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

Richard Hobernicht, Director of Assessment and Taxation, Ex-Officio County Clerk



81PH
AFTER RECORDING RETURN TO:
Vial Fotheringham LLP
7000 SW Varns Street
Portland OR 97223

**FIRST AMENDMENT TO
1989 AMENDED AND RESTATED
DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR
MILLRIDGE TOWNHOUSES**

This First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Millridge Townhouses is made this 23rd day of August, 2010, by Millridge Homeowners Association, Inc., an Oregon nonprofit corporation ("Association").

RECITALS

A. Millridge Townhouses (the "Planned Community") is a planned community of owners of the following described property:

Plat of Mill Ridge Townhouses recorded April 15, 1969, in Book 27, Page 20, Plat Records of Washington County, Oregon.

B. Millridge Townhouses is currently governed by the following documents:

Amended and Restated Declaration of Covenants, Conditions and Restrictions for Millridge Townhouses recorded December 13, 1989, as Document No. 89-60679, Records of Washington County, Oregon (the "1989 Amended and Restated Declaration").

Bylaws of The Millridge Homeowners Association adopted by the Association November 7, 1989 (the "Bylaws").

C. Association is the association of owners that was formed to serve as the means through which the owners may take action with regard to administration, management and operation of the Planned Community. The Association was incorporated as a nonprofit corporation under Oregon law by Articles of Incorporation filed December 5, 1969, in the office of the Oregon Secretary of State, Corporation Division.

D. Under the 1989 Amended and Restated Declaration, Millridge Townhouses was subjected to the applicable provisions of the Oregon Planned Community Act (ORS 94.550 to 94.783).

E. The Association and owners wish to amend the 1989 Amended and Restated Declaration.

NOW, THEREFORE, pursuant to Section 12.1 of the 1989 Amended and Restated Declaration and ORS 94.590, with the approval of owners representing at least seventy five percent (75%) of the total votes of the Planned Community, Association hereby amends the 1989 Amended and Restated Declaration in the manner set forth below.

I. Article V of the 1989 Amended and Restated Declaration is amended to read:

5.1 Residential Use. Each Lot is to be used for residential purposes as described in the Bylaws. Additional limitations on use are contained in the Bylaws by which all Owners are bound.

5.2 Leasing and Renting of Lots. The leasing and renting of Lots by Owners shall be in accordance with Article XIII below.

II. The following new Article XIII is added to the 1989 Amended and Restated Declaration:

ARTICLE XIII
Rental and Leasing of Lots

13.1 Definitions. As used in this Article:

(a) "Grandfather Exception" means the right of an Owner to rent or lease a Lot under Section 13.3 below.

(b) "Mortgagee Exception" means the right of a first mortgagee to rent or lease a Lot under Section 13.3 below.

(c) "Renting or Leasing a Lot" or "To Rent or Lease a Lot" means to grant a right to use or occupy a Lot for a specific term or indefinite term (with rent stated on a periodic basis) in exchange for the payment of rent (money, property, or other goods or services of value). "Renting or Leasing a Lot" or "To Rent or Lease a Lot" does not mean:

(1) Joint ownership of a Lot by means of joint tenancy, tenancy-in-

common, or other forms of co-ownership; or,

(2) An agreement between the Owner and a roommate under which the Owner and another person or persons share joint use of the Lot.

(d) "Tenant" means a person who is granted the right to use or occupy a Lot as described in Subsection (c) of this Section.

13.2 Limit on the Number of Lots That May Be Rented or Leased; Additional Restrictions. In addition to other restrictions in the Declaration and Bylaws, Owners and Lots are subject to the following restrictions:

(a) Rental-Lease Limit.

(1) Subject to Paragraph (2) of this Subsection, an Owner may not rent or lease a Lot if the rental or lease results in more than fourteen (14) of the Lots (the "Rental-Lease Limit") being rented or leased. The rental or lease of a Lot under Section 13.3 or 13.5 below counts as a rental or lease for the purpose of calculating the Rental-Lease Limit.

(2) Except for Owners with a Mortgagee Exception or an Owner with a Grandfather Exception for more than one (1) Lot, an Owner is not eligible to rent more than one (1) Lot until the pending applications of:

(A) All Owners who are not currently renting or leasing a Lot are approved; and

(B) All Owners who are currently renting or leasing fewer Lots than the applicant are approved.

(b) Specific Restrictions.

(1) An Owner may not rent or lease less than the entire Lot.

