



Recording Instrument #: 202208513
Recorded By: Clatsop County Clerk
of Pages: 32 Fee: 247.00
Transaction date: 12/8/2022 09:09:18
Deputy: gnelson

After Recording Return To:
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**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR JETTY VIEW TOWNHOMES**

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**DECLARATION OF
COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR JETTY VIEW TOWNHOMES**

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR Jetty View Townhomes ("Declaration") is made by Jetty Street, LLC, an Oregon limited liability company ("Declarant").

RECITALS

Declarant is the owner of and platted the real property known as Jetty View Townhomes in the City of Warrenton, County of Clatsop, State of Oregon. The following property shall be subject to this Declaration:

Lots 1 through 9 and Tract A, as shown on the plat map of Jetty View Townhomes, and Lots and Tracts on any subsequent plat that may be annexed (the "Property"):

Declarant intends to develop Jetty View Townhomes as a Class I planned community. To establish Jetty View Townhomes as a planned community, Declarant desires to impose these mutually beneficial covenants, conditions, restrictions, easements, assessments and liens on the Property, under a comprehensive general plan of improvement and development for the benefit of all Lots and Common Area in Jetty View Townhomes.

Declarant has deemed it desirable for the efficient preservation of the values and amenities in Jetty View Townhomes to create a nonprofit corporation, to which will be delegated and assigned the powers and authority to own, maintain and administer the Common Area and facilities, maintain, repair and replace certain portions of the Lots and exterior of the Homes, to administer and enforce the covenants, conditions, and restrictions of this Declaration, and to collect and disburse the assessments and charges hereinafter created.

The Declarant shall convey Tract "A" to the Jetty View Townhomes Homeowners' Association ("Association"). The Association shall assume the maintenance obligation of such Tracts for the benefit of the Owners.

NOW THEREFORE, Declarant declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the Oregon Planned Community Act as may be amended from time to time (ORS 94.550 to 94.783) and subject to the following covenants, conditions, restrictions, easements, charges and liens, which shall run with the land, which shall be binding upon all parties having or acquiring any right, title or interest in the Property or any part thereof, and which shall inure to the benefit of the Association and of each Owner.

ARTICLE 1
DEFINITIONS

1.1 "Additional Property" shall mean and refer to any Lots and Common Area Tracts which may be subsequently annexed to Jetty View Townhomes and subjected to this Declaration.

1.2 "Architectural Review Committee" or "ARC" shall refer to that committee constituted and acting pursuant to Article 6 of this Declaration.

1.3 "Articles" shall mean the Articles of Incorporation for the nonprofit corporation, Jetty View Townhomes Homeowners' Association, as filed with the Oregon Secretary of State.

1.4 "Association" shall mean and refer to Jetty View Townhomes Homeowners' Association, its successors and assigns.

1.5 "Board" shall mean the Board of Directors of the Association.

1.6 "Bylaws" shall mean and refer to the Bylaws of the Association which shall be recorded in the Clatsop County, Oregon, deed records.

1.7 "Common Area" shall mean and refer to Tract "A" as shown on the recorded Plat of Jetty View Townhomes, including any improvements located thereon, which areas and improvements are intended to be devoted to the common use and enjoyment of the members and which land has been conveyed to the Association, and any Common Area created by annexation of Additional Property and designation of all as a portion of such property as Common Area by a supplemental declaration and plat or by acquisition of any common property by the Association.

1.8 "Commonly Maintained Property" shall mean property owned by a person other than the Association for which the Association has maintenance, repair and replacement responsibility and includes the following:

- (a) exterior of the buildings (except glass surfaces and screening, doors and door frames);
- (b) fencing, landscaping, yards, sidewalks and curbs;
- (c) painting only the exterior side of the doors (including garage doors) and door frames;
- (d) caulking and flashing around the windows and doors;
- (e) Access Easement (document recorded on March 24, 2005 as Instrument Number 200503426, Clatsop County, OR deed records); and

(f) private sewer lines, wires and equipment that serve multiple lots until it connects to the public sewer systems.

