote at least sixty percent (60%) of those votes eligible to be cast.

1.16 "Subdivision" shall refer to Bauer Oaks No.3 as platted on the Plat, together with all properties which become subject to this Declaration pursuant to Article II hereof

II. DESCRIPTION OF PLANNED COMMUNITY AND SPECIAL DECLARANT RIGHTS

2.1 Name. The name of the planned community is Bauer Oaks No.3.

2.2 Location. The location of the planned community is Washington County. The planned community is not within the boundaries of any city.

2.3 Number of Lots. The planned community consists of approximately 103 residential lots.

2.4. Legal Description of Real Property. The legal description of the real property included in the planned community is attached as Exhibit 1.

2.5. Legal Description of Common Area Property. The legal description of the common area property included in the planned community is attached as Exhibit 2.

2.6. Description of Contemplated Improvements. Declarant agrees to complete general subdivision improvements, such as grading, the paving of roads, installation of curbs and street lights, the installation of underground utility lines per plans and the installation of sewer lines and storm water collectors. Nothing herein is intended to limit Declarant's rights to add improvements not described above. Declarant does not contemplate making any improvements to individual Lots.

2.7 Description of Special Declarant Rights. Declarant has reserved special rights as set forth throughout this Declaration. Declarant has reserved the right to administer the planned community for 120 days following the sale of seventy five percent of the lots or five years from the recording of this Declaration, whichever is sooner. Declarant has also reserved the right to make all decisions that normally would be made by the Architectural Review Committee until such time as all homes have been build on every lot within the planned community.

III. ANNEXATION OF ADDITIONAL PROPERTY

3.1 Annexation Without Approval of Membership

- a. As the owner thereof or, if not the owner, with the consent of the owner thereof, Declarant shall have the right and option from time to time at any time to subject additional property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the real property records of Washington County, Oregon, a Supplementary Declaration in respect to the property being annexed. Any such supplementary Declaration shall be effective upon the filing for record of such Supplementary Declaration unless otherwise provided therein. There is no limitation upon the number of lots or units which Declarant may create or annex to Bauer Oaks No.3, nor is there any limitation on the right of Declarant to annex common property.
- b. In the event additional lots or units are created or annexed to Bauer Oaks No.3, the owner of each such lot or unit shall be entitled to one vote, in the same manner that an Owner is entitled to one vote, and the owner of each such lot or unit shall share in the common expenses as provided in Section 7.4.
- c. The right reserved to Declarant to subject additional land to the Declaration shall not impose, and shall not be implied or construed to impose, any additional obligation upon Declarant to subject any of such additional land to this Declaration or to the jurisdiction of the Association. If such additional land is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation upon Declarant to impose any covenants and restrictions similar to those contained herein upon such additional land nor shall such right in any manner limit or restrict the use to which such additional land may be put by Declarant or any subsequent owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

3.2 Annexation With Approval of Membership. Subject to the consent of the Owner thereof, upon the affirmative vote of a majority of the Members of the Association present or represented by proxy at a meeting duly called for such purpose, the Association may annex other real property to the provisions of this Declaration and the jurisdiction of the Association by filing for record in the real property records of Washington County, Oregon, a Supplementary declaration in respect to the property being annexed. Any such Supplementary Declaration shall be signed by the President and Secretary of the Association, and any such annexation shall be effective upon the filing for the record of such Supplementary Declaration, unless otherwise provided therein.

3.3 Expansion Plan. The Declarant has no plan, at this time, for the expansion of the planned community. There is no limitation on the right of the Declarant to annex common property or expand the planned community.

3.4 No Right to Withdraw Property. The Declarant is not reserving the right to withdraw

property from the planned community.

IV. MEMBERSHIP AND VOTING RIGHTS IN THE ASSOCIATION; OPERATION OF THE ASSOCIATION MEMBERS.

4.1 Owners (including Declarant, so long as Declarant is an owner of a Lot) shall be voting members of the Association. Membership in the Association shall be appurtenant to and may not be separated from ownership or control of any Lot. Transfer of ownership of a Lot automatically transfers membership in the Association. Ownership of a Lot shall be the sole qualification for membership.

