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**AMENDMENT TO DECLARATION OF CONDITIONS AND RESTRICTIONS
RELATING TO CHARBONNEAU VII THE VILLAGE AT WILSONVILLE**

Garden Homes at Charbonneau Green Townhomes is a residential real estate project located in Clackamas County, Oregon, created pursuant to that certain Supplemental Declaration of Conditions and Restrictions Relating to Charbonneau VII The Village at Wilsonville, recorded in the Clackamas County records on September 29, 1978, as Instrument No. 78 42269, as thereafter amended and supplemented from time to time (collectively, the "Declaration"). The owners of Residential Units within Garden Homes at Charbonneau Green Townhomes have voted to amend the Declaration as set forth below. Contemporaneously with the amendment of the Declaration, the owners have voted to amend and restate the Bylaws of Garden Homes at Charbonneau Green Townhome Association in their entirety, which Amended and Restated Bylaws are being recorded contemporaneously herewith.

The Residential Units within the Townhome Association remain subject to those certain Covenants, Conditions, and Restrictions for Charbonneau Country Club, recorded in the Clackamas County records on April 6, 1997, as Instrument No. 77-12613, as amended and supplemented from time to time thereafter, including, without limitation, the provisions of such document imposing certain architectural restrictions and requirements on such Residential Units.

AMENDMENT TO DECLARATION

The Declaration is hereby amended as follows:

1. **Article I, Section 6 of the Declaration is hereby deleted and replaced so that it reads in its entirety as follows:**

6. "Commonly Maintained Property" shall mean all Common Areas of the Townhome Association as depicted on the plat, including all improvements thereon, together with the following portions or elements of the exterior of any lot on which a Residential Unit is located.

(a) Exterior painting of Residential Unit buildings, exterior painting of fences, and planting, watering, and maintenance of plants and landscaping located on lots on which Residential Units are located, but specifically excluding all landscaping within a Residential Unit's patio or courtyard area or within a Residential Unit's fenced area, and excluding all other exterior maintenance of a Residential Units building, including, without limitation, driveways, roofs, gutters and downspouts, maintenance, repair and replacement of fences themselves (other than painting), exterior lights, pilasters, window, window frames, and glass surfaces.

2. **Article II is hereby deleted and replaced to read in its entirety as follows:**

Article II **Annexation of Additional Properties**

The period for annexing additional property within the jurisdiction of the Townhome Association has expired.

3. **Article IV is hereby deleted and replaced so that such Article shall read in its entirety as follows:**

Article IV **Voting Rights**

The Owners of a Residential Unit within the jurisdiction of Charbonneau Green Townhome Association shall have one (1) vote for each Residential Unit owned. When more than one person holds such an interest in any Residential Unit, each of such persons shall be an Owner or a Member herein, but the vote for such Residential Unit shall be exercised as they among themselves shall determine, but in no event shall more than one (1) vote be cast with respect to any Residential Unit.

4. **Article V is hereby amended to read in its entirety as follows:**

Article V
Covenants for Assessments

1. Each Owner of any Residential Unit within the Properties, by acceptance of a deed or contract 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 assessments to the Townhome Association as provided in this Declaration and the Bylaws and by the Oregon Planned Community Act ("PCA"). Each Owner shall pay to the Townhome Association assessments in such amounts as may be established and adjusted from time to time by the Townhome Association's Board of Directors. The Board may not increase assessments for operating expenses by more than four percent (4%) over the preceding year's assessments for operating expenses without approval by a majority of the votes cast at a meeting at which a quorum of Owners is present in person, by proxy or ballot. This limitation shall not apply to the portions(s) of assessments attributable to Reserves. All such assessments shall be allocated equally among all Residential Units within the Properties.

2. The assessments levied by the Townhome Association shall be used exclusively to (1) promote the health, safety, welfare, aesthetics, and recreation of the Owners and Occupants of Charbonneau Green Townhomes, (2) for the improvement, operation, and maintenance of the Commonly Maintained Property, (3) for the administration and operation of the Townhome Association, and (4) for property and liability insurance.