Maintenance, repair and replacement of the foundations, driveways, patios, glass surfaces, locks, hardware, screening, doors (including the garage doors and openers), mechanical, electrical, fire suppression sprinkler systems, and plumbing systems shall be the responsibility of each Owner. Any pipes, wires, lines or equipment serving a single Lot up to the point where such serves multiple properties shall be the responsibility of the Owner of such Lot.

1.9 "Declaration" shall mean the covenants, conditions, restrictions, and all other provisions set forth in this Declaration.

1.10 "Declarant" shall mean and refer to Jetty Street, LLC, an Oregon limited liability company, and its successors or assigns, or any successor or assign to all or the remainder of its interest in the Property.

1.11 "General Plan of Development" shall mean Declarant's general plan of development of the Property, as approved by appropriate governmental agencies, as may be amended from time to time.

1.12 "Home" shall mean and refer to any portion of a structure situated on a Lot and designed and intended for use and occupancy as a residence by a family or household.

1.13 "Lot" shall mean and refer to each and any of Lots 1 through 9 of Jetty View Townhomes, a subdivision and planned community located in Clatsop County, Oregon, and any additional Lots subsequently annexed to Jetty View Townhomes; provided, however, that "Lot" shall not include Tracts.

1.14 "Members" shall mean and refer to the Owners of Lots in Jetty View Townhomes.

1.15 "Mortgage" means a recorded first mortgage, first trust deed, a first contract of sale that creates a first lien against a Lot, and "mortgagee" means the holder, beneficiary or vendor of such mortgage, trust deed or contract of sale, but only when such holder, beneficiary or vendor notifies the Association in writing of the existence of such mortgage and gives the Association a current name and mailing address.

1.16 "Occupant" shall mean and refer to the occupant of a Home, whether such person is an Owner, a lessee or any other person authorized by the Owner to occupy the Home.

1.17 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession of a Lot under a land sale contract. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation.

1.18 "Plat" shall mean and refer to the Plat of Jetty View Townhomes recorded in the Plat Records of Clatsop County, Oregon, and any supplemental plat(s) subsequently recorded annexing additional Lots to Jetty View Townhomes.

1.19 "Property" shall have the meaning attributed to such term in the Recitals of this Declaration.

1.20 "Reserve Account(s)" shall mean and refer to an account set up by the Board to hold funds for construction, improvements or maintenance of the Common Area and the Commonly Maintained Property.

1.21 "Rules and Regulations" shall mean and refer to the documents containing rules and regulations and policies adopted by the Board or the Architectural Review Committee, as may be amended from time to time.

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

2.1 Initial Development. The Property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Clatsop County, Oregon, and described in that certain Plat map entitled Jetty View Townhomes, filed in the plat records of Clatsop County, Oregon. The initial development consists of Lots 1 through 9, and Common Area Tract A. Declarant does not intend to build any improvements other than the improvements delineated on the Plat(s) for Jetty View Townhomes.

2.2 Annexation of Additional Property. Additional Property may be added by Declarant to Jetty View Townhomes without the approval of any other Owner or the Association. Provided, however, such Additional Property must be for use as residential Lots or Common Area, must abut to some portion of the Property or would abut except for intervening public streets or other publicly owned real property, and must be annexed by a supplemental declaration not later than twenty (20) years from the date the Declaration is recorded. The annexation of such real property shall be accomplished as follows:

2.2.1 Supplemental Declaration. The Owner or Owners of such real property shall record a supplemental declaration which shall be executed by or bear the approval of Declarant and shall among other things, describe the real property to be annexed, establish land classifications for the Additional Property, establish any additional limitations, uses, restrictions, covenants and conditions which are intended to be applicable to such property, and declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration.

2.2.2 Annexed Property a Part of Jetty View Townhomes. The property included in any such annexation shall thereby become a part of Jetty View Townhomes and the Association shall accept and exercise administration of any supplemental declaration with respect to such property.

2.2.3 Voting Rights of Annexed Lots. Upon annexation, additional Lots so annexed shall be entitled to voting rights as set forth in Section 7.3 below.