4.2 Voting.

- a. Members shall be entitled to one vote for each Lot in which they hold the interest required for membership by section 4.1.
- b. If more than one person holds an interest in a Lot, all such persons shall be entitled to membership, but the vote for such Lot shall be exercised as the persons holding such interest shall determine between themselves, provided that (i) in the event such persons are unable to determine who shall be entitled to cast the ballot, that owner's vote shall be suspended, and (ii) in no event shall more than one vote be cast with respect to any such Lot.
- c. Not later than 120 days after lots representing seventy five percent (75%) of the votes have been conveyed, Declarant shall call a meeting for the purpose of turning over administrative responsibility for the management of the Association to the Owners.
- d. Operation, Rules, Regulations and Policies The Association shall be operated and governed by the Articles of Incorporation and Bylaws of Bauer Oaks No.3 Homeowners Association. The Association may adopt rules, regulations and policies applicable to the Property and Public Property (including, without limitation, Design Rules), provided that so long as Declarant has the right to subject additional property to this Declaration, the Association may not adopt, modify or delete any use restriction, rule or regulation concerning new construction without the written consent of Declarant.

V. PUBLIC PROPERTY

5.1 Obligations of the Association. The Association shall comply with all maintenance and repair requirements imposed by a governmental entity upon Declarant or the Association with respect to the Public Property, and shall undertake such additional responsibility as it deems appropriate (consistent with applicable law and the consent of the applicable governing entity) for the maintenance and improvement of the Public Property and all improvements thereon, if any, and shall keep the same in good, clean, attractive and sanitary condition, order and repair. In the event the

Association shall fail to maintain or repair the Public Property in accordance with the requirements of the applicable governmental entity, such governmental entity shall be entitled to perform such work and shall have a lien upon the Association's property for the cost of such work, enforceable pursuant to the Oregon statutes regarding construction liens generally

5.2 Damage or Destruction of Public Property by Member. In the event any Public Property is damaged or destroyed by a Member or any Member's family members, guests, tenants, licensees or agents, such Member does hereby authorize the Association to repair said damage. The Association shall repair the damaged area in a good and workmanlike manner as originally constituted or as the area may be modified or altered subsequently by the Association in the discretion of the Association. The reasonable cost necessary for such repairs as originally constituted shall become a special assessment upon the lot of the member.

VI. COMMON PROPERTY

6.1 Obligations of the Association. Except as stated herein, the Association shall be responsible for the exclusive management and control of the Common Property, and all improvements thereon, if any, and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

6.2 Owners' Easement of Enjoyment. Subject to the provisions herein and rules and regulations of the Association, owners shall have a right and easement of enjoyment in and to the Common Property, which shall be appurtenant to and shall pass with the title to every Lot.

6.3 Extent of Easement. The easement of enjoyment created hereby shall be subject to the following:

- a. The right of the Association to establish reasonable rules and to charge reasonable assessments and fees for capital expenditures on the Common Property and the maintenance and upkeep of the Common Property and payment of all Association expenses.
- b. The right of the Association to suspend the right of an Owner, the Owner's family members, tenants and guests to use the Common Property for any period during which any assessment against the lot remains unpaid for more than thirty (30) days after notice; the right of the Association to suspend the right of an owner or the Owner's family members, tenants and guests to use any Common Property for any other infraction of the Declaration, Bylaws or the Book of regulations
- c. The right of the Association to dedicate or transfer all or any portion of the Common Property to any municipal corporation, public agency, authority or utility for such purpose and subject to such conditions as may be agreed to by the Owners.
- d. The right of the Association in accordance with its Articles and Bylaws to mortgage

the Common Property as security for any loan the purpose of which is improvement of the Common Property. In the event of a default upon any such mortgage, the lender's rights hereunder shall be limited to a right after taking possession of such properties to charge admission and other fees as a condition of continued enjoyment by the Members, and, if necessary, to open the enjoyment of such property to a wider public until the mortgage debt is satisfied, whereupon the possession of such property shall be returned to the Association and all rights of the Owners hereunder shall be fully restored.

- e. Delegation of Use. Any Owner may delegate his right of enjoyment to the Common Property to the occupant of the Owner's Home, to the members of the Owner's family or to the Owner's guests, subject to general regulations as may be established from time to time by the Association and included within the Book of Regulations, Bylaws of the Association or this Declaration.
- f. Damage or Destruction of Common Property by Member. In the event any Common Property is damaged or destroyed by a Member or any of the Member's family members, guests, tenants, licensees or agents, such Member does hereby authorize the Association to repair said damage. The Association shall repair the damaged area in a good workmanlike manner as originally constituted or as the area may be modified or altered subsequently by the Association in the discretion of the Association. The reasonable cost necessary for such repairs shall become a special assessment upon the lot of the responsible Member.
- g. Declarant's Easements. Declarant is hereby granted such easements through the Common Property as may be necessary for discharging Declarant's or exercising any special declarant right.
- h. Contemplated Improvements. Declarant does not choose to limit Declarant's rights to add improvements not described in the Declaration.