3. Each Owner covenants and agrees to pay the Townhome Association the assessments and any additional charges levied pursuant to this Declaration or the Bylaws. All assessments for operating expenses, major maintenance, repairs and replacement and reserves shall be allocated among the Residential Units and their Owners equally as set forth in this Article V.

(a) The assessments collected by the Townhome Association shall be held by the Townhome Association for and on behalf of each Owner and shall be used solely for the purposes set forth in this Declaration and the Bylaws. Upon the sale or transfer of any Residential Unit, the Owner's interest in such funds shall be deemed automatically transferred to the successor in interest to such Owner.

(b) No offsets against any assessment shall be permitted for any reason, including, without limitation, any claim that the Townhome Association is not properly discharging its duties. If an Owner disputes any assessment(s), the Owner must timely pay the assessment and may not withhold any amount the Owner alleges should be an offset against any such assessment(s).

(c) Townhome Association profits, if any, shall be the property of the Townhome Association and shall be contributed to the current operating account.

4. Assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. Annual assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board of Directors. The fiscal year shall be the calendar year unless another year is adopted by the Board of Directors.

(a) Each year the Board shall prepare, approve, and make available to each member of the Townhome Association a pro forma operating statement (budget) containing: (i) estimated revenue and expenses on an accrual basis; (ii) the amount of the total cash reserves of the Townhome Association currently available for replacement or major repair of the Commonly Maintained Property and for contingencies; (iii) an itemized estimate for the remaining life of, and the methods of funding to defray repair, replacement or additions to major components of such improvements as provided in Section 6(e); and (iv) a general statement setting forth the procedures used by the Board of Directors in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Commonly Maintained Property. Notwithstanding that budgeting shall be done on an accrual basis, the Townhome Association's books shall be kept on a cash basis, and the Townhome Association shall be a cash basis taxpayer, unless applicable governmental regulations require otherwise. The Board of Directors shall annually prepare and approve the budget and distribute a copy or summary thereof to each Member, together with written notice of the amount of the annual assessments to be levied against the Owner's Residential Unit, within thirty (30) days after adoption of such budget.

(b) The total amount in the budget shall be charged equally against all Residential Units.

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

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

(a) To correct a deficit in the operating budget, by vote of a majority of the Owners;

(b) To collect amounts due to the Townhome Association from an Owner for breach of the Owner's obligations under this Declaration, the

Bylaws, or the Rules and Regulations, by vote of a majority of the Board of Directors;

(c) To collect additional amounts necessary to make renovations to the Commonly Maintained Property if sufficient funds are not available from the operating budget, by vote of a majority of the Owners;

(d) To make capital acquisitions, additions or improvements, by majority vote of the Owners, subject to any other limitations set forth in the Bylaws; or

(e) To collect additional amounts needed to fund the replacement reserve account(s) at the appropriate level(s), by vote of a majority of the Board of Directors.

6. The following provisions relate to the maintenance of bank accounts by the Townhome Association:

(a) Assessments collected by the Townhome Association shall be deposited into at least two (2) separate accounts with a bank, which accounts shall be clearly designated as (i) the current operating account and (ii) the reserve account. The Board of Directors shall deposit those portions of the assessments collected for current maintenance and operation into the current operating account and shall deposit those portions of the assessments collected as reserves for major maintenance, repair, and replacement and deferred maintenance of capital improvements into the reserve account. Withdrawal of funds for the Townhome Association's reserve account shall require the signatures of either two (2) Directors or one (1) Director and an officer of the Townhome Association who is not a Director. In its books and records, the Townhome Association shall account separately for operating expenses relating to the Commonly Maintained Property and operating expenses relating to all other matters, as well as for necessary reserves relating to the Commonly Maintained Property and necessary reserves relating to all other matters.

(b) The Townhome Association shall have one or more reserve accounts, which shall be kept separate from all other funds held by the Townhome Association. The Townhome Association shall pay out of the reserve account only those costs that are attributable to the maintenance, repair or replacement of Commonly Maintained Property that normally requires major maintenance, repair or replacement, in whole or in part, within one (1) to thirty (30) years and not for regular or periodic maintenance and expenses. No funds collected for the reserve account(s) may be used for ordinary current maintenance and operation purposes (except in connection with any loan from a reserve account as provided in Article V, Section 6(f)).

