DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR
KRAFT PLACE
CITY OF TIGARD, WASHINGTON COUNTY, OREGON

THIS DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR KRAFT PLACE, CITY OF TIGARD, WASHINGTON COUNTY, OREGON (the "Declaration" or "CC&Rs") is hereby made and executed this 22nd day of February, 2002 by DOLPHIN DEVELOPMENT LLC, an Oregon Limited Liability Company (the "Declarant").

RECORDALS

WHEREAS Declarant is the Owner of all that certain real property located in Washington County, Oregon, which has been platted and designated as Kraft Place, according to the map and plat thereof on file with and recorded in Plat Book No. 140, page 34, on March 8, 2002, in the Washington County Records; and

WHEREAS Declarant desires to: (a) preserve and maintain certain areas, described on the plat as Tracts A, B and C as private open space in Kraft Place for the enjoyment of all Owners; and (b) provide for the development of Kraft Place including construction of Single Family Attached Townhomes therein and the use and enjoyment of Lots therein; and

WHEREAS Declarant desires to subject Kraft Place to the conditions, covenants and restrictions contained herein for the benefit of Kraft Place and its present and subsequent Owners.

NOW THEREFORE, Declarant hereby declares that the property described herein, commonly known as "Kraft Place" is and shall be held upon and conveyed subject to the covenants, conditions and restrictions, easements, reservations and charges hereinafter set forth. Each buyer of a Townhome in
Kraft Place agrees to be bound by these covenants and restrictions and shall so indicate in writing prior to closing on the purchase of a Townhome in Kraft Place. This Declaration hereby made a part of all conveyances of Kraft Place or any part thereof, and shall run with the Property and be binding upon all parties having any right, title or interest in the Property, or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

1. "Association" shall mean and refer to the Kraft Place Homeowners Association, an Oregon non-profit corporation, its successors and assigns.

2. "Board of Directors" is the Declarant so long as he is an Owner and desires to be the Board of Directors, and thereafter shall be three (3) Owners selected by the Declarant in accordance with this Declaration.

3. "Common Areas" shall mean those areas of land shown or declared as such in any recorded plat of the Property as Tracts A, B, and C, and any improvements of facilities constructed or placed thereon which are intended to be devoted to the common use and enjoyment of the Owners of the Property.

4. "Declarant" shall mean and refer to Dolphin Development LLC #11, an Oregon Limited Liability Company or assigns, or any successor or assignee to all remaining of its interest in the development of the Property.

5. "Declaration" shall mean these Covenants, Conditions, and Restrictions for Kraft Place and all other provisions herein set forth in this entire document.

6. "Design Review" shall be the design, material specifications and color restrictions and controls placed upon each and every single family attached Townhome.

7. "Lot" shall mean each of the numbered parcels of land described in the Plat.

8. "Member" shall mean every person or entity who is an Owner in Kraft Place and who holds membership in the Association.

9. "Occupant" shall mean and refer to the occupant of a Townhome, who shall be either the Owner, Lessee, or any other person authorized by the Owner to occupy the premises.

10. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of a fee simple title to any Lot which is a part of the Property, including having such an interest merely as security for the performance of an obligation. "Owner" shall also mean a contract vendee purchasing a Lot pursuant to a land sale contract where the deed transfers only upon satisfaction of the contract. "Owner" shall not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Lot.
11. "Plat" shall mean and refer to that certain plat for Kraft Place recorded on March 6, 2002 in Plat Book 140 at Page 4, 5 of the Washington County Records.

12. The "Property" shall mean and refer to all real property including without limitation lots, Townhomes, Common Areas and Streets subject to the Plat, commonly known as "Kraft Place."

13. "Property Manager" is the Declarant so long as he is an Owner and desires to be the Property Manager, and thereafter is the President of the Association or such other person that the Board of Directors may appoint or retain.

14. "Street" means any highway or other thoroughfare as shown on the recorded plat of the property.

15. "Townhome" shall mean and refer to any portion of a building situated upon the Property and designed and intended for use and occupancy as a single family residence.

ARTICLE II

PROPERTY SUBJECT TO THIS DECLARATION; PROPERTY RIGHTS

1. Property. The real property which is, and shall be held, transferred, sold, conveyed and occupied subject to this Declaration, is located in Washington County, Oregon, and is more particularly described in the Plat.

2. Owner's Easements of Enjoyment. Subject to the provisions set forth below, every Owner shall have a right and easement of enjoyment in and to the Common Areas which shall be appurtenant to and shall pass with the title to every lot, subject to a public utility easement for the operation, installation, repair, maintenance and replacement of public utilities including, but not limited to, sanitary sewer, water, storm drainage, natural gas, cable television, electrical power, lighting, and security and irrigation systems.

3. Extent of Owner's Easements. The rights and easements of enjoyment created hereby shall be subject to the following:

   A. The right of the Association to limit the number of guests of Owners.

   B. The right of the Association to charge reasonable fees for the use and maintenance of the Common Areas, Streets and Walkways. This right to charge fees shall include the right to levy liens on any Townhome and charge interest for any fees not paid by the Owner(s) in accordance with the provisions hereof.

   C. The right of the Association to suspend the enjoyment rights of any Owner for any period, during which any assessment remains unpaid.

   D. The right of the Association, in accordance with its Articles and Bylaws, to mortgage the Common Areas as security for any loan, the purpose of which is the improvement of the Common Areas. In the event of a default upon any such mortgage, the lender's
ARTICLE III

Building Plans

Property in accordance with the plan and any of the code and any other requirements and conditions of any applicable manuals or standards. No part of any property or any portion of the property may be altered, remodeled, or changed in any manner without the written approval of the Board of Directors.

7. Use of Association Property

The use of Association property shall be restricted to the use and enjoyment of members of the Association and their guests, provided that such use is consistent with the purposes and objectives of the Association. All members of the Association shall be required to comply with the rules and regulations established by the Association and any restrictions or limitations imposed by the Board of Directors.

8. Enforcement of Covenants

Any member who violates any of the covenants and restrictions established by the Board of Directors shall be subject to disciplinary action, including fines, suspension, or expulsion from the Association. The Board of Directors shall have the authority to enforce the covenants and restrictions established by the Board of Directors.

9. Declaration of Covenants

The declaration of covenants and restrictions shall be recorded in the public records of the county in which the property is located. A copy of the declaration of covenants and restrictions shall be provided to each member of the Association upon the payment of the initiation fee.
2. Membership Classes. The Association shall have two classes of voting membership:

A. Class A: The Class A Members shall be all Owners, with the exception of the Declarant, 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 determine, but in no event shall more than one vote be cast with respect to any Lot.

B. Class B: The Class B Member shall be the Declarant, its successor or assigns, and shall be entitled to four votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of:

1. When all Lots have been developed with Townhomes and sold, or
2. Ten years from the date of recording this Declaration in the records of Washington County, Oregon, or
3. The Declarant elects, in its sole discretion, to relinquish control of the Association.

3. Turnover Meeting. Not later than 180 days after the Class B membership is converted to Class A membership, the Declarant shall call and hold a meeting of the Members of the Association and, at such meeting, shall turn over the administrative responsibility for the Property in accordance with applicable statutes. The Common Areas shall be conveyed at this time in accordance with the provisions of this Declaration. The Declarant shall only have the responsibility of calling and holding the meeting of the Members of the Association. It shall be the responsibility of the Members to elect the Board of Directors to conduct the business of the Association from and after the Turnover Meeting, Declarant shall be relieved of its responsibilities to conduct the affairs of the Association from and after the date of the Turnover Meeting.