VII. COVENANTS FOR ASSESSMENTS

7.1 Creation of the Lien and Personal Obligation of Assessments. Each Owner hereby covenants and agrees to pay the Association common expenses as set forth herein. All such assessments, together with interest thereon and together with attorney fees and costs of collection thereof as hereinafter provided, shall be a continuing lien upon the lot against which such assessment is made. Such lien shall be reduced to writing, executed by the president or secretary of the Association and filed as provided in ORS 94.709. Such lien shall exist and be foreclosed in the manner as provided in ORS 94.709. Each such assessment, together with interest thereon, attorney fees and costs of collection thereof, shall also be the personal obligation of the person who was the owner at the time when the assessment fell due as well as a lien on the Owner's Lot 1

7.2 Budget: Common Expenses. The Board of Directors shall, from time to time and at

least annually, prepare a budget for the Association, estimate the common expenses expected to be incurred, less any previous over assessment, and assess the common expenses to each Lot owner in the proportion set forth in the Declaration. Common expenses shall include:

- a. Expenses of administration;
- b. Expenses of maintenance, repair or replacement of Public Property;
- c. Expenses of acquisition, maintenance, repair or replacement of Common Property;
- d. Cost of insurance or bonds obtained in accordance with the Bylaws;
- e. General operating revenue;
- f. Reserves for replacements and deferred maintenance as set forth in Section 7.11;
- g. Any deficit in common expenses for any prior period;
- h. Utilities for the Common Property and Public Property and other utilities with a common meter or commonly billed; and
- i. Any other items properly chargeable as an expense of the Association.

All Members shall be obligated to pay common expenses assessed to them by the Board of Directors on behalf of the Association pursuant to the Bylaws and this Declaration. Assessments may not be waived due to limited or non-use of Common Property or Public Property. Special assessments for items not listed above may be made from time to time by the Board of Directors as in their sole discretion shall be deemed necessary.

7.3 Due Date and Payment of Assessments. The Board of Directors shall set the date(s) upon which all assessments shall become due. The Board of Directors may provide for collection of assessments and dues annually or in monthly, quarterly or semiannual installments; provided, however, upon the default in the payment of any one or more installments, the entire balance of said assessments or dues may be accelerated at the option of the Board of Directors and be declared due and payable in full together with interest at the rate established by the Association's Board of Directors and attorney fees and costs as provided in Section 7.13 herein.

7.4 Allocation of Assessments. Each Lot shall be assessed for the expenses of the Association at the same rate.

7.5 Special Assessments for Capital Improvements. Upon vote of the Members, the Association may levy in addition to annual assessments, a special assessment in any calendar year for the purpose of defraying in whole or in part the cost of purchase of Common Property or construction or reconstruction or expected repair or replacement of a described capital improvement upon the Public Property or Common Property, including necessary fixtures and personal property related thereto. Each Lot shall be assessed for such purposes at the same rate.

7.6 Voting and Notices for Special Assessment. Any special assessment for capital improvements must have the assent of two-thirds of the votes of the Members who are voting in person or by proxy at a meeting duly called for that purpose, written notice of which shall be sent to all members at least 30 days in advance of the date of such meeting, setting forth the purpose of the meeting.

7.7 Duty of Board of directors. The Board or Directors shall cause to be prepared a roster of the properties subject to assessments with assessments applicable to each such property and shall keep such roster in the Association office subject to inspection by any Owner. The Association shall upon demand within a reasonable time furnish to any owner liable for an assessment a certificate in writing setting forth whether the assessments on such property owned by such Owner have been paid.

7.8 Subordination of the Lien to Mortgage and Deed of Trust. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or deed of trust, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof including sale under a deed of trust shall extinguish any lien of an assessment which became a lien prior to such sale or transfer, and such liens shall attach to the net proceeds of the sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. Such sale or transfer shall not release such Lot from liability from any assessments thereafter becoming due or from the lien thereof.

7.9 Exempt Property. The following property subject to this Declaration shall be exempted from the assessments, charges and liens created herein:

- a. All properties to the extent of any easement or other interest therein dedicated and accepted by a municipal corporation or other local public authority and devoted to public use.
- b. All Common Property.

7.10 Reserves. A portion of the common expenses collected shall be placed in an account separate from the general operating account of the Association in accordance with ORS 94.595. This separate account is to be used as a reserve account for major maintenance and replacement of common property all or part of which would normally require replacement in more than three (3) or less than thirty (30) years from the time the budget is determined by the Board of Directors.

This assessment shall accrue from the date that the first regular assessment is collected.