2.2.4 Annexed Lot Owners as Members. After complying with the procedures for annexation and upon conveyance of the first Lot in the annexed property to an Owner,

Owners of Lots in the annexed property shall be Members, shall be subject to this Declaration and shall be entitled to the use and enjoyment of all Common Area and Commonly Maintained Property in Jetty View Townhomes in the manner and for the purpose for which such Common Areas and/or Commonly Maintained Property are intended to be used and enjoyed. The Association shall reallocate the assessments to assess each Owner of a Lot in Jetty View Townhomes as provided in Article 10.

2.3 Amendment. After the conversion of Class B membership to Class A membership, this Article may not be amended without the consent of Declarant as long as the Declarant owns a Lot or has a right to annex Additional Property to Jetty View Townhomes.

2.4 Annexation With Approval of Membership. In addition to the rights of Declarant pursuant to Section 2.2, the Association or Declarant may subject any real property to the provisions of this Declaration with the consent of the Owner of such property, the affirmative vote of holders of at least seventy-five percent (75%) of the Class A voting power of the Association, and the written consent of the Class B Member, if any. Such annexation shall be accomplished by filing a supplemental declaration in the official records of Clatsop County, Oregon describing the property to be annexed and specifically subjecting it to the terms of this Declaration. Any such supplemental declaration shall be signed by the President and Secretary of the Association and by the Owner of the annexed property. Any such annexation shall be effective upon the filing for record of such supplemental declaration, unless otherwise provided therein.

ARTICLE 3

OWNERSHIP AND EASEMENTS

3.1 Non-Severability. The interest of each Owner in the use and benefit of the Common Area shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Common Area. Any conveyance of any Lot shall automatically transfer the right to use the Common Area, subject to restrictions contained in the Declaration and Bylaws, without the necessity of express reference in the instrument of conveyance. There shall be no judicial partition of the Common Area. Each Owner, whether by deed, gift, devise or operation of law, for such Owner's benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interests and causes of action for judicial partition of any interest in the Common Area and agrees that no action for judicial partition shall be instituted, prosecuted or reduced to judgment. Ownership interests in the Common Area and Lots are subject to the easements granted and reserved in this Declaration. Each of the easements granted or reserved herein shall be deemed to be established upon the recordation of this Declaration and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the Owners and their Lots and shall be superior to all other encumbrances applied against or in favor of any portion of Jetty View Townhomes.

3.2 Ownership of Lots. Title to each Lot in Jetty View Townhomes shall be conveyed in fee to an Owner. If more than one person and/or entity owns an undivided interest in the same Lot, such persons and/or entities shall constitute one Owner.

3.3 Ownership of Common Area. Title to any Common Area shall be conveyed to the Association not later than the date of the Turnover Meeting.

3.4 Easements. Individual deeds to Lots may, but shall not be required to, set forth the easements specified in this Article.

3.4.1 Easements on Plat. The Common Area and Lots are subject to the easements and rights-of-way shown on the Plat.

3.4.2 Easements for Common Area. Every Owner shall have a non-exclusive right and easement of use and enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot. Such easement is subject to ORS 94.665, as may be amended from time to time.

3.4.3 Easements Reserved by Declarant. So long as Declarant owns any Lot, Declarant reserves an easement over, under and across the Common Area in order to carry out sales activities necessary or convenient for the sale of Lots. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress to, from, over, in, upon, under and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the improvements on the Property in such a way as not to interfere unreasonably with the occupancy, use, enjoyment or access to an Owner's Lot by such Owner or such Owner's family, tenants, employees, guests or invitees.

3.4.4 Additional Easements. Notwithstanding anything expressed or implied to the contrary, this Declaration shall be subject to all easements granted by Declarant for the installation and maintenance of utilities and drainage facilities necessary for the development of Jetty View Townhomes. No structure, planting or other material that may damage or interfere with the installation or maintenance of utilities, that may change the direction of flow of drainage channels in the easements, or that may obstruct or retard the flow of water through drainage channels in the easement areas shall be placed or permitted to remain within any easement area.

3.4.5 Association's Easements. Declarant grants to the Association and its duly authorized agents and representatives such easements over the Lots and Common Area as are necessary to perform the duties and obligations of the Association, as set forth in this Declaration, the Bylaws, and the Articles, as the same may be amended.