4. Employment of Agents, Advisors and Contractors. The Association, through its Board of Directors, may employ the services of any person or corporation as managers, hire employees to manage, conduct and perform the business, obligations and duties of the Association, employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited, landscape architects, recreational experts, 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 Property.

ARTICLE IV

PARTY WALLS

1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of Townhomes upon the Property and placed on, or immediately adjacent to and parallel with the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rule of law regarding party walls
and liability for the property damage due to negligence or willful acts or omissions shall apply thereto.

2. **Sharing of Repair and Maintenance.** A party wall shall be maintained in a good and safe condition. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. The word "use" as referred to in this article means ownership of a Townhome or other structure that incorporates any part of such wall. In addition, any part of said structure including, but not limited to, gutters, down spouts, footing drains and rain drains that is used or shared by two or more Owners shall be maintained and repaired with said owners sharing in related costs in proportion to their respective use.

3. **Destruction by Fire or other Casualty.** If a party wall is damaged by fire or other casualty, any Owners who have used the wall may restore it, and if the other Owners hereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. The Owner repairing or reconstructing a party wall shall have the right to access over the adjacent Owner's lot to the extent reasonably necessary to effect the repair or reconstruction. It is the responsibility of the Owner to provide and maintain homeowner's insurance adequate to insure that any damages can be repaired and Owner's are required to apply the proceeds of the insurance to promptly repair such damage in the event of a fire or other casualty loss.

4. **Weatherproofing.** Notwithstanding any other provisions of this Article, an Owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

5. **Right to Contribution Runs with Land.** The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successor in title.

6. **Encroachments.** If any portion of a party wall or other part of a building or structure now or hereafter constructed upon said Property encroaches upon any part of the lot or lots used or designated for use by another lot Owner, an easement is granted for the encroachment and for the maintenance of same is granted and reserved and shall exist and be binding upon the Declarant and upon all present and future owners of any part of said Property for the benefit of the present and future owner of such encroaching building or structure for the purpose of occupying and maintaining the same; in the event a structure consisting of more than one Townhome becomes partially or totally destroyed or in need of some repair or replacement, mutual and reciprocal easements are granted and reserved in and upon each Townhome and lot for the repair. No such easement shall exist, however, in respect to an encroachment caused by the construction of any improvement on any lot after completion of construction of the original improvement thereon by the Declarant.

7. **Structural Alteration.** The improvements are constructed according to plans approved by the City of Tigard. Said plans detail structural requirements for the improvements. There may be no demolition of any Townhome and there may be no alteration of the structural components without the prior written approval of the City of Tigard and the Board of Directors.
Any improvements are subject to the Design Review requirements of the Association.

8. Storm/Rain Drains. It is further agreed that the rain drains and sewer drains which service the Townhomes are protected by a permanent easement. Said easements shall start in front of the Townhomes and end at the front property line.

9. Arbitration. In the event of any dispute arising concerning a party wall, the parties shall agree to a mediator and attempt mediation to settle all claims. If mediation does not resolve the dispute, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the dispute shall be arbitrated by the arbitrators so designated in accordance with the rules of the Arbitration Services of Portland, Inc. The decision shall be by a majority of all the arbitrators and shall be binding on all parties thereto, their heirs, and assigns. There shall be no right of appeal, automatic or otherwise. The prevailing party shall be entitled to arbitration fees from the party not prevailing, including reasonable attorney’s fees. The arbitration award may provide for injunctive relief, damages, or combination thereof.

10. Enforcement of Party Wall Arbitration. Any owner shall have the right to apply to a court of competent jurisdiction for enforcement of the arbitration clause for temporary relief pending the outcome of arbitration. If an Owner fails to appoint a mediator or arbitrator within 21 days of receipt of notice of arbitration, an arbitrator may be appointed by the Court. Failure of any Owner to enforce any covenants or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

ARTICLE V

USE RESTRICTIONS AND ARCHITECTURAL CONTROLS

1. City of Tigard 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 the City of Tigard, and further in the restrictions of all other public authorities and to the extent the following restriction may be in conflict therewith, the same shall be deemed modified thereby.

2. Kraft Place Design Restrictions. Each Townhome shall be bound by and comply with the Design Review Requirements of Kraft Place. Said Design Review requirements shall be established and amended from time to time at the direction of the Board of Directors.

3. Uniformity of Color and Decor. Any paint applied by an Owner to the exterior walls of any improvement sharing a party wall as defined in Article IV hereof shall be of the same color and decor as the color applied to such improvement when it was originally constructed in order to maintain uniformity of color and decor among all improvements sharing the party wall unless all Owners sharing the party wall agree otherwise in writing and obtain the approval of the Board of Directors. The color, decor and type of any roofing material, placed by an Owner on any improvement sharing party wall[s] as defined in Article IV hereof shall be of the same color, decor and type of roofing material used on such improvement when it was originally constructed in order to maintain uniformity of color, decor and type of
roofing material among all improvements sharing the party wall(s), unless all Owners sharing the party wall(s) agree otherwise in writing and obtain the approval of the Board of Directors.

4. **Land Use and Architectural Control**

   A. No lot shall be used except for residential purposes. This provision shall not restrict the use of the residence as a home office so long as the use does not constitute a business engaged in the retail sale of goods and complies with the City of Tigard Code. (See section "6. Business and Commercial Uses" below for additional provisions.)

   B. No building, fence, 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, materials, colors, and locations of the same shall have been submitted to and approved in writing by the Board of Directors.

5. **Use Restrictions.** The following restrictions shall be applicable to the use of any of the Property subject to this Declaration, and each Owner is responsible hereunder with respect to any portion of the Property owned by such Owner.

   A. No animals or fowl shall be raised, kept or permitted upon the Property or any part thereof, except that one domestic dog or one domestic non-sterilized cat, or no dogs and two cats, and up to three caged pet birds may be kept within the Dwelling House, provided said dog, cat/s and pet bird/s are not permitted to run at large and are not kept, bred or raised for commercial purpose. No owner shall have more than one dog and one cat, or no dogs and two cats. All dogs and cats that are allowed outside shall bear a nametag including the phone number of its owner.

   B. No noxious, illegal or offensive activity shall be carried on upon the Property or any part thereof, nor shall anything be done or maintained thereon, which may be or become an annoyance or nuisance to the neighborhood or detract from its value as a superior residential district.

   C. No dogs shall be allowed out of the Owner’s Townhome except in a fenced yard or while on a leash and under direct control at all times (the leash shall not be “telescoping” nor longer than six feet). Dogs shall not be allowed to soil common areas or any lots except with the immediate use of a “pooper scooper” and subsequent proper disposal of any waste at the Owner’s premises. Barking dogs (including but not limited to those inside of a Townhome, in a fenced yard, or on a leash outside and accompanied by the Owner) shall not be allowed to burden neighboring Owners. If dogs are found to be in violation of any of these provisions they shall be subject to permanent removal from the Property. Any Owner may make written complaint to the Board of Directors, which shall immediately investigate and may direct its legal counsel to take action to remove the pet if offenses continue. If the Board fails to act to protect individual Owner’s right to peaceful enjoyment and protection of their property, then
individual owners shall have the right to have the offending pet permanently removed from the Property subject to the Arbitration and Enforcement provisions contained herein.

D. No trailer, camper, boat, camper and pickup, or inoperable automobile shall be stored in the open on the street or on any lot for a period to exceed twenty-four (24) hours. No such trailer, boat, camper, etc. which is more than twenty-five feet (25') in length overall shall be parked unattended on any of the private streets at any time. All permanent storage for the items outlined above shall be provided by permanent garage or in suitably screened storage areas as may be approved by the Board of Directors.