The reserve account shall be used only for the purposes outlined in this section; provided, however, that after the Declarant has turned over the administrative responsibility for the Association, the Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from special assessments. The reserve account may be invested by the Board of Directors subject to normal prudent investment standards.

Assessments paid into the reserve account shall be the property of the Association and are not refundable to sellers of lots. Sellers of lots may treat their outstanding share of the reserve account as a separate item in any agreement for the sale of their lots.

7.11 Effect of Nonpayment of Assessments. Remedies of the Association. The Association may bring an action at law against an Owner obligated to pay the assessment or foreclose a lien upon the Property. No such action or a judgment entered therein shall be a waiver of the lien of the Association. No Owner may waive or otherwise escape liability for the assessments provided herein by non-use of Public Property or Common Property or abandonment of the lot.

7.12 Attorneys' Fees and Costs. In any suit or action brought by any Owner, the Association or a first lien holder to enforce any of the terms, provisions, or restrictive covenants of this Declaration, the prevailing party shall be entitled to its costs and disbursements and reasonable attorneys' fees in such suit or action and any appeal therefrom.

7.13 Interest. Any unpaid assessment shall bear interest at the rate of twelve per cent (12%) per annum from the date due until the date paid.

VIII. USE RESTRICTIONS

8.1 Washington County Restrictions. All uses, occupancy, construction and other activities conducted on any Lot shall conform with and be subject to applicable zoning, use restrictions, construction and building codes of Washington County, Oregon, and further to the restrictions of all other applicable public authorities and to the extent the following restrictions may be in conflict therewith, the same shall be deemed modified thereby.

8.2 Residential Use. No Lot shall be used for any purpose other than residential purposes or as Common Property for such purposes as are determined by the Directors of the Association. Notwithstanding the foregoing, nothing herein shall prohibit Declarant from using a Lot as an office for the purpose of marketing Lots.

8.3 Animals. No animals of any kind shall be raised, kept or permitted within private areas other than a reasonable number of household pets which are not kept, bred or raised for commercial purposes and which are reasonably controlled so as not to be a nuisance.

8.4 Recreational Vehicles, Parking Restrictions. Storage of boats, trailers, motorcycles, trucks having a gross vehicle weight in excess of 6,000 pounds, truck campers and like equipment shall not be allowed on any part of the property nor on public streets adjacent thereto excepting only within the confines of an enclosed garage or an area screened such that the vehicle or equipment is not visible at any time from the street or a neighboring property, the plans of which must have been reviewed and approved by the Architectural Review Committee prior to construction, and no portion of same may project beyond the front set back line. No vehicle shall be permitted to park on a public right-of-way within the Subdivision for a period exceeding twenty-four (24) hours without written permission of the Association.

8.5 Vehicles in Disrepair. Non-operable motor vehicles or vehicles in an extreme state of disrepair may not be stored or allowed to remain parked upon any lot or on any street for a period in excess of forty-eight (48) hours. A vehicle is in "an extreme state of disrepair" if its presence, in

the judgment of the Architectural Review Committee, would offend a reasonable occupant of the neighborhood.

8.6 Waste and Garbage Maintenance No part of the Property may be used or maintained as a dumping ground for rubbish, trash, garbage or any other waste. No garbage, trash or other waste may be kept or maintained on any part of the Property except in a sanitary container located within a building or within a trash enclosure hidden from public view. All such waste and garbage must be promptly and periodically removed.

8.7 Unpleasant Conditions or Nuisances. No noxious, offensive or unsightly conditions or activities are permitted upon any portion of the Property; nor may anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

IX. RESTRICTIONS ON TYPE OF STRUCTURE PERMITTED

9.1 Permitted Structures. Except with the approval of the Association, no building may be erected or maintained on any Lot except one single family dwelling, designed for occupancy by not more than one family, together with a private garage for not less than two nor more than three cars, which garage shall conform generally in architectural design and exterior materials and finish to the dwelling house to which it is appurtenant. Notwithstanding the foregoing, Declarant may erect such structure as Declarant deems appropriate as an office for the purpose of marketing unsold Lots in the Subdivision. No dwelling shall exceed three stories or the height restrictions imposed by code, whichever is less. Notwithstanding the above, four car garages are permitted on Lots 122 through 138 and Lots 141 through 149.

9.2 Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence either temporarily or permanently. All structures must comply with the Uniform Building Code.