3.4.6 Easements to Governmental Entities. Declarant grants a non-exclusive easement over the Common Area to all governmental and quasi-government entities, agencies, utilities, and their agents for the purposes of performing their duties as utility providers.

3.4.7 Perimeter Easement Benefiting Association. Declarant grants to the Association and its duly authorized agents and representatives an easement over that perimeter portion of each Lot that is included within the building setbacks set by applicable ordinances for the purposes of installation, maintenance, repair, and replacement of utilities, communication lines, and drainage. The Board may grant or convey the easements reserved herein to any governmental body or agency and/or any public or private utility company or provider, upon a two-thirds (2/3) vote of the Board members at a duly called and held Board meeting.

3.4.8 Perimeter Easements Benefiting Owners. Every Owner shall have an easement over that perimeter portion of other Lots that is included within the building setbacks set by applicable ordinances as may be reasonably necessary to reach such Owner's Lot for purposes of exterior maintenance and repair of the Owner's Home.

3.4.9 Easements to Serve Additional Property. Declarant hereby reserves for itself and its duly authorized agents, successors and assigns a perpetual, nonexclusive easement over the Common Area for purposes of enjoyment, use, access and development of adjacent property that may be annexed to Jetty View Townhomes, whether or not such property is made subject to this Declaration. This easement includes, but is not limited to, a right of ingress and egress over the Common Areas for construction and use of roads, sidewalks, and walking paths and for connective and installing any and all utilities on such property

3.5 Declarant's Right to Dedicate Common Area and Grant Easements; Board's Authority After Title Transferred to Association. Declarant reserves the right and power to dedicate and/or convey any portion or all of Tract "A" to any governmental body or agency. Declarant further reserves the right and power to grant an easement over Tract "A" to any governmental body or agency or any public or private utility company or provider. Declarant's rights and power under this Section shall expire as to Tract "A" when it is conveyed to the Association. Thereafter, the Board shall have the same powers reserved to Declarant and may exercise such power upon a two-thirds (2/3) or greater vote of the Board members at any duly called and held Board meeting. The provisions of this Section 3.5 shall control over any provisions to the contrary contained in any other Section of the Declaration; provided, however, none of the rights under this Section 3.5 shall deprive the Owners of the Lots from using Tract "A" for access to their Lots.

ARTICLE 4 **LOTS AND HOMES**

4.1 Residential Use. Lots shall only be used for residential purposes. Except with the Board's consent, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, and no goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business shall be kept or stored on any Lot. Nothing in this Section 4.1 shall be deemed to prohibit (a) activities relating to the sale of residences, (b) the right of Declarant or any contractor or homebuilder to construct residences on any Lot, to store construction materials and equipment on such Lots in the normal course of construction, and to use any residence as a sales office or model home for purposes of sales in Jetty View Townhomes, and (c) the right of the Owner of a Lot to maintain such Owner's personal business or professional library, keep such Owner's personal business or professional records or accounts, handle such Owner's personal business or professional telephone calls or confer with business or professional associates, clients or customers in such Owner's residence in conformance with the ordinances of the City of Warrenton. The Board shall not approve commercial activities otherwise prohibited by this Section 4.1 unless the Board determines that only normal residential activities would be observable outside of the residence and that the activities would not be in violation of applicable local government ordinances.

4.2 Landscaping. The Association shall maintain the lawns and landscaping on the Lots. Each Owner, other than Declarant, shall obtain the ARC's prior approval of any revisions to landscaping plans before commencing installation. The water charge for irrigation shall be borne by the Association if connected to the common water system and borne by the individual Owners where the water system is connected to the individual Home around which landscaping is installed.