(2) A Lot may not be rented or leased for transient or hotel purposes.

(3) Subject to Sections 13.3 and 13.5 below, a Lot may not be rented or leased for a period of less than one (1) year.

(c) Board Approval. Except as provided in Section 13.3 below, a Lot may not be rented or leased without the approval by the Board of Directors of an application of the Owner in accordance with Section 13.4 or 13.5 below.

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13.3 Grandfather and Mortgagee Exceptions.

(a) Grandfather Exception.

(1) Sections 13.2(b)(3) and (c) above do not apply to an Owner who, as of date of recording of this amendment in the office of the recording officer of Washington County, Oregon, is renting or leasing a Lot in compliance with Section 13.2(b)(1) and (2) above. The Owner may continue to rent or lease the Lot to the existing tenant.

(2) The right of an Owner to rent or lease a Lot under this Subsection terminates once the Owner no longer has an interest in the Lot or the Owner occupies the Lot as a residence.

(3) The successor-in-interest to a Lot with a Grandfather Exception has no rights under this Subsection and is subject to the restrictions of Section 13.2 above.

(4) If a rental or lease described under Paragraph (1) of this Subsection is terminated, an Owner must apply to the Board of Directors for approval to rent or lease the Lot thereafter in accordance with Section 13.4 below, unless within thirty (30) days of termination of the rental or lease:

(A) If the term of the rental or lease is at least one (1) year, the Owner rents or leases the Lot.

(B) If the term of the rental or lease is less than one (1) year, the Owner rents or leases the Lot for a term of at least one (1) year.

(b) Mortgagee Exception. Sections 13.2(b)(3) and (c) above do not apply to a first mortgagee who acquires a Lot by foreclosure or deed in lieu of foreclosure. A successor to the first mortgagee is subject to the restrictions of Section 13.2 above.

13.4 Application and Approval to Rent or Lease Lot.

(a) Application and Approval. Subject to Section 13.3 above and Subsection (e) of this section, before renting or leasing a Lot, an Owner must submit a written application to the Board of Directors for a determination that the rental or lease of the Lot will not be in violation of the Rental-Lease Limit under Section 13.2(a) above and receive approval to rent or lease the Lot.

(b) Board Procedure for Review and Determination.

(1) Subject to Subsection (d) of this Section, the Board of Directors shall review applications in chronological order based on the date of receipt of the application. Within twenty (20) business days of receipt of a written application, the Board shall:

(A) Subject to the limitation imposed under Section 13.2(a)(2) above, approve the application unless the rental or lease would result in violation of the Rental-Lease Limit under Section 13.2(a) above or be in violation Section 13.2(b) above.

(B) Deny the application if approval of the application would result in violation of the Rental-Lease Limit under Section 13.2(a) above or Section 13.2(b) above.

(2) Within thirty (30) business days of receipt of the application, the Board shall give the Owner written notice of the Board's decision, including, if denied, the reason.

(3) Failure of the Board of Directors to respond within the time period specified in this Subsection does not constitute approval by the Board.

(c) Waiting List. If an Owner's application is denied for violation of the Rental-Lease Limit, unless otherwise directed in writing by the Owner, the applicant (including applicants who receive approval of a hardship application under Section 13.5 below) shall be placed on a waiting list according to the date the application was received so that the Owner whose application was earliest received will have first opportunity to rent or lease the Lot, subject to the limitation imposed under Section 13.2(a)(2) above.

(d) Authorization of Others to Perform Duties under This Section. The Board of Directors may grant a management agent or other person the authority to review and, except for hardship applications under Section 13.5 below, to approve or deny applications under this Section.

(e) Requirement If Lease or Rental Terminated. If a rental or lease approved by the Board of Directors under this Section is terminated, unless the Owner rents or leases the Lot within ninety (90) days of termination of the rental or lease, an Owner must apply to the Board of Directors for approval to rent or lease the Lot thereafter in accordance with this Section.

13.5 Hardship Exception.

(a) Board Discretion to Approve Hardship Exception.

(1) Subject to Paragraph (2) of this Subsection, if an application is denied for violation of the Rental-Lease Limit under Section 13.4(b) above, to avoid undue hardships or practical difficulties such as the Lot Owner's death, job relocation, extended vacation, disability, difficulty in selling the Lot due to market conditions in the area or other similar circumstances, the Board of Directors has discretion to approve a hardship application of an Owner or authorized representation of an Owner to temporarily rent or lease the Owner's Lot.