9.3 Restrictions on Construction, Maintenance and Improvement. The following restrictions are applicable to construction, maintenance and improvements on the Property:

- a. A single family detached dwelling house shall have a minimum total floor area of 2,500 square feet (exclusive of porches, patios, basements and garages). The minimum total floor area for a home construct on Lots 122 through 138 and Lots 141 through 149 shall be 3,000 square feet for a single story home and 3,500 for a two storey home, exclusive of porches, patios, basements and garages.
- b. All buildings must be of double-wall construction with brick, stone, stucco, siding or shingle exterior. No vinyl siding will be allowed. All windows must be wood or white vinyl. No anodized aluminum windows will be allowed. All roofing must be cedar shingles, cedar shakes or tile. No composition roofing will be allowed.
- c. Easements for installation and maintenance for utilities and drainage facilities are

reserved as shown on the recorded plat, plus an easement within the five (5) feet of the side and rear lines of each Lot in the plat.

- d. Any exterior lighting must be approved prior to installation by the architectural Review Committee.
- e. No building, wall, fence, paving, landscaping or construction of any type shall be erected or maintained by any owner so as to trespass or encroach upon the Public Property or Common Property. The Architectural Review Committee shall have authority to abate any such trespass or encroachment at any time, by any reasonable means and with or without having to bring legal proceedings.
- f. The construction of any building on any lot, including painting and all exterior finish, shall be completed within six (6) months of the beginning of construction so as to present a finished appearance when viewed from any angle, except that construction on Lots 122 through 138 and Lots 141 through 149 may be completed within twelve (12) months. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Architectural Review Committee. The building area shall be kept reasonable clean and in workmanlike order during the construction period. All lots and adjacent streets and sidewalks shall be kept in a neat and orderly condition, free of brush, vines, weeds and debris, and grass thereon shall be cut or mowed at sufficient intervals to prevent creation of a nuisance or fire hazard.
- g. All landscaping must be completed within one (1) month from the completion of the residence constructed thereon except that landscaping on Lots 122 through 138 and Lots 141 through 149 may be completed within three (3) months. In the event of undue hardship due to weather conditions, this period may be extended for a reasonable length of time upon written approval by the Architectural Review Committee.
- h. Where permitted hedges or sight-obscuring fences shall not exceed four feet in height in the front yard, or in side yards from the street back to the front of the building on that side of the lot or the front of the building on the same side of the adjoining residential lot, whichever is further set back from the street. The maximum height of a sight-obscuring fence located on the remainder of the lot shall not exceed six feet in height. Fences shall not be permitted along the Saltzman Road side of Lots 154 through 158, 164, 165, 166, 172 through 187. Fences shall not be permitted along the 128th Terrace side of Lots 158 through 164.
- i. No trees with a diameter of five (5) inches, or more, measured at a height of four and one-half (4.5) feet above ground level, may be removed from those portions of any lot that lie outside of the building site (including driveway) without prior written approval from the Architectural Review Committee and Washington County Trees

may be removed from the Private Open Space Tracts only after they have been shown to be hazardous to life or property by a professional arborist and after a tree cutting permit has been obtained from Washington County.

- j. Native and indigenous landscape is encouraged. All areas disturbed by construction must be fully landscaped and care shall be taken to protect all slopes from erosion. Roof drains shall be connected to down spouts and connected to yard drains. No fill shall be allowed around the base of any existing trees of 1" diameter or greater measured 5 feet from the ground.
- k. Service yards (garbage, fuel tanks, clotheslines, etc.) shall be screened such that they are not visible at any time from the street or a neighboring property.
- l. The owners of all Lots shall construct and thereafter maintain sidewalks in conformity with standards of Washington County.
- m. All driveways and parking bays shall be constructed of concrete, unless otherwise approved in writing by the Architectural Review Committee.
- n. The location, color, size, design, lettering and other particulars of mail or paper delivery boxes shall be regulated by the Architectural Review Committee.
- o. No Sign or other advertising device of any character shall be erected on any Lot or maintained upon any part of the properties except one sign not larger than 18" x 24" advertising the Home or Lot for sale or rent. Notwithstanding the foregoing, Declarant may erect and maintain signs for the conduct of its business in connection with or upon the Property while the Property of any part thereof is owned by Declarant.
- p. No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication purposes nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained within the Property.
- q. All exterior television and radio aerials and antennas as well as any exterior satellite dishes are prohibited without express written approval of the Association or the Architectural Review Committee. A satellite dish may only be permitted if it can be situated on the lot so as not to be visible from any other lot or roadway in or around the subject lot. Approval for a satellite dish and any associated screening must be obtained from the Architectural Review Committee prior to installation. Notwithstanding the above, the installation and placement satellite dishes which are less than twenty-five (25) inches in diameter are permitted and do not require the approval of the Architectural Review Committee.