4.3 Home Maintenance, Repair and Replacement. Except as provided herein, each Owner shall maintain, repair and replace such Owner's Home, Lot and all improvements thereon. Such improvements shall be kept in a clean and attractive condition, in good repair and such fashion as not to create a fire hazard. The Association's responsibility for maintenance, repair and replacement is limited to: (i) roof shingles, gutters, and downspouts located on the exterior of Homes; and (ii) exterior siding and trim surface paint (but not glass, locks, doors, windows, or the mechanical operation of doors, garage doors or windows). Each Home Owner shall, at Owner's sole expense, provide all other maintenance, repair and replacement supplies, materials and services, including without limitation: (i) window and door (including garage doors and openers) maintenance, paint, mechanical operation, glass repair, locks, and lock repair; (ii) mechanical, electrical, fire suppression sprinkler systems, and plumbing systems maintenance, repair and replacement; and (iii) asphalt, stone, concrete and flatwork maintenance and repair. Without intention to limit the generality of the foregoing in any respect, each Owner shall promptly make or perform, or cause to be made or performed, all maintenance work, repairs and replacements that shall be necessary or desirable in order to accomplish the foregoing. Nothing shall be altered or constructed on or removed from the exterior of a Home except with the consent of the ARC.

4.4 Rental of Homes. An Owner may rent or lease such Owner's Home or a portion thereof, provided that the following conditions are met:

4.4.1 Written Rental Agreements Required. The Owner and the tenant enter into a written rental or lease agreement specifying that (i) the tenant shall be subject to all provisions of the Declaration, Bylaws and Rules and Regulations, and (ii) a failure to comply with any provision of the Declaration, Bylaws and Rules and Regulations shall constitute a default under the rental or lease agreement;

4.4.2 Tenant Must be Given Documents. The Owner gives each tenant a copy of the Declaration, Bylaws and Rules and Regulations.

4.5 Animals. No animals, poultry or pets of any kind, except domestic dogs and cats, shall be permitted on a Lot, and no more than a total of four (4) pets per Lot, of which only two (2) can be cats, shall be permitted, that are not kept, bred or raised for commercial purposes and that are reasonably controlled so as not to be a nuisance. Excluded from the foregoing restriction shall be birds, fish, small reptiles and small animals which are kept in cages or tanks which are permanently kept within the interior of a Home. Any Lot owner who maintains any animal upon any portion of Jetty View Townhomes shall be deemed to have agreed to indemnify and hold the Association, each of its members and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such animal. Such owner shall further abide by all governmental sanitary laws and regulations, leash

and other local and state laws relating to animals and rules or regulations of the Association created by the Board of Directors.

Animal owners are responsible for the prompt removal of their pet's waste anywhere outside of their own property. Incessant barking or howling of a dog or other noise caused by an animal that is clearly audible will be considered a nuisance. Compliance with these rules shall be determined by the Association at its sole discretion. However, nothing in the policies or the governing documents will prevent the Association from requiring the removal of any animal immediately, without prior and repeated notices that presents an actual threat to health or safety of persons within Jetty View Townhomes.

The Board of Directors shall have the right to order any person whose animal is a nuisance to remove such animal from the premises upon the delivery of the third notice in writing of a violation of any rule, regulation or restriction governing animals within Jetty View Townhomes. All animals shall be registered and inoculated as required by law.

4.6 Nuisance. No noxious, harmful, illegal or offensive activities shall be carried on upon any Lot, Common Area or Commonly Maintained Property, nor shall anything be done or placed on any Lot, Common Area or Commonly Maintained Property that interferes with or jeopardizes the enjoyment of, or that is a source of annoyance to, the Owner or other Occupants. No outside burning of leaves, debris, trash, garbage or household refuse shall be permitted. Subject to compliance with existing laws and regulations and provided no damage to Commonly Maintained Property occurs and no cost to the Association is incurred, Owners may grow marijuana plants within the interior of their Homes. No marijuana plants may be grown, in pots or otherwise, outside of a Home and no marijuana plants may be placed or planted on the exterior of the Home or Lot for any period, even temporarily. Smoking and vaping of marijuana is prohibited on Common Area and Lots except within the interior of a Home. Smoking, vaping of any substance that causes smells, odors, smoke, mist or haze, whether visible or not, to extend beyond the boundaries of the Lot shall constitute a nuisance. Any form of marijuana/cannabis use is prohibited outside the Home.

4.7 Improper, Offensive, Illegal or Unlawful Use. No Owner or Occupant shall make any improper, offensive, illegal or unlawful use of any part of the Property. Owners and Occupants shall observe all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction over the Property. The responsibility for meeting the requirements of governmental bodies for maintenance, modification or repair of the Property shall be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the Property concerned.