E. No trash, garbage, ashes or other refuse, junk vehicle, underbrush or other unsightly growths or objects, shall be thrown, dumped or allowed to accumulate on any portion of the Property. Garbage and other waste shall be kept in sanitary containers inside of garages and only set out for regularly scheduled pick-up and then shall be promptly returned to garages.

F. No exterior clotheslines are allowed that can be seen from any street or Lot.

G. No tractor, trailer, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporary or permanent. Declarant (Developer's) temporary storage of equipment, use of trailer offices, storage containers, etc. during construction period and prior to turnover are exempt.

H. All Common Area landscaping and landscaping on private lots which is outside a fenced yard area shall be installed and maintained by the Association. Landscaping within fenced yards shall be installed and maintained by the Owner. A plan for installation of landscaping by Owner within a fenced backyard shall be submitted to the Board of Directors for approval not later than four (4) months after a deed transfers from the Declarant to Owner. Installation of landscaping in accordance with the approved plan must be completed not later than 2 months from approval of the plan unless such time is extended by the Property Manager in writing due to weather conditions.

I. No sign shall be displayed to public view on any Lot except as follows:

1. One identification sign no larger than 3/4 of one square foot.

2. One sign not larger than four square feet advertising the Property for sale.

3. Declarant/Builder's signs during construction and the initial sale period.

J. In order to provide for the enforcement of these provisions, the President of the Board of Directors may issue a written warning to any Owner who is in violation of these provisions. If
violations continue, the Board of Directors may, upon a majority vote, assess a fine, or fines of up to $500.00 per violation against the property of the offending Owner. Such assessments, if unpaid within ten calendar days of the date of the notice of such assessment, shall be subject to the rights of collection as stated in these CC&R's.

K. Costs incurred by the Association in the enforcement hereof shall be the responsibility of the offending Owner. The rights of collection as stated in these CC&R's shall apply.

6. **Business and Commercial Uses.** No trades, crafts, businesses, professions or commercial or similar activity of any kind shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Lot without the prior written approval of the Board of Directors. Consulting, accounting or telecommuting business activities are not prohibited. The Declarant is exempted from this provision while constructing the common area improvements and Townhomes in the normal course of said construction and in the use of completed Townhomes as sales models.

**ARTICLE VI**

**MAINTENANCE**

1. **Affirmative Duty of Maintenance.** The Association shall use good and reasonable judgment in maintaining and generally keeping in good order and repair and keeping clear of rubbish the exterior of any improvement on any Lot or Common Area.

2. **Exterior Maintenance of Lots and Townhomes.** The Association shall be responsible for the landscaping and maintenance of the Lots except that the enclosed portions of fenced yards shall be landscaped and maintained by the Lot Owner. The Association shall provide exterior maintenance of each Townhome, which is subject to assessment hereunder, as follows:

   A. Repair and care of roofs, roof gutters and down spouts;
   
   B. Routine scheduled cleaning of streets, gutters, common area sidewalks, etc. as determined by the Project Manager;
   
   C. Scheduled exterior painting, including touch up painting and other routine maintenance due to wear and tear on exteriors (by scheduled rotation only);
   
   D. Landscape maintenance on individual lots (except for replacement or additions of plant materials and all new plantings are subject to the approval of the Association) is included, the enclosed portions of fenced rear yard Lots are excluded.
   
   E. Maintenance of all common areas.
   
   F. Window cleaning and replacement of broken glass is not included nor is the replacement of light bulbs, the repair of damage caused by Owners, their agents or guests, or any acts of nature such as falling trees or tree limbs, wind damage, earthquake
3. Maintenance of Common Areas. The Association shall provide for maintenance and repair of the private common roads and Common Areas for the use and enjoyment of all, subject to the Policies of the Association and as described elsewhere herein.

4. Maintenance of Retaining Walls on Private Lots. Modifications to the Declarant installed retaining walls is not permitted. The Home Owners Association shall maintain these walls; however any damage to the retaining walls on these lots caused by Owners, or by any landscaping installed by Owners must be promptly repaired at owner's expense. It is the responsibility of the Owner to provide and maintain homeowner's insurance adequate to insure that any damages can be repaired and Owner's are required to apply the proceeds of the insurance to promptly repair such damage in the event of damage or casualty loss. Owner's shall provide periodic access, upon reasonable notice for the purpose of inspection and maintenance by the Association. The provisions of this section are subject to the enforcement provisions of this Declaration.

5. Maintenance of Buffer Landscaping. The Home Owners Association shall water and maintain the Declarant installed screen landscaping, if any. Any changes to the screen landscaping will be subject to review by the Home Owners Association and any changes approved by the Association must comply with City of Tigard requirements.

6. Maintenance Responsibility; Transfer to Association. Initially, the Common Areas, including Tracts 1, 2, 3 shall be maintained by the Declarant pending transfer of ownership and management of the Common Areas to the Association pursuant to Article III, Section 3, hereof. Thereafter, a Property Manager shall be elected from among the three (3) Owners who are elected by a majority vote of a quorum of the Owners to the Association's Board of Directors. The Property Manager shall, with the advice and consent of the Board of Directors, be responsible for all maintenance of Lots, Townhomes and Common Areas as set forth herein, changing access codes for the security gate, if any, and providing notice of changed codes to the Owners and to the utility providers, etc. Implementation of the Property Manager's duties may be delegated by the Property Manager to professional maintenance providers with the approval of the Board of Directors. All maintenance herein shall be performed in accordance with the provisions of this Declaration. Notwithstanding any subsequent amendment to this Declaration, neither Declarant nor Dolphin Development LLC #11 or its affiliates, officers or employees shall be responsible for maintaining the Common Areas after it has transferred the ownership and management of the
Common Areas to the Association as described in this Article VI, Section 4 and no Owner shall make a claim against such entities for the same.

ARTICLE VII

COVENANT FOR MAINTENANCE ASSESSMENTS

1. Annual Assessments. The Association shall have the authority to levy annual assessments to pay all expenses associated with the Association's performance of its powers, duties, and responsibilities under this Declaration, as well as to pay all property taxes, lighting, insurance, maintenance, and other expenses incurred with respect to the Common Areas, and any areas the Association may agree (pursuant to an easement or otherwise) to maintain, and the improvements thereon. The amount of each Annual Assessment shall be determined in accordance with the Annual Operating Budget approved at the Board's annual meeting. The Association shall bill each Owner for each Owner's share of the assessments on an annual, quarterly or monthly basis, as the Board may determine. Each Owner shall pay any such assessment within 30 days after the date of billing.

2. Initial Assessment. The Initial Assessment shall be fifty dollars ($50.00) per month beginning on the first of the month following closing of the 10th sale (when fifty percent of the home sales have closed). The Initial Assessment shall remain in effect and continue until Annual Assessment dues replace them following the Turnover Meeting at which time the Owner's shall vote on and approve an Annual Operating Budget for the Association (see Annual Operating Budget below) and the Date of Commencement of the Annual Assessment.

3. Special Assessments for Capital Improvements. Upon vote of a majority of the Owners in the manner hereinafter set forth, the Board of Directors may levy, in addition to Annual Assessments, a Special Assessment in any calendar year applicable to that year only, for the purpose of defraying in whole or in part the cost of construction or reconstruction or expected repair or replacement of a described capital improvement upon the Common Areas, including necessary fixtures and personal property related thereto.