9.4 Right of Entry of Association Representative. Any agent or officer of the Association may at any reasonable hour or hours during construction or remodeling, enter and inspect any of said property as to its maintenance or improvements to determine if there has been compliance with the provisions hereof. The Association, and any agent, or officer thereof, shall not thereby be deemed guilty of any manner of trespass for such entry or inspection. The Association may issue a certificate of completion and compliance as to any property so inspected.

9.5 Evidence of Compliance With Restrictions. Records of the Association with respect to compliance with the provisions of this Declaration shall be conclusive evidence as to all matters shown by such records. Issuance of a certificate of completion and compliance by the Secretary or an Assistant Secretary of the Association showing that the plans and specifications for the improvements or other matters herein provided for have been approved and that such improvements have been made in accordance therewith, or a certificate as to any matters relating to this Declaration by the Secretary or an Assistant Secretary of the Association shall be conclusive evidence that shall justify and protect any title company insuring title to any property subject to this Declaration and shall fully protect any purchaser or encumbrancer in connection therewith. After the expiration of one year following the issuance of a building permit therefor by municipal or other governmental authority, any structure, work, improvement or alteration shall be deemed to be in compliance with the provisions thereof unless a notice of non-compliance executed by the Association shall have been recorded in the office of the County Clerk in which the property is located, or unless legal proceedings shall have been instituted to enforce compliance or completion.

X. RESTRICTION ON DIVIDING OR COMBINING LOTS

10.1 Restriction on Dividing Lots. No lot may be divided into two or more parcels.

10.2 Restriction on Combining Lots. No owner may combine two or more adjacent lots for the purpose of creating a larger sized lot.

XI. ARCHITECTURAL REVIEW COMMITTEE

11.1 Declarant's Rights. Declarant reserves the right to make all decisions normally made by the Architectural Review Committee until such time as houses have been built on all Lots. Once the construction of homes has been completed on all the Lots, an Architectural Review Committee shall be formed and thereafter shall make the architectural decisions set forth below and in this Declaration.

11.2 Architectural Review Committee. There shall be an Architectural Review Committee, organized as follows:

- a. The Architectural Review Committee ("Architectural Review Committee") shall consist of three (3) members appointed by the Board of Directors. Each member shall hold office until such member resigns, is removed or a successor has been appointed. One member of the Architectural Review Committee shall be an Owner. Of the two remaining members, at least one shall be an architect, and both shall have some

experience with landscape architecture.

- b. The right to appoint and remove all members of the Architectural Review Committee is hereby vested solely in the Declarant until Declarant turns such authority over to the Bauer Oaks No 3 Homeowners Association.
- c. Until all houses have been constructed and the Architectural Review Committee formed, Declarant shall have all the powers of the Architectural Review Committee, provided however, Declarant shall not be authorized to charge any fees to Owners for the review of proposed plans or the exercise of other Architectural Review Committee duties. As used herein, the term Architectural Review Committee shall henceforth refer to Declarant or the Architectural Review Committee, as the case may be.

11.2 Meetings; Action; Compensation; Expenses. The Architectural Review Committee shall meet as necessary to properly perform its duties. The vote or written consent of any two members shall constitute an action by the Architectural Review Committee. The Architectural Review Committee shall keep and maintain a record of all actions taken by the Architectural Review Committee at meetings or otherwise. Unless authorized by the Association, the members of the Architectural Committee shall not receive any compensation for services rendered. All members shall be entitled to reimbursement for reasonable expenses incurred in connection with the performance of any Architectural Review Committee duties.

11.3 Architectural Review. No building, fence, hedge, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, color, materials, and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Architectural Review Committee. In the event the Architectural Review Committee fails to approve or disapprove such design and location within thirty days after such plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with.

11.4 Rules. Determination by the Architectural Review Committee shall be governed by and subject to the terms of the Design Rules which shall be initially proposed by the Declarant and entered in the minutes of the Association. The architectural Review Committee may propose amendments to or changes in the Design Rules. Amendments shall not conflict with any provision of this Declaration. The Architectural Review Committee may base its decision upon considerations such as siting, shape, size, color, design, height, impairment of the view from other lots within the Subdivision or other effect on the enjoyment of other Lots or the Public Property or Common Property, disturbance of existing terrain and vegetation, purely aesthetic considerations and any other factors which the Committee reasonable believes to be relevant.

11.5 Non-Waiver. Approval by the Architectural Review Committee of any plans,

drawings or specifications shall not be a waiver of the right to withhold approval of any similar plan, drawing, specification or matter subsequently submitted for approval.