4.8 Parking. Boats, trailers, commercial vehicles, mobile homes, campers, and other recreational vehicles or equipment, regardless of weight, shall not be parked on any part of the Common Area or the private driveway along the south side of the Property.

4.9 Vehicles in Disrepair. No Owner shall permit any vehicle that is in a state of disrepair or that is not currently licensed to be abandoned or to remain parked upon the Common Area or on any street on or adjacent to the Property at any time and may not permit them on a Lot for a period in excess of forty-eight (48) hours. A vehicle shall be deemed in a "state of

disrepair” when the Board reasonably determines that its presence offends the occupants of the neighborhood. If an Owner fails to remove such vehicle within five (5) days following the date on which the Association mails or delivers to such Owner a notice directing such removal, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner as an assessment, which may be collected and enforced as any other assessments imposed pursuant to the Declaration and Bylaws.

4.10 Traffic Rules and Regulations. The Board of Directors may adopt speed limits, use restrictions and other traffic-related rules and regulations for any private access, and shall have the right and authority to enforce such rules and regulations, and the right to levy fines and other sanctions for violations.

4.11 Signs. No signs shall be erected or maintained on any Lot except that not more than one (1) “For Sale” or “For Rent” sign placed by the Owner or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, may be temporarily displayed on any Lot. The restrictions contained in this Section 4.11 shall not prohibit the temporary placement of “political” signs on any Lot by the Owner or Occupant. Provided, however, political signs shall be removed within three (3) days after the election day pertaining to the subject of the sign. Real estate signs shall be removed within three (3) days after the sale closing date.

4.12 Rubbish and Trash. No Lot or part of the Common Area or Commonly Maintained Property shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate containers for proper disposal and out of public view. Yard rakings, dirt and other material resulting from landscaping work shall not be dumped onto streets, the Common Area or any other Lots. If an Owner fails to remove any trash, rubbish, garbage, yard rakings or any similar materials from any Lot, any streets or the Common Area where deposited by such Owner or the Occupants of such Owner’s Lot after notice has been given by the Board to the Owner, the Association may have such materials removed and charge the expense of such removal to the Owner. Such charge shall constitute an assessment, which may be collected and enforced as any other assessments imposed pursuant to the Declaration and Bylaws.

4.13 Fences and Hedges. No fences or boundary hedges shall be installed or replaced without prior written approval of the Board of Directors. All such fences and hedges shall have convenient access ways to allow the Association to carry out its exterior maintenance and landscaping responsibilities.

4.14 Service Facilities. Service facilities (garbage containers, fuel tanks, clotheslines, etc.) shall be screened such that such facilities are not visible at any time from the street or a neighboring property. All telephone, electrical, cable television and other utility installations shall be placed underground in conformance with applicable law and subject to approval by the Board of Directors. No on-site storage of gasoline, heating or other fuels or any flammable liquids or gases shall be permitted on any part of a Lot or the Property, including any Home, except that up to five (5) gallons of fuel may be stored in each Home for emergency purposes and for the operation of a generator, small motor and similar tools or equipment.

4.15 Antennas and Satellite Dishes. Except as otherwise provided by law or this Section, no exterior antennas, satellite dishes, microwave, aerial, tower or other devices for the transmission or reception of television, radio or other forms of sound or electromagnetic radiation shall be erected, constructed or placed on any Common Area or Lot. Exterior satellite dishes with a surface diameter of one (1) meter or less and antennas designed to receive television broadcast signals or multi-channel multi-point distribution (wireless cable), may be placed on an Owner's Lot or Home. They shall be screened from neighboring Lots to the extent possible. The Board may adopt reasonable rules and regulations governing the installation, safety, placement and screening of antennas, satellite dishes and other similar devices. If the satellite dish is attached to the siding or roof, the Owner shall be responsible for repairing any damage to the Commonly Maintained Property and shall indemnify the Association for any damage to the Commonly Maintained Property resulting from the installation, maintenance or removal of the satellite dish. This Section and any rules adopted hereunder shall not unreasonably delay or increase the cost of installation, maintenance or use, or preclude reception of a signal of acceptable quality.