4. Notices for Voting. Any Special Assessment or any change in the Annual Assessment, which would require a vote of the Owners, 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 the meeting shall be delivered to all Owners, either by first class mail or by hand delivery to the Lot, at least 30 days in advance of the date of such meeting, setting forth the purpose of the meeting.

5. Date of Commencement of Annual Assessment. The Association Annual Assessment (annual dues) begins following the Turnover Meeting. This date shall be the "Date of Commencement of Annual Assessment". Such Annual Assessment is prorated to a calendar year. The Annual Assessments for any year after the first year shall become due and payable on March 1 of such year for Owners of record as of the preceding December 31 of each year (the fiscal year of the Association shall be the calendar year and shall end on December 31 of each year).

A. The amount of the Annual Assessment for the first year in which Annual Assessments are made (following Turnover) or for any property which becomes subject to assessment for the first time
shall be prorated on a calendar year basis according to the date of the first Annual Assessment or the date on which property first became subject to assessment.

B. The due date of any Special Assessment shall be fixed in the resolution authorizing such assessment.

6. Reserve Account. The Declarant or the Board of Directors of the association shall establish a reserve account for replacement of any items of Common Areas, Lots and Townhomes which normally require replacement, in whole or in part, in more than three years. Any reserve account established under this section shall be funded by assessments against the Lots or Townhomes for maintenance of items for which the reserves are established. The amounts assessed shall take into account the estimated remaining life of the items for which the reserve is created and the estimated replacement costs of those items. The reserve account shall be an interest-bearing money market account established in the name of the Association and further identified with the words "Reserve Account". The Association shall be responsible for administering the reserve account and to report to the Members, for their approval by a majority vote, the annual budget for additions to and subtractions from the reserve account. Assessments paid into the reserve account are the property of the Association and are not refundable to Members or sellers of Lots or Townhomes.

1. Annual Operating Budget. Following the turnover of management of the Association to the Class A Members, the Board of Directors shall prepare an Annual Operating Budget for approval by a majority of the membership vote. The budget shall fix the amount of the Annual Assessment against each Lot. The Board, through its Treasurer, shall give the Owners subject thereto written notice of such assessment at least 30 days in advance of the due date of such assessment.

A. The Treasurer shall cause to be prepared a roster of the Lots subject to assessments with assessments applicable to each such Lot and shall keep such roster in the Board of Directors office subject to inspection by the Owners. The Treasurer, shall also have authority to require that Annual Assessments be paid in semiannual, quarterly or monthly installments.

B. The Treasurer shall, upon demand at any time, furnish to any Owner liable for an assessment a written notice setting forth whether the assessments on the property owned by such Owner have been paid.

C. Increases in the Annual Assessment. The Annual Assessment for any year after the first year following Turnover may be increased for the subsequent year without a vote of the Owners by no more than ten percent (10%).

2. Creation of a Lien: Personal Obligation of Assessment. Each Owner of any Lot and Townhome by acceptance of the deed therefor, whether or not it shall be so expressed in any such deed or other conveyance, shall be deemed to covenant and agree to pay to the Association, Annual Assessments and Special Assessments for the maintenance, repair or replacement of any portion of the Property subject to maintenance by the Association pursuant to this Declaration. Such assessments shall be fixed, established and collected from time to time as hereinafter provided. The Annual and Special
Assessments, together with such interest thereon and costs of collection thereof as hereinafter provided, shall also be a personal obligation of the person who is the owner of such property at the time when the assessment fell due. Such personal obligation shall not pass to his successors in title unless expressly assumed by them except in the event of passage of title by death or foreclosure in which case the lien for unpaid assessments shall survive the passage of title.

3. The Effect of Nonpayment of Assessments:

A. Interest and delinquency Charges. If an assessment is not paid on the due date, or within 30 days of the due date, such assessment shall become delinquent and shall bear interest at the rate of 1.0% percent per month from such due date until paid. A late charge for extra services of 3% of the portion of the Initial, Annual or Special Assessment not paid will be charged for each delinquent assessment. The Treasurer of the Association shall file in the office of the Washington County clerk within 90 days after such delinquency a statement of the amount of the delinquent assessments, together with interest and costs associated with collection, and lien recording fees, and a lien for such against the delinquent owner's Lot. Upon payment in full thereof, the Treasurer shall execute and file a proper release of such lien. Such assessment with interest set forth above shall constitute a lien on such Lot from the date of filing notice of delinquency until the lien is released as herein provided. The Association may bring an action at law to enforce payment of a delinquent assessment against the owner personally obligated to pay the same and may enforce such lien in the manner provided by law with respect to a lien on real property and, as an alternative option, may enforce such lien in the manner provided by law with respect to the foreclosure of Mechanic's and materialmen's liens pursuant to ORS Chapter 87.

B. Foreclosure. Any assessment which is unpaid for more than one year from the time it falls due shall be subject to foreclosure against the Lot and Townhome by the Association.

C. Attorney Fees; Court Costs. In the event a lien judgment or decree is obtained in favor of the Association, the Owner shall be liable for the Association's court costs and disbursements and reasonable attorneys' fees to be fixed by the court, such costs, disbursements and attorneys' fees to be further secured by such lien. No Owner may waive or otherwise escape liability for assessments by non-use of the Common Areas or abandonment of his Lot or Townhome.

D. Suspension of Voting Rights; Acceleration. The Association may suspend such Owner's voting rights until such amounts, plus other charges under the Declaration, are paid in full and may declare all remaining periodic installments of any annual assessment or any other amounts owed by such Owner to the Association immediately due and payable. In no event, however, shall the Association deprive any Owner of access to or from such Owner's Lot.
E. Lien; Foreclosure. The Association shall have a lien against each Lot for any assessment levied against the Lot and fines or other charges imposed under this Declaration or the Bylaws against the Owner of the Lot from the date on which the assessment, fine, or charge is due. The provisions regarding the attachment, notice, recordation, and duration of liens established on real property under ORS 87.352 to 87.382 shall apply to the Association's liens. The lien shall be enforced in accordance with the provisions regarding 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, lien, mortgage, and convey the Lot. If any assessment is payable in installments, the full amount of the assessment is a lien from the date the first installment of the assessment becomes due.

F. Suit or Action. The Association may bring an action to recover a money judgment for unpaid assessments, fines, and charges under this Declaration or the Bylaws without foreclosing or waiving the lien described in paragraph (b) above. Recovery on any such action, however, shall operate to satisfy the lien, or portion thereof, for which recovery is made.

G. Other remedies. The Association shall have any other remedy available to it by law or in equity.

H. Enforcement and Attorney's Fees. In the event the Association shall bring any suit or action to enforce this Declaration (including provisions pertaining to Architectural Design and Control) or the Bylaws, 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 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 attorney's fees at trial and upon appeal or petition review thereof.

I. Nonexclusiveness and Accumulation of Remedies. An election by the Association to pursue a remedy provided for herein shall not prevent concurrent or subsequent exercise of another remedy permitted hereunder. The remedies provided herein 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 the applicable law to the Association.

4. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or deed of trust now or hereafter placed upon the property to which the lien attaches, except that a lien for a delinquent assessment which has been recorded as a lien against a Lot, together with all costs incurred in the collection and enforcement thereof, must be paid in full in order to extinguish said lien. Such a lien shall NOT be subordinated to any mortgage or deed of trust arising from the refinancing of a Lot or Townhome. Sale or transfer of any Lot or Townhome shall not affect the assessment lien and the Association's right to collect such. However, the sale or transfer of any Lot or Townhome 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. Such sale or transfer shall not release such Lot or Townhome from liability from any assessments thereafter becoming due or from the lien thereof.