11.6 Liability. Neither the Architectural Review Committee nor any member shall be liable to the Bauer Oaks No 3 Association or to any Owner, occupant, builder or developer for any damage, loss or prejudice due to approval or failure to approve any matters submitted to the Architectural Review Committee; provided, however, the member must have acted in good faith in light of the member's actual knowledge at the time. Notwithstanding the foregoing, the Architectural Review Committee, or any member, may consult with the Association or any Owner with respect to any plans, drawings or specifications, or any other proposal submitted to the Architectural Review Committee.

11.7 Appeal. After the formation of the Architectural Review Committee, any Owner adversely affected by action of the Architectural Review Committee may appeal to the Board of Directors of the Association. Appeals shall be in writing within ten (10) days of the Committee's action, and shall contain specific objections justifying the appeal. A decision shall be made by the Board of Directors within fifteen (15) days after receipt of notice of the appeal. There shall be no appeal from the decision of the Declarant.

11.8 Effective Period of Consent. The committee's consent to any proposed work shall automatically be revoked one year after issuance unless construction of the work has been completed or the Owner has applied for and received an extension of time from the Committee.

XII. HOMEOWNERS ASSOCIATION.

12.1 Interim Board and Officers. The Declarant hereby reserves administrative control of the Association. The Declarant, in his or her sole discretion, shall have the right to appoint and remove members of a three-member Interim Board of Directors, which shall manage the affairs of the Association, and which shall be invested with all powers and rights of the Board of Directors. Notwithstanding the provisions of this Section, 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 five (5) Directors.

12.2 Transitional Advisory Committee. The Declarant shall form Transitional Advisory Committee to provide for the transition of administrative control of the Association from the Declarant to the Association. Not later than the sixtieth (60) day after the Declarant has conveyed Lots representing fifty percent (50%) of all votes in Bauer Oaks No 3, the Declarant shall call a meeting of Owners for the purpose of selecting a Transitional Advisory committee. The committee shall consist of three (3) members. The Owners shall, by a majority vote, elect two (2) members, and the Declarant shall elect one (1) member. The committee shall have reasonable access to such information and documents as the Declarant is required by law to make available. If the Declarant fails to call the meeting required under this section, any Owner may do so.

12.3 Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over

administrative control of the Association from the Declarant to the Owners within one hundred twenty (120) days of the earlier of:

a. A date five (5) years from the date this Declaration is recorded; or

b. The date that Lots representing seventy-five percent (75%) of the total number of votes have been conveyed to persons other than the Declarant.

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

12.4 Transfer of Common Property. At or before the turnover meeting, Declarant shall deed the Common Property to the Association, and the Association shall accept title to the Common Property. The Association shall accept the Common Property AS IS. Declarant is making no representations or warranties about the condition or uses of the Common Property. Upon deeding, the Declarant shall have no further responsibility for maintaining or improving the Common Property

XIII. ASSOCIATION'S RIGHT TO SELL OR ENCUMBER COMMON PROPERTY.

The Association shall have the right pursuant to ORS 94 655 to sell, convey or subject to a security interest any portion of the Common Property.

XIV. RESTRICTIONS ON THE ALIENATION OF LOTS.

There shall be no restriction on the alienation of any lots, except that lots may not be divided or combined.

XV. FIRST MORTGAGES

15.1 The Association agrees to provide any information it possesses to first mortgagees of the Lots or Homes thereon upon reasonable notice given to it by the first mortgagee. Further, the Association will notify any first mortgagee who requests notice of the Association meetings.

XVI. GENERAL PROVISIONS

16.1 Enforcement. The Association, Owners, or the first mortgagee of any Lot or interest therein shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or hereinafter imposed by any of the provisions of this declaration as may appertain specifically to said bodies or Owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or first mortgagee to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of this Declaration, the prevailing party shall be entitled to its 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

incurred in any enforcement activity taken on delinquent assessments, whether or not suit or action is filed. In addition to the foregoing, in the event the Association fails to maintain the Private Open Space Tracts as provided herein, Washington County may perform such maintenance and the Association shall reimburse it for its costs incurred in connection therewith.

16.2 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect the other provision hereof and the same shall remain in full force and effect.

16.3 Amendment. This declaration may be amended at any time by an instrument signed by Owners of seventy five percent (75%) of the total number Lots in the Subdivision, provided that Declarant's written consent to any amendment must be obtained before such amendment shall be effective until such time as Declarant no longer owns any Lots in the Subdivision. Any amendment must be properly recorded, if necessary, under the laws of the State of Oregon. Any amendment altering the provisions of this Declaration relating to the Private Open Space Tracts must be reviewed and approved by Washington County.