(c) The Board of Directors may create and maintain a general operating reserve account by allocation and payment thereto monthly of an

amount determined by the Board of Directors. This account shall be used to pay expenses which exceed budgeted amounts.

(d) Other special reserve funds may be set up by the Board of Directors by special assessments of the Residential Unit Owners who benefit thereby as may be required by the Declaration or otherwise determined by the Townhome Association to be appropriate.

(e) The Board of Directors of the Townhome Association annually shall conduct a reserve study, which includes a maintenance plan for the Commonly Maintained Property, or review and update an existing study, of the Commonly Maintained Property to determine the reserve account requirements. A reserve account shall be established for those items of the Commonly Maintained Property all or part of which will normally require replacement or major maintenance in more than one (1) and less than thirty (30) years, for exterior painting, and for the maintenance, repair or replacement of other items as may be required under the Declaration or Bylaws or that the Board of Directors, in its discretion, may deem appropriate. The reserve account need not include items that could reasonably be funded from operating assessments. The reserve study shall include:

(i) Identification of all items for which reserves are required to be established;

(ii) The estimated remaining useful life of each item as of the date of the reserve study;

(iii) The estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and

(iv) A thirty (30)-year plan for maintenance, repair, and replacement of Commonly Maintained Property with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair, and replacement schedule.

The Board of Directors shall, within thirty (30) days after conducting the reserve study, provide to every Owner a written summary of the reserve study and of any revisions to the thirty (30)-year plan adopted by the Board of Directors or the Declarant as a result of the reserve study.

(f) The Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the Townhome Association's regular operating fund or to meet unexpected increases in expenses. Funds borrowed must be repaid later from assessments if the Board of Directors has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board of Directors shall adopt by resolution a written payment plan providing for repayment within a reasonable period.

(g) Nothing in this Article V prohibits the prudent investment of reserve account funds, subject to any constraints imposed by the Board of Directors, the Bylaws or the Rules and Regulations.

(h) Assessments paid into the reserve account are the property of the Townhome Association and are not refundable to sellers or Owners of Residential Units. Sellers or Owners of Residential Units may treat their outstanding share of the reserve account's balance as a separate item in the sales contract providing for the conveyance of their Residential Unit.

(i) All costs other than those to be paid from the reserve account pursuant to Section 6(b) may be paid from the current operating account.

7. The following provisions relate to default in payment of assessments and enforcement of liens by the Townhome Association:

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

(b) The Townhome Association shall have a lien against each Residential Unit for any assessment of any type provided for by this Declaration or the Bylaws or installment thereof that is delinquent. Such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorneys' fees (whether or not suit or action is instituted), actual administrative costs, and other appropriate costs properly chargeable to an Owner by the Townhome Association, until such amounts are fully paid. Recording of the Declaration constitutes record notice and perfection of the lien. Said lien may be foreclosed at any time pursuant to the PCA. The Townhome Association shall record a notice of a claim of lien for assessments and other charges in the deed records of Clackamas County, Oregon, before any suit to foreclose may be filed. The lien of the Townhome Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or contract of sale recorded before the Townhome Association's notice of lien and any mortgage or deed of trust granted to an institutional lender that is recorded before the Townhome Association's notice of lien.

(c) **Interest; Fines; Late Fees; Penalties.** Interest on delinquent accounts shall accrue at a rate established from time to time by the Board of Directors. The Board of Directors, in its reasonable discretion, may from time to time adopt resolutions to impose late fees, fines and penalties on

delinquent assessments or for violations of the provisions of this Declaration, the Bylaws, Architectural Standards, and the Rules and Regulations adopted by the Board of Directors. The adoption of such impositions shall be communicated to all Owners in writing not less than thirty (30) days before the effective date by a notice mailed to the assessment billing address of such Owners. Such impositions shall be considered assessments that are lienable and collectible in the same manner as any other assessments; provided, however, that fines or penalties for violation of this Declaration, the Bylaws or any rule and regulation, other than late fees, fines or interest arising from an Owner's failure to pay regular or special assessments may not be imposed against an Owner or such Owner's Residential Unit until such Owner is given an opportunity to be heard.