(2) The Board may not approve a hardship application to rent or lease a Lot under this Subsection if the rental or lease:

(A) Is for a period of more than one (1) year.

(B) Is in violation of Section 13.2(b)(1) or (2), above.

(b) Hardship Application. An application for a hardship exception must be on a

form prescribed by resolution of the Board of Directors adopted under Section 13.10 below. The Board shall review applications for hardship exception according to time periods specified in Section 13.4(b) above.

(c) Extension of Hardship Exception. At the termination of any hardship exception and before further renting or leasing of the Lot, the Owner or authorized applicant of the Owner must submit an application under Section 13.4 above. If the application is denied, the Owner or authorized representative may submit a new application for an additional hardship exception.

13.6 Rental and Lease Agreement; Copies of Documents.

(a) Rental and Lease Agreement Requirements. A rental or lease agreement must be in writing and provide that:

(1) The agreement and tenants are subject in all respects to the provisions of the Declaration, the Bylaws, any amendments to the Declaration and Bylaws and all rules and regulations adopted at any time by the Association.

(2) The tenant must comply with all applicable requirements of the documents specified in Paragraph (1) of this Subsection.

(3) Failure by a tenant to comply with the terms of the documents specified in Paragraph (1) of this Subsection constitutes a default under the rental or lease agreement and that the Association has the remedies specified in Section 13.8 below, including, without limitation, the right of the Association to require the Owner to:

- (A) Terminate the rental or lease agreement;
- (B) Terminate the tenancy; and
- (C) Evict the tenant.

(b) Copies of Documents Required to be Provided Tenants. The Owner shall provide the tenant with a copy of the Declaration, the Bylaws, including any relevant amendments to the documents, and all rules and regulations of the Association then in effect, and shall take a receipt for delivery of the documents. If any document is amended, revised, changed or supplemented by the Association, the Owner shall provide the tenant with a copy of the amendment, revision, change or supplement within twenty (20) calendar days of adoption by the Association or the Board of Directors.

(c) Information and Documents Required to Be Furnished Association.

(1) After the date of recording of this amendment with the recording officer of Washington County, Oregon, within ten (10) business days of the commencement of the rental or lease period, the Owner shall provide the Association a Statement of Lot Occupancy

Information described under Section 13.7 below, a copy of the receipt specified in Subsection (b) of this Section and, if requested, a copy of the rental or lease agreement.

(2) If the Owner fails to provide the receipt, the Association shall provide the documents to the tenant and take a receipt therefore, and shall assess the Owner a reasonable charge for the cost incurred in providing the documents as provided in Section 13.9 below.

(d) Providing Information Electronically. The requirements of Subsections (b) and (c) of this Section are satisfied if copies of the documents and information are provided to the tenant by electronic mail or a posting on a website and the tenant signs a receipt for or otherwise acknowledges delivery of the documents.

13.7 Statement of Lot Occupancy Information.

(a) All Owners shall provide the Board of Directors with a Statement of Lot Occupancy Information. The Statement of Lot Occupancy Information shall:

- (1) Be on a form prescribed by resolution of the Board of Directors.
- (2) Contain a statement of whether or not the Lot is occupied by the Owner. If not, state the name of the occupants.
- (3) State the day and night telephone numbers of the occupants.
- (4) State the term of any rental or lease agreement.
- (5) Include any other information the Board deems necessary and appropriate.

(b) An Owner shall promptly notify the Board of Directors in writing of any changes to the Statement of Lot Occupancy Information.

(c) Statements of Lot Occupancy Information must be kept on file with the books and records of the Association. However, under ORS 94.670(8)(g), Statements of Occupancy Information and specific information contained in the forms are not available for inspection or duplication by Owners, except for an Owner's individual Statement of Lot Occupancy Information. The information required under Subsection (a) of this section is to enable the Association to respond to requests for statistical occupancy information related to Lot sales, financing of Lots, insurance and other similar matters and for contact information in the case of emergencies.

13.8 Remedies.

(a) If an Owner rents or leases Lot without receiving approval under Section 13.4 or 13.5 above or in violation of Section 13.2 above, the Board of Directors may:

- (1) Assess fines against the Owner and Owner's Lot in an amount to be

determined by the Board of Directors pursuant to a schedule of fines adopted by the Board in accordance with ORS 94.630.