IN WITNESS WHEREOF, this Declaration is adopted as of this 26th day of JULY, 2000.

DECLARANT:

PORTLAND INVESTORS LIMITED PARTNERSHIP
By: GGS Oregon, Inc., Its General Partner

By 
Its Vice President

STATE OF HAWAII)

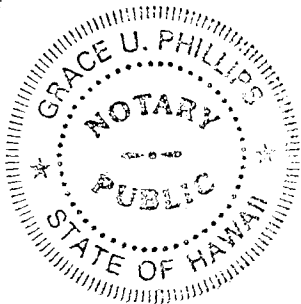
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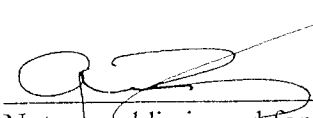
COUNTY OF HONOLULU)

THIS IS TO CERTIFY that on this 26th day of July, 2000, before me, the undersigned, a notary public in and for the State of Hawaii, duly commissioned and sworn, personally appeared Paul S. Mori, to me known to be the Vice President of GGS Oregon, Inc., the corporation that executed the within and foregoing instrument as General Partner of Portland Investors Limited Partnership, an Oregon limited partnership, and acknowledged the said instrument to be the free and voluntary act

and deed of said corporation and partnership for the uses and purposes therein mentioned, and on oath state that he was authorized to execute said instrument

WITNESS my hand and official seal the day and year in this certificate first above written.





Notary public in and for the State of Hawaii
My commission expires 4-21-04

EXHIBIT "ONE"

The premises are in Washington County and are described as follows:

Parcel 1:

A tract of land in the Southeast one-quarter of Section 28, Township 1 North, Range 1 West of the Willamette Meridian in Washington County, Oregon, described as follows:

Commencing 16.90 Chains North of the Southeast corner of Section 28, Township 1 North of Range 1 West of the Willamette Meridian, running thence West 25.48 chains; thence North to the line between the Donation Land Claims of James A. Flippin and J.B. Hall; thence East to the Southeast corner of said J.B. Hall's Donation Land Claim; thence North to the most Northerly Northwest corner of James A. Flippin's Donation Land Claim; thence East to the Section line between Sections 27 and 28; thence South to the place of beginning.

EXCEPTING THEREFROM that portion dedicated to the public for road purposes by deed recorded June 21, 1983 as Recorders Fee No. 83021605.

ALSO EXCEPTING THEREFROM, that portion conveyed to Edwards Industries, Inc. by deed recorded May 1, 1985 as Recorders Fee No. 85015838.

ALSO EXCEPTING THEREFROM, all that portion dedicated for use as a public right-of-way by gift deed unto Washington County, recorded August 7, 1990 as Fee No. 90-42124.

ALSO EXCEPTING THEREFROM, that portion lying within Bauer Oaks and that portion lying Northerly of the Southerly boundary line of Bauer Oaks No. 2.

Parcel 2:

A tract of land in Sections 27 and 28, Township 1 North, Range 1 West of the Willamette Meridian, in the County of Washington and State of Oregon, described as follows:

Beginning at the Southeast corner of Section 28, Township 1 North, Range 1 West of the Willamette Meridian; running thence West 4.91 chains to a point; thence continuing West along the Section line between Sections 28 and 33 to the Northwest corner of the James McGill Donation Land Claim No. 56; thence continuing West on said Section line 6.48 chains to a point; thence Northerly 16.90 chains to a point; thence East 25.48 chains to the Section line between Sections 27 and 28; thence North on said Section line 7.70 chains to the Northwest corner of that certain tract conveyed to Phillip Streib by deed recorded April 6, 1899 in Book 53 at page 213; thence East 8.68 chains to a point; thence South 10.70 chains; thence West 8.68 chains to the Section line between Sections 27 and 28 and being the Southwest corner of the Streib tract above mentioned; thence South 13.90 chains to the place of beginning.

EXCEPTING THEREFROM, all that portion dedicated for use as a public right-of-way by gift deed unto Washington County, recorded August 7, 1990 as Fee No. 90-42124.

ALSO EXCEPTING THEREFROM, all that portion lying Northerly of the Southerly boundary line of Bauer Oaks No. 2

EXCEPTING that portion within the exterior boundary lines of Bauer Oaks.

EXCEPTING that portion lying West of the Easterly boundary line of relocated Saltzman Road.

Exhibit Two

Tracts F, G, H, I, J of Bauer Oaks No. 3, Washington County, Oregon.