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

A. All property 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 Areas.

C. All Lots owned by the Declarant.

ARTICLE VIII

OBLIGATION TO REBUILD

1. Damage and Destruction Affecting Residences; Duty to Rebuild. If all or any portion of any residence is damaged or destroyed by fire or casualty, it shall be the duty of the Owner of said residence to rebuild, repair, reconstruct said residence, in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty.

2. Time Limitation. The Owner or Owners of any damaged residence shall be obligated to proceed with all due diligence hereunder and shall commence reconstruction within six (6) months after the damage occurs and complete reconstruction within twelve (12) months after the damage occurs, unless prevented by causes beyond their reasonable control. A special assessment of $500.00 per month shall be levied upon any Owner(s) failing to comply with this provision, such special assessment to be levied for any month beyond the time frames contemplated under this section.

ARTICLE IX

GENERAL PROVISIONS

1. Duration and Amendment. The covenants and restrictions of this Declaration shall run with and bind the land and shall inure to the benefit of and be enforceable to the Owner of any Lot or Townhome subject to this Declaration or their respective legal representatives, heirs, successors and assigns for a term of ten (10) years from the date this Declaration is recorded. After such term such covenants and restrictions shall be automatically extended for successive periods of ten (10) years. The covenants and restrictions of this Declaration may be amended at any time with the written consent of 2/3 of the then Owners of the Lots or Townhomes. Any amendments must be properly recorded.

2. 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 of the provisions of these Declaration of Restrictions and By Laws restricting or regulating the Owner's use and enjoyment of the Property and shall be liable to any owner under Section 3 hereof as though an Owner. 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 failure had been committed by such Owner.

3. **Arbitration.** In the event of any dispute arising under the provisions of this Declaration, the parties shall agree to a mediator and attempt mediation to settle all claims. If mediation does not resolve the dispute, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the dispute shall be arbitrated by the arbitrators so designated in accordance with the rules of the Arbitration Services of Portland, Inc. The decision shall be by a majority of all the arbitrators and shall be binding on all parties thereto, their heirs, and assigns. There shall be no right of appeal, automatic or otherwise. The prevailing party shall be entitled to arbitration fees from the party not prevailing, including reasonable attorney's fees. The arbitration award may provide for injunctive relief, damages, or combination thereof.

4. **Enforcement.** Any owner shall have the right to apply to a court of competent jurisdiction for enforcement of the arbitration clause for temporary relief pending the outcome of arbitration. If an Owner fails to appoint a mediator or arbitrator within 31 days of receipt of notice of arbitration, an arbitrator may be appointed by the Court. Failure of any Owner to enforce any covenants or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

5. **Indemnity.** Notwithstanding any subsequent amendment to this Declaration, the Association shall indemnify, defend, and hold Declarant and Dolphin Development LLC and their respective shareholders, members, managers, affiliates, directors, officers, employees, and agents harmless from and against any and all liabilities, claims, damages, causes of action, and expenses incurred (including attorney fees and costs) arising out of or any way related to the Property.

6. **Severability.** Invalidation of any one of these covenants of restrictions by judgment or court decree shall in no way affect any other provisions which shall remain in full force and effect.

7. **Association Policy.** A majority of the Board of Directors of the Association may from time to time publish a "Policy" statement setting forth additional rules, or regulations to address issues not specifically addressed herein, or to provide clarification which shall be binding on Owners subject however to the amendment provisions of this Declaration.

8. **Amendment.** This Declaration, or any provision thereof may be amended or repealed as provided by the written consent of 2/3rds the Members.
IN WITNESS WHEREOF, the undersigned has caused this Declaration to be duly executed the day and year first above written.

Dolphin Development LLC #11

By:

[Signature]

Douglas Hull, President
Dolphin Development LLC
Managing Member

STATE OF OREGON

County of Washington

This instrument was acknowledged before me this 22 day of February, 2002, by Douglas Hull, President of Dolphin Development LLC, a Managing Member of Dolphin Development LLC #11, an Oregon limited liability company, on behalf of the company.

[Signature]

SUSAN W. KING
NOTARY PUBLIC FOR OREGON
My Commission Expires: 9-24-06

DECLARATION OF CC&R'S FOR KRAFT PLACE

Page 18
BYLAWS
OF THE
KRAFT PLACE HOMEOWNERS ASSOCIATION

ARTICLE I
DEFINITIONS

In construing these Bylaws,

1. "Architectural Review Committee" means the committee appointed pursuant to Article VII of the Declaration.

2. "Assessment Unit" means the divisor of the annual budget for purposes of establishing the base assessment for each Lot.


4. "Board" means the Board of Directors of this Association constituted in accordance with Article IV of these Bylaws.

5. "Declaration" means the Restated Declaration of Protective Covenants, Conditions and Restrictions for Kraft Place recorded on March 4, 2002, in the Washington County Records as Fee No. 200207326, and all the easements, covenants, restrictions, and charges set forth therein, together with any rules or regulations promulgated thereunder, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

BYLAWS OF KRAFT PLACE HOMEOWNERS ASSOCIATION

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BYLAWS of KRAFT PLACE HOMEOWNERS ASSOCIATION

*Flat Book 140 Pages 3, 4, 5
6. "Lot" means a platted or partitioned lot or tract within the Property, with the exception of any tract or Lot marked on a plat of the Property as being common or open space or so designated in the Declaration or the declaration annexing such property to the Property.

7. "Member" shall mean every person or entity who is an Owner in Kraft Place and who holds membership in the Association.

8. "Officers" means those officers of the Association as defined in and elected in accordance with Article V of these Bylaws.

9. "Owner" means the person or persons owning any property (including the holder of a vendee's interest under a land sales contract), but does not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Lot (including the holder of a vendor's interest under a land sales contract). The rights, obligations, and other status of being an Owner commence upon acquisition of the ownership of a Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from obligations incurred prior to termination.

10. "President" means the President of the Association as defined in Article V, Section 5, of these Bylaws.

11. "Property" refers to Kraft Place and means the real property including without limitation the Lots, Townhomes, and Common Areas described in that certain Plat recorded on March 8, 2002, in Plat Book 140, Pages 3, 4, and 5, in the Washington County Records.

12. "Secretary" means the Secretary of the Association as defined in Article V, Section 6, of these Bylaws.

13. "Sold" means the legal title has been conveyed or that a contract of sale has been executed and recorded under which the purchaser has obtained the right to possession.

14. "Townhome" means a building located upon a Lot within the Property and designated for separate residential occupancy (whether or not occupied) or ownership. A Townhome shall first deemed to exist when the Townhome has received a Notice of Completion.

15. "Turnover Date" means that date on which the Declarant turns over management of the Association to the Owners.

16. "Turnover Meeting" means the meeting of the Declarant and the Members called for the purpose of passing control of the Association from the Declarant to the Members, which meeting shall be held pursuant to Article IV, Section 7.

ARTICLE II

BYLAWS of KRAFT PLACE HOMEOWNERS ASSOCIATION
OFFICES

The initial principal office of the Association shall be at 9565 SW 155th Avenue, Tigard, Oregon 97007. The Association may have such other offices, either within or without the state of Oregon, as the Board may determine or as the affairs of the Association may require from time to time. The Association shall have and continuously maintain in the state of Oregon a registered office, and a registered agent whose office is identical with such registered office, as required by the Oregon Nonprofit Association Law. The registered office may be, but need not be, identical with the principal office in the state of Oregon, and the address of the registered office may be changed from time to time by the Board.