(2) Regardless of whether any fines have been imposed, proceed with any other available legal remedies, including, without limitation, an action to require the Owner to terminate the rental or lease agreement, terminate the tenancy, and evict the tenant.

(b) Pursuant to rules adopted under Section 13.10 below, if the Board of Directors determines that a tenant has violated a provision of the Declaration, Bylaws, any amendments the Declaration or Bylaws or rules and regulations adopted pursuant to the documents, after the Owner of the rented or leased Lot is given notice and an opportunity for a hearing, as prescribed in the adopted resolution, the Board of Directors may require an Owner to terminate a rental or lease agreement, terminate the tenancy and evict the tenant.

13.9 Costs and Attorney Fees.

(a) Fines, charges and expenses incurred in enforcing the Declaration, the Bylaws and rules and regulations with respect to the tenant or tenancy and any costs incurred by the Association in connection with any action under Section 13.8 above, including reasonable attorney fees, are assessments against the Owner and Owner's Lot which may be collected and foreclosed by the Association as provided under Article V above and ORS 94.709.

(b) In addition to the rights of the Association under Subsection (a) of this Section, the Association is entitled to recover from an Owner determined in violation of this Article its costs and attorney fees incurred for enforcement of this Article, regardless of whether any lawsuit or other action is commenced. The Association may assess the costs and attorney fees against the Owner and Owner's Lot as an assessment pursuant to Article VII above and ORS 94.709.

13.10 Rules.

(a) Pursuant to Section 6.3 above and ORS 94.630, the Board of Directors shall adopt, by resolution, rules establishing the application and approval process, a waiting list and such other rules as it deems necessary to implement this Article.

(b) If the Board of Directors deems that it is in the best interest of Owners and the Association, a resolution adopted under this Section may prohibit an Owner from renting or leasing a Lot unless the Owner utilizes the services of a tenant screening service and receives a report from the service that the proposed tenant has not been convicted of a crime involving conduct of a nature which endangered the safety or welfare of persons or property, including, without limitation, any criminal sex offense, regardless of whether the convicted offender is required to register as a sex offender. The resolution must specify what conduct is of a nature that endangers the safety or welfare of persons or property.

13.11 Subleases.

(a) An Owner may not permit a sublease of the Owner's Lot that is in violation of this Article.

(b) Section 13.6 applies to subleases.

13.12 ORS Chapter 90 Not Applicable. Nothing in this Article may be construed to impose on the Association the duties, responsibilities or liabilities of a landlord under ORS Chapter 90 or subject the Association to any requirements of ORS Chapter 90.

III. Section 11.9 (Arbitration) of Article XI of the Amended and Restated Declaration is deleted.

**MILLRIDGE HOMEOWNER ASSOCIATION,
an Oregon nonprofit corporation**

By: 

Rich Leflar, President

By: 

Kathleen Shaffer-Tamblyn, Secretary

CERTIFICATION

The undersigned President and Secretary of Millridge Homeowners Association, an Oregon nonprofit corporation, hereby certify that the within First Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions for Millridge Townhouses has been approved by owners representing at least seventy-five percent (75%) of the total votes in the Planned Community in accordance with Section 12.1 of the Declaration and the ORS 94.590.

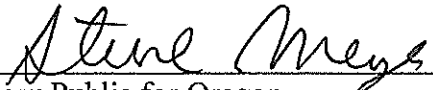


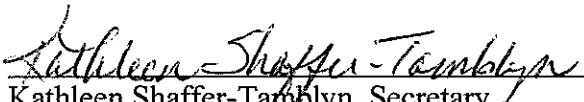
Rich Leflar, President
Millridge Homeowners Association, an
Oregon nonprofit corporation

STATE OF OREGON)
) ss
County of Washington)

The foregoing instrument was acknowledged before me this 23 day of August, 2010, by Rich Leflar, President of Millridge Homeowners Association, an Oregon nonprofit corporation, on its behalf.





Notary Public for Oregon
My Commission Expires: 4/27/12


Kathleen Shaffer-Tamblyn, Secretary
Millridge Homeowners Association, an
Oregon nonprofit corporation

STATE OF OREGON)
) ss
County of Washington)

The foregoing instrument was acknowledged before me this 23 day of August, 2010, by Kathleen Shaffer-Tamblyn, Secretary of Millridge Homeowners Association, an Oregon nonprofit corporation, on its behalf.




Notary Public for Oregon
My Commission Expires: 4/27/12