(d) If an Owner is sixty (60) days late in payment of any assessment or installment on any assessment, the Townhome Association, upon not less than ten (10) days written notice to the Owner, may accelerate the due date of the full annual assessment for that fiscal year and all future installments of any special assessments.

(e) In any foreclosure suit by the Townhome Association with respect to such lien under this Section, the Townhome Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of such Owner's Residential Unit or shall be entitled to the appointment of a receiver.

5. **Article VII is hereby amended by revising the first paragraph to read in its entirety as follows:**

Article VII
Exterior Maintenance

The Townhome Association shall maintain or provide for the maintenance of the neighborhood recreational areas and those properties owned by the Townhome Association. In addition, the Townhome Association shall provide for exterior painting of Residential Unit buildings and fences, and for planting, watering, pruning, maintenance, and replacement of plants and landscaping located on the Townhome Association's property, including, without limitation, that property surrounding the pool and pool house. Individual Residential Unit Owners are solely responsible for all other exterior maintenance of their Residential Units and buildings, including, without limitation, driveways, roofs, gutters, downspouts, fences, lights, light fixtures, pilasters, windows and window frames, including glass surfaces. In addition, each Owner is responsible for planting, watering, pruning, maintenance, and replacement of all landscaping within the patio area of the Owner's Residential Unit.

6. Article VII is hereby further amended by replacing the last paragraph thereof so that it reads in its entirety as follows:

The Board of Directors, in its sole and unfettered discretion, shall determine the need for, and timing of performance of, any exterior maintenance for which the Townhome Association is responsible hereunder.

7. Article VIII, "Insurance," is hereby deleted.

8. Article X, Section 1 is hereby amended to read in its entirety as follows:

The Townhome Association and each Owner shall have the right to enforce all restrictions, covenants, conditions, and provisions now or hereafter imposed for the benefit of the Owners and all Occupants of the Residential Units.

9. Article X, Section 3 is hereby amended to read in its entirety as follows:

This Declaration shall run with and bind the land and shall inure to the benefit of, and be enforceable by, the Townhome Association, the owner of any Residential Unit subject to this Declaration, and their respective heirs, successors, and assigns. This Declaration may be amended by the vote of not less than seventy-five percent (75%) of the voting power of all Residential Units subject to this Declaration.

10. Article X, Sections 4, 5, and 7 are hereby deleted.

IN WITNESS WHEREOF, the President and Secretary of the Townhome Association hereby certify that this Amendment was approved by the required percentage of Owners.

GARDEN HOMES AT CHARBONNEAU
GREEN TOWNHOME ASSOCIATION

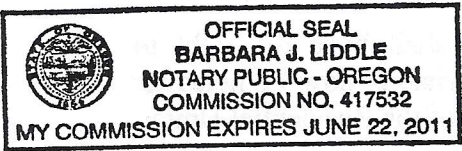
By: Madge Semysert
Its President

By: Thomas W. Pyle
Its Secretary

(ACKNOWLEDGMENTS ON FOLLOWING PAGE)

STATE OF OREGON)
) ss. January 26, 2011
County of Clackamas)

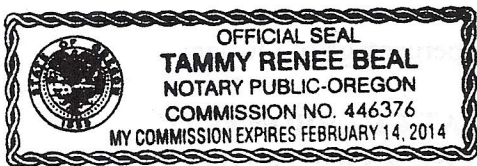
Personally appeared before me the above-named Madge Sempert and who, being duly sworn, did say that she is the **President** of Garden Homes at Charbonneau Green Townhome Association, and that said instrument was signed in behalf of said association by authority of its Board of Directors, and acknowledged said instrument to be ___ voluntary act and deed.



Barbara J. Liddle
Notary Public for Oregon

STATE OF OREGON)
) ss. Feb. 7, 2011
County of Clackamas)

Personally appeared before me the above-named Thomas Pyle and who, being duly sworn, did say that he is the **Secretary** of Garden Homes at Charbonneau Green Townhome Association, and that said instrument was signed in behalf of said association by authority of its Board of Directors, and acknowledged said instrument to be its voluntary act and deed.



Tammy Renee Beal
Notary Public for Oregon