ARTICLE III

MEMBERSHIP, VOTING RIGHTS, TURNOVER; MEETINGS

1. Membership. Every Owner of a Lot within the Property shall be a Member of the Association. Such membership shall commence, exist, and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

2. Membership Classes. The Association shall have two classes of voting membership:
   A. Class A: Class A Members shall be all Owners, with the exception of the Declarant, 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 determine, but in no event shall more than one vote be cast with respect to any Lot.
   B. Class B: The Class B Member shall be the Declarant, its successor or assigns, and shall be entitled to four votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of the earlier of:
      1. When all Lots have been developed with Townhomes and sold, or
      2. Ten years from the date of recording this Declaration in the records of Washington County, Oregon, or
      3. When the Declarant elects, in its sole discretion, to relinquish control of the Association.

3. Turnover Meeting. Not later than 120 days after the Class B membership is converted to Class A membership, the Declarant shall call and hold a meeting of the Members of the Association and, at such meeting, shall turn over the administrative responsibility for the

BYLAWS of KRAFT PLACE HOMEOWNERS ASSOCIATION
Association in accordance with applicable statutes. At the Turnover Meeting the following shall occur:

A. The Directors selected by the Declarant shall each resign.

B. The Owners shall hold an election of Directors pursuant to Article IV herein.

C. The Directors so elected shall conduct their first meeting as the Board of the Association.

D. The new Board shall elect a President, Secretary and a Treasurer who shall be officers of the Association.

E. The Declarant shall deliver to the new Board all of the Association's property in the Declarant's possession, including without limitation all books and records, funds, tangible personal property, insurance policies, and contracts to which the Association is a party.

4. Annual Meetings of the Association. After the Turnover Meeting, the Association shall meet annually not later than 60 days after the end of the Association's Fiscal Year. At the Annual Meeting, the Members shall elect Directors for the terms that will or have expired. At the Annual Meeting, the Board shall report on the activities of the past year, the current financial condition of the Association, the annual budget of the Association for the coming year, and the assessment to each Lot. Adoption of the annual budget requires a vote of the Members as set forth herein.

5. Special Meetings of the Association. Special meetings of the Owners may be called at any time by the President or a majority of the Board of Directors or upon written notice of the Owners who are entitled to vote 25 percent of all the votes of membership.

6. Notice of Meetings. Any meeting held pursuant to this Article III shall be held on such a date, at such a time, and at such place within Washington or Multnomah County, Oregon, as may be designated by the Secretary. Written notice of each meeting of the Owners under this Article III shall be given by, or at the direction of the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting, but not more than 50 days before such meeting, to each Member entitled to vote thereat, addressed to the Member's address last appearing on the books of the Association, or supplied by such Member to the Association for the purpose of notice, and to any mortgagee having requested notice. Such notice shall specify the place, day, and hour of the meeting, and the items on the agenda, including the general nature of any proposed amendment to the Declaration or these Bylaws, any budget changes, or any proposal to remove a director or officer. Notice of any such meeting may be waived by any Member at any time. No Member who is present at a meeting may object to the adequacy or timeliness of the notice given.
7. **Proxies; Quorum; Voting.** Each Member shall have the number of votes provided for in Article III of these Bylaws. Any Member may give a proxy to any person, so long as the proxy is in writing, signed by such Member, and filed with the Secretary. A proxy shall expire on the earliest of (a) 11 months after the date of the proxy; or (b) the date of the sale of the Member’s Lot by its Owner. The presence, in person or by proxy, of Members entitled to cast at least 25 percent of the total votes entitled to be cast at any meeting shall constitute a quorum. The affirmative vote of a majority of votes represented and voting shall constitute an act of the Members. Voting of the Members may be by mail with respect to any matter before the Members. In any case in which voting by mail is necessary or desirable, the Secretary shall give the written notice to all Members, which notice shall (a) include a written resolution setting forth the proposed action, (b) state that the Members are entitled to vote by mail for or against such resolution, and (c) specify a date not less than 25 days after the date of such notice by which all votes must be received at the principal office of the Association. Votes received after the date specified shall not be effective.

8. **Reports to Members.** The Board shall cause to be delivered to the Members the minutes of the Annual Meeting of the Association and each Board meeting.

**ARTICLE IV**

**BOARD OF DIRECTORS, MEETINGS**

1. **General.** The affairs of the Association shall be managed by a Board of Directors who shall all be Members. The Board shall be comprised of the number of Directors determined as provided in Section 2 of this Article IV. The Board shall have all requisite power, duty and authority to perform its obligations under the Declaration, including, without limitation, the power, duty and authority to enforce the provisions of the Declaration and to acquire and pay for out of the common fund (provided by assessments pursuant to the Declaration), all goods and services necessary or appropriate for the proper functioning of the Association in accordance with the Bylaws and the Declaration.

2. **Number and Classification of Directors.** Prior to the Turnover Meeting, the Declarant may appoint Owners as Directors to form an advisory board. The number of Directors may be different than the number set forth in this Section. From and after the Turnover Meeting, (i) the number of the Directors shall be an uneven number not less than three nor more than five, (ii) the Directors shall be required to be Members (iii) the Directors shall be elected in the manner provided in Article IV, Section 3, and (iv) voting for Directors shall not be cumulative.

3. **Election of Directors.** After the Turnover Meeting, all Directors shall be elected by the Members at the Annual Meeting of the Association or a special meeting called for that purpose.

4. **Terms of Directors.** Each Director shall serve for a term of three years, except that the initial Directors elected at the Turnover Meeting...
shall serve terms of: one Director for one year, one director for two years, and one Director for three years. If more than three Directors are elected, the terms of the Directors shall be staggered so as to expire approximately equally in any one year. Any Director may serve more than one term.

5. **Resignation.** Any Director may resign at any time by sending a written notice of such resignation to the Secretary. Unless otherwise specified in such notice, a resignation shall take effect upon receipt of the notice by the Secretary.

6. **Vacancies.** Vacancies on the Board caused by the death or resignation of a Director shall be filled by the majority vote of the remaining Directors, even if they constitute less than a quorum. Any Director so selected shall serve the remainder of the replaced Director's term.

7. **Meetings of the Board.**

A. After the Turnover Meeting, the Board shall meet at least quarterly including the Annual Meeting of the Board at the annual meeting of the Association. At each meeting, the Treasurer shall present to the Board (1) a report on the financial condition of the Association, including a report of receipts and disbursements for fiscal year to date, and (2) a list of any delinquent assessments and the actions taken to collect. In addition, at the Annual Meeting, the Treasurer shall present (1) the annual budget of receipts and expenses for the coming year and (2) the allocation thereof to each Lot.

B. All meetings of the Board shall be open to all Members. Members who are not Directors may not vote at Board meetings. Notice to Members of Board meetings is not required except for the Annual Meeting.

C. Special meetings of the Board may be called at any time by the President or two Directors. Such meetings shall be scheduled by the Secretary within 30 days after the Secretary's receipt of the written requests signed by two or more Directors; provided only that if the purpose of a special meeting is to elect a successor Secretary pursuant to Section 3 of Article V, such a meeting may be scheduled by the President or, if the meeting is also for the purpose of electing a successor President or removing the President, by any other Director.

D. Meetings of the Board shall be held at such place within Washington or Multnomah Counties, Oregon, as the Board shall determine.