4.16 Exterior Lighting or Noise-making Devices. Except with the consent of the Board, no exterior lighting or noise-making devices, other than security and fire alarms, shall be installed or maintained on any Lot.

4.17 Basketball Hoops. No Owner may install a permanent basketball hoop on any Lot or Home without the Board's prior approval. The Board may, in its discretion, prohibit such basketball hoops.

4.18 Grades, Slopes and Drainage. There shall be no interference with the established drainage patterns or systems over or through any Lot within Jetty View Townhomes so as to affect any other Lot or Common Area or any real property outside Jetty View Townhomes unless adequate alternative provision is made for proper drainage and is approved by the Board. The term "established drainage" shall mean the drainage swales, conduits, inlets and outlets designed and constructed for Jetty View Townhomes.

4.19 Damage or Destruction to Home and/or Lot. If all or any portion of a Lot or Home is damaged by fire, casualty or any other reason, the Owner shall either (i) restore the damaged improvements or (ii) remove all damaged improvements, including foundations, and leave the Lot in a clean and safe condition. Any restoration proceeding under (i) above must be performed so that the improvements are in substantially the same condition in which they existed prior to the damage, unless the provisions of Article 6 are complied with by the Owner. The Owner must commence such work within sixty (60) days after the damage occurs and must complete the work within six (6) months thereafter. The Association and Owners whose Homes are in the same building shall cooperate in respect to repair and reconstruction and application of available insurance proceeds.

4.20 Right of Maintenance and Entry by Association. If an Owner fails to perform maintenance and/or repair that such Owner is obligated to perform pursuant to this Declaration, and if the Board determines, after notice, that such maintenance and/or repair is necessary to preserve the attractiveness, quality, nature and/or value of Jetty View Townhomes, the Board may cause such maintenance and/or repair to be performed and may enter any such Lot

whenever entry is necessary in connection with the performance thereof. An Owner may request, and the Board shall conduct, a hearing on the matter. The Owner's request shall be in writing delivered within five (5) days after receipt of the notice, and the hearing shall be conducted within not less than five (5) days nor more than twenty (20) days after the request for a hearing is received. Entry shall be made with as little inconvenience to an Owner as practicable and only after advance written notice of not less than forty-eight (48) hours, except in emergency situations. The costs of such maintenance and/or repair shall be chargeable to the Owner of the Lot as an assessment, which may be collected and enforced as any other assessments authorized hereunder.

4.21 Association Rules and Regulations. The Board from time to time may adopt, modify or revoke such Rules and Regulations governing the conduct of persons and the operation and use of Lots, Commonly Maintained Property and the Common Area as it may deem necessary or appropriate to assure the peaceful and orderly use and enjoyment of the Property and the administration and operation of the Association. A copy of the Rules and Regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Board promptly to each Owner and shall be binding upon all Owners and occupants of all Lots upon the date of delivery or actual notice thereof. The method of adoption of such Rules and Regulations shall be provided in the Bylaws of the Association.

4.22 Ordinances and Regulations. The standards and restrictions set forth in this Article 4 shall be the minimum required. To the extent that local governmental ordinances and regulations are more restrictive or provide for a higher or different standard, such local governmental ordinances and regulations shall prevail.

4.23 Temporary Structures. No structure of a temporary character or any trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot as a residence, either temporarily or permanently.

4.24 Declarant Exemptions. The Declarant and any builder shall be exempt from the application of Section 4.11.

ARTICLE 5

COMMON AREA AND COMMONLY MAINTAINED PROPERTY

5.1 Use of Common Area and Commonly Maintained Property. Use of the Common Area and Commonly Maintained Property is subject to the provisions of the Declaration, Bylaws, Articles and the Rules and Regulations adopted by the Board. There shall be no obstruction of any part of the Common Area or Commonly Maintained Property. Nothing shall be stored or kept in the Common Area or Commonly Maintained Property without the prior written consent of the Board. No alterations or additions to the Common Area or Commonly Maintained Property shall be permitted without the prior written consent of the Board.