E. **Notices of Board Meetings.** The Secretary shall give written notice to each Director of each Board meeting at least (10) but not more than thirty (30) days prior to the date set for such meeting, stating the purpose, time, and place of the meeting. Notice shall be sent to the address of each Director as listed on the books of
the Association, or such other address as any Director may designate by written notice to the Secretary given at least ten days prior to the giving of notice of the meeting. Notice of any meeting may be waived by any Director at any time. No Director who is present at a meeting may object to the adequacy or timeliness of the notice given. When a meeting is adjourned for fewer than thirty (30) days, whether or not a quorum is present at the adjourned meeting, no notice of the resumption or reconvening of such adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place.

8. Voting by the Board. Each Director shall have one vote. So long as a quorum is constituted, the vote of Directors together holding more than 50 percent of the total votes shall be a binding vote of the Board for all purposes, unless a greater percentage is required by law, these Bylaws or the Declaration.

9. Quorum. The presence in person of a majority of the Directors shall constitute a quorum for voting at a Board meeting. The Board shall have the power to adjourn a meeting even if less than a quorum is present.

10. Removal. Any Director, may be removed, with or without cause, by the affirmative vote of Members present and entitled to vote at any meeting of the Members at which a quorum is present. No removal of a Director is effective unless the matter of removal was included in the notice of the meeting.

ARTICLE V

OFFICERS

1. Officers. The Officers of the Association shall be the President, the Secretary, and the Treasurer, each of whom shall be elected by the Board. The same person shall not concurrently hold the office of President and Secretary. The Board may designate such additional officers as it deems appropriate.

2. Election and Term of Office. The Officers of the Association shall be elected annually by the Board. The term of each office shall be one year. If any office becomes vacant, the Board shall elect a successor to fill the unexpired term at a special meeting of the Board called for such purpose.

3. Removal. The Board may remove any officer, at any time, with or without cause, and a successor may be elected at a special meeting called for such purpose.

4. Compensation. Other than reimbursement of out-of-pocket expenses incurred on behalf of the Association, neither the President, the Secretary, nor the Treasurer shall receive any compensation from the Association for acting as an Officer.
5. **President.** The President shall be a Director and shall be the chief executive officer of the Association. The President shall preside at all meetings of the Board and, except to the extent otherwise provided in the Declaration, shall have all the general powers and duties normally incident to the office of the chief executive officer of a corporation. The President shall be the Property Manager of the Association. The President shall be reimbursed for any out-of-pocket expenses necessary to perform these duties.

6. **Secretary.** The Secretary shall be a Director and shall perform the duties and exercise the powers of the President in the event the President is absent or disabled. The Secretary shall also have any other powers and duties as the Board may prescribe. The Secretary shall keep the minutes of all proceedings of the Association and the Board and shall keep all other Association records. The Secretary shall distribute to the Members all minutes of Association and Board meetings. The Secretary shall attend to the giving of all notices to the Board and Members and other notices pursuant to these Bylaws or the Declaration or required by law. The Secretary shall be reimbursed for any out-of-pocket expenses necessary to perform these duties.

7. **Treasurer.** The Treasurer shall be a Director. The Treasurer shall be responsible for management of Association funds and shall keep full and accurate financial records and books of account sufficient for proper accounting purposes showing all receipts and disbursements necessary for the preparation of all financial data and tax returns. The Treasurer shall be responsible for the collection and deposit of all Association funds in such depositories as may be designated by the Board, and shall disburse Association funds or such purposes as may be permitted under these Bylaws or the Declaration. The Treasurer shall perform all other duties incident to the office of the Treasurer of a corporation or as may be directed by the Board. The Treasurer shall be reimbursed for any out-of-pocket expenses necessary to perform these duties.

**ARTICLE VI
CONTRACTS, CHECKS, DEPOSITS, AND FUNDS**

1. **Contracts.** The Board may authorize any Officer or Officers, agent, or agents of the Association, in addition to the Officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association, and such authority may be general or confined to specific instances.

2. **Checks, Drafts, Etc.** All checks, vouchers, drafts, or other orders for payment of money, notes, or other evidences of indebtedness issued in the name of the Association, shall be signed by such Officer or Officers, agent or agents of the Association and in such manner as shall from time to time be determined by the Board.

3. **Deposits.** All funds of the Association not otherwise employed shall be deposited within 14 days of receipt to the credit of the Association in such banks, trust companies, or depositories as the Board may select.
4. Gifts. The Board may accept on behalf of the Association any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Association.

ARTICLE VII

ARCHITECTURAL AND DESIGN CONTROL

1. Establishment of the Architectural Review Committee. The Architectural Review Committee shall consist of as many persons, but not fewer than three, as the Board may from time to time appoint. Members of this Committee shall be limited to Owners. The Board may from time to time remove any member of the Committee from office at any time and appoint new or additional members at any time. The Association shall keep on file at its principal office a list of names, addresses and phone numbers of the members of the committee.

2. Duties and Powers. The Architectural Review Committee shall perform and shall be empowered to perform all acts provided in Article III of the Declaration.

ARTICLE VIII

FINANCIAL MATTERS

1. General. The Association shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of the Board and committees having any authority of the Board and shall keep at its registered or principal office a record of the names and addresses of the Directors. All books and records of the Association may be inspected by any Director, or his or her agent or attorney, for any proper purpose at any reasonable time.

2. Financial Statements. Within 90 days after the end of each fiscal year, the Board shall distribute to each Member a copy of the annual financial statement consisting of balance sheet and income and expense statement for the preceding fiscal year. The Association shall make available to Members, upon request and under reasonable circumstances and at a reasonable cost, current copies of the Declaration, Articles of Incorporation, Bylaws, and rules concerning the property, the Association's most recent financial statement, the current operating budget of the Association, and all other records of the Association.

3. Tax Returns. The Board shall cause to be filed all necessary tax returns for the Association.

4. Fiscal Year. The Association's fiscal year shall commence January 1 and shall end December 31.
ARTICLE IX

ASSESSMENTS

A. Annual Budgets. Each year, the Board shall prepare an operating budget for the Association. The budget shall provide for such reserve and contingency funds as the Board deems necessary or desirable or as may be required by law. With the notice to Members of the holding of the Annual Meeting of the Association, the Board shall provide a summary of the budget. Adoption of the budget is required by the Members at the Annual Meeting of the Association. If the proposed budget is not approved, the current budget shall remain in effect until replaced by a duly approved budget.

B. Assessments. The CC&R's shall establish a basis to assess and collect a prorata share of the annual budget from each Lot and Member and to enforce collection thereof, including lien rights against a Lot and Member.

ARTICLE X

AMENDMENTS TO BYLAWS

Except as expressly provided in the Declaration, these Bylaws may be amended or repealed and new Bylaws may be adopted by a 2/3rds majority vote of the Members at the Annual Meeting of the Association or a special meeting called for such purpose. The intention to amend or to repeal and adopt new bylaws shall be contained in the notice of such meeting, accompanied by a copy of summary of the proposed amendment.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Oregon Non-profit Corporation Law, as it exists or may be amended in the future, or under provisions of the Articles of Incorporation or the Bylaws of the Association, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

HEADINGS

The headings contained in these Bylaws are for convenience and shall not in any way affect the meaning or interpretation of these Bylaws.

ARTICLE XII

CONFLICTS

BYLAWS OF KRAFT PLACE HOMEOWNERS ASSOCIATION
These Bylaws shall be subject and subordinate to the Declaration. Any conflict between the provisions of these Bylaws and the Declaration shall be governed and controlled by the Declaration.

Adoption of these Bylaws:

I, Douglas Mull, as President of Kraft Place Homeowners Association, do hereby certify the foregoing to be the Bylaws of the Association, as adopted by the Board on the 22 day of February 2002.

Douglas Mull, President

STATE OF OREGON

County of Washington

This instrument was acknowledged before me this 22 day of February 2002, by Douglas Mull, President of Kraft Place Homeowners Association, an Oregon non-profit corporation, on behalf of the corporation.

Notary Public for Oregon

BYLAWS of KRAFT PLACE HOMEOWNERS ASSOCIATION
January 10, 2006

RE: Institution of a Resolution Process to Supplement the Kraft Place Bylaws and CCRs

Dear Homeowners:

In an effort to keep our community running smoothly, the Kraft Place Board of Directors has instituted a resolution process to help fine-tune the rules and regulations that are outlined in the Kraft Place Bylaws and CCRs. This process is a common process for HOAs and allows for orderly supplementation of the Bylaws and CCRs as outlined in the Bylaws on Page 5, Article IV, section 1.

Attached is the first resolution that describes the resolution process and the second resolution that describes some proposed parking restrictions. You have 30 days to make comment on the parking resolution. After the 30 day comment period, the resolution will become permanent and be recorded in the Kraft Place HOA book of resolutions.

Please send comments to:

Kraft Place HOA
PO Box 1495
Tualatin, OR 97062

We will consider comments submitted within the 30 day comment period and we will make every effort to incorporate your suggestions into the resolution.

Sincerely,

Michael Westfall
President
Kraft Place HOA
(503) 521-9387 hm
Kraft Place Homeowners Association
Creation & Use of Resolutions

WHEREAS Section _Article IV_ of the By-laws grants the Board of Directors the power to conduct association business. To effectively exercise that power, a process is needed to administer the more complex aspects of that business. The resolution process is a reasonable way to identify, define and administrate those aspects.

LET IT BE RESOLVED that the Board establishes the Resolution Process as follows:

1. As appropriate, the Board shall adopt Resolutions in one of two forms:

POLICY RESOLUTIONS relate to governing the Association, including but not limited to, actions affecting the members' rights of enjoyment and obligations, and the protection of Association and members' equity.

ADMINISTRATIVE RESOLUTIONS deal with the Association's operation, including but not limited to, committee responsibilities, financial procedures, and policy and rules administration.

2. All resolutions shall conform to this Model Resolution format:

[Name of Homeowners Association]  
[Type: Policy or Administrative] Resolution Number ____  
[Title of the Resolution]

WHEREAS (One or more paragraphs providing the authority for this Resolution)

LET IT BE RESOLVED THAT (One or more paragraphs describing the Resolution)

Recorded in the Book of Minutes: ______, 2006

Signed: ______, 2006

[Michael Westfall]  
Chairman/President - Board of Directors

3. When a need is identified, the Board of Directors will circulate a "draft" resolution to Association members for review and comment.

4. Based on the member input received, the Resolution may be revised by the Board and, if appropriate, be recirculated to the members.
5. Once the Resolution is in a "final" form, the Board of Directors will vote to either approve or disapprove it. If it is approved, the Resolution will be enforceable by the Board of Directors within the mandate of its Association powers and duties.

6. A Book of Resolutions adopted by the Association will be maintained by the Secretary and copies provided to all Association members.

Recorded in the Book of Minutes: 1/5, 200

DATE: 1/5, 200

President - Board of Directors
Kraft Place Homeowner Association
Policy Resolution #002

Parking

WHEREAS, Article IV, Section 1 of the Association Bylaws grants the general power to conduct the business and affairs of the Association to the Board of Directors, whose members shall be members of the Association; and

NOW, THEREFORE, BE IT RESOLVED THAT in order to assure equitable parking and an attractive community, the Board of Directors establishes a policy as follows:

Permissible Vehicles. Vehicles that may be parked within the community include conventional passenger vehicles in good repair and which are currently licensed and in regular use. Each resident is permitted to park no more vehicles than can be accommodated by their garage or driveway. Vehicles with expired licenses and expired temporary permits that are parked other than in the homeowners garage or driveway are subject to tow.

Restricted Vehicles & Equipment. No trailers, campers, boats, camper and pickup, or inoperable automobile shall be stored in the open on the street or on any lot for a period to exceed twenty-four (24) hours. No such trailer, boat, camper, etc. which is more than twenty-five feet (25') in length overall shall be parked unattended on any of the private streets at any time. All permanent storage for the items outlined above shall be provided by permanent garage or in suitably screened storage areas as may be approved by the Board of Directors.

Garage Use. Garages are to be used for vehicle parking. No personal property storage or conversion to living space is allowed if vehicles are displaced beyond the homeowner's driveway.

Sidewalk Use. Parking over or on sidewalks shall be considered a violation of the Americans with Disabilities Act of 1990 and vehicles will be towed without warning. Examples: All four automobile wheels must be within the homeowner's driveway. Both motorcycle wheels must be within the homeowner's driveway.

Guest Parking. If guest parking is limited or unavailable, residents must provide room in their garage or driveway area so that guests are not required to park in other residents' spots. Guest parking should only be temporary and infrequent so that available parking is not overburdened. It is extremely important that residents neither offer nor expect special parking privileges for guests. Guests are subject to the same penalties, including towing, if parking guidelines are violated.
Duplex Parking Usage. The duplexes and houses in the area are not authorized to park on Kraft Place Homeowners Association property. Kraft Place Property includes but is not limited to the six space island parking area and in front of 14330, 14946, 14958, 14960 and 14970 on Kraft Place Street. Violators will be towed. See attached map.

Kraft Place Homeowners Association Private Property and Parking. Each resident is permitted to park no more vehicles than can be accommodated by their garage or driveway. The six space island parking and exterior street parking on Kraft Place street is not for additional owner vehicles. Residents abusing these areas will receive written notice and their vehicles will be subject to tow.

Enforcement Procedures

Written Notice of Violation. The Board or Managing Agent shall notify the vehicle owner in writing of the specific violation and include a copy of this resolution. A copy of the notice shall be attached to the windshield of the offending vehicle the same day. If the offending vehicle is owned by a renter or guest, the property owner shall be notified. The notice will allow 3 days to resolve the violation.

Towing. If the offending vehicle remains after the deadline indicated in the written notice or if the owner of the vehicle is a repeat offender within a period of one year, the vehicle is subject to tow without further notice at the expense of the vehicle owner. Towing charges shall not be considered a fine. Vehicles parked in a designated Fire Lane, Tow-Away Zone or Sidewalk Parking will be towed without warning.

Fines. The Board of Directors shall levy a fine of $50.00 per occurrence against any property owner, renter or guest who violates this resolution.

Right of Appeal. The vehicle owner, if a property owner, has the right of appeal. Such appeal must be received in writing by the Board or Managing Agent to the regular business mailing address before the notice deadline. If the vehicle belongs to a family member, renter or guest, the appeal must be made by the property owner or the owner’s management agent. Once an appeal is received, the Board will hold an appeal meeting within seven days to review the matter with the vehicle owner (or property owner or management agent if vehicle is owned by a renter or guest). If the appeal meeting does not take place within seven days, the matter is considered dropped. The Board’s decision on the appeal is final. If the appeal is rejected, towing and fining provisions become effective immediately.
Collection Provision. All fines, costs and expenses necessary to enforce the Parking Policy will be levied against the property owner and shall be an assessment against the owner's property and subject to all lien and collection powers of the Association.

Recorded in the Book of Minutes on ____________, 200__

Signed: ____________, 200__

President - Board of Directors