5.2 Maintenance of Common Area and Commonly Maintained Property. The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Area and Commonly Maintained Property except where such maintenance is provided by the City of Warrenton, Clatsop County, a government agency or utility company at the equal

expense of the Owners of the Lots which are subject to assessment. The Association shall keep the Common Area and Commonly Maintained Property in good condition and repair, provide for all necessary services and cause all acts to be done which may be necessary or proper to assure the maintenance of the Common Area and Commonly Maintained Property.

5.3 Alterations to Common Area and Commonly Maintained Property. Only the Association shall construct, reconstruct, or alter any improvement located on the Common Area or Commonly Maintained Property. A proposal for any construction of or alteration, maintenance or repair to any such improvement may be made at any Board meeting. A proposal may be adopted by the Board, subject to the limitations contained in the Bylaws, and this Declaration.

5.4 Funding. Expenditures for alterations, maintenance or repairs to an existing improvement for which a reserve has been collected shall be made from the Reserve Account. The Board may levy a special assessment to fund any construction, alteration, repair or maintenance of an improvement (or any other portions of the Common Area and Commonly Maintained Property) for which no reserve has been collected or for which the Reserve Account is insufficient to cover the cost of the proposed improvement.

5.5 Landscaping. All landscaping on the Common Area or Commonly Maintained Property shall be maintained and cared for in a manner that is consistent with Declarant's or the Board's original approval of such landscaping.

5.6 Condemnation of Common Area and Commonly Maintained Property. If all or any portion of the Common Area or Commonly Maintained Property is taken for any public or quasi-public use under any statute, by right of eminent domain or by purchase in lieu of eminent domain, the entire award shall be received by and expended by the Board in a manner that, in the Board's discretion, is in the best interest of the Association and the Owners. The Association shall represent the interest of all Owners in any negotiations, suit, action or settlement in connection with such matters.

5.7 Damage or Destruction of Common Area or Commonly Maintained Property. If all or any portion of the Common Area or Commonly Maintained Property is damaged or destroyed by an Owner or any of Owner's guests, Occupants, tenants, licensees, agents or members of Owner's family in a manner that would subject such Owner to liability for such damage under Oregon law, such Owner hereby authorizes the Association to repair such damage. The Association shall repair the damage and restore the area in workmanlike manner as originally constructed or as may be modified or altered subsequently by the Association in the discretion of the Board. Reasonable costs incurred in connection with effecting such repairs shall become a special assessment upon the Lot and against the Owner who caused or is responsible for such damage.

5.8 Power of Association to Sell, Convey or Grant Security Interest in Common Area. The Association may sell, convey or subject to a security interest any portion of the Common Area pursuant to the processes and limitations set forth in ORS 94.665.

5.9 Enforcement By City of Warrenton. The City of Warrenton shall have the right, in the event the Association fails or refuses to maintain the Common Area, to exercise the rights of the Association and charge the cost of the maintenance to either the Association and/or the Lots of Jetty View Townhomes. Any unpaid charges may be assessed as a lien against Association property or the Lots. This Subsection may not be amended without the consent of the City of Warrenton.

ARTICLE 6

ARCHITECTURAL REVIEW

6.1 Architectural Review. No improvement shall be commenced, erected, placed or altered on any Lot until the construction plans and specifications showing the nature, shape, heights, materials, colors, and proposed location of the improvement have been submitted to and approved in writing by the Declarant prior to the Turnover Meeting and the Association Board of Directors thereafter. The purpose is to assure quality of workmanship and materials and harmony between exterior design and the existing improvements and landscaping and as to location with respect to topography and finished grade elevations. Neither the Declarant nor the Board shall be responsible for determining compliance with structural and building codes, solar ordinances, zoning codes or other governmental regulations, all of which are the applicant's responsibility..

6.2 Nonwaiver. Consent by the Declarant/Board to any matter proposed to it or within its jurisdiction shall not be deemed to constitute precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

6.3 Effective Period of Consent. The Declarant/Board's consent to any proposed work shall automatically expire nine (9) months after issuance unless construction of the project has been commenced or the Owner has applied for and received an extension of time from the Board.

6.4 Liability. Neither the Declarant nor the Board nor any member thereof shall be liable to any person or entity for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Declarant or Board or a member thereof, provided only that the Declarant or Board or the member thereof has, in accordance with its or the member's actual knowledge, acted in good faith.

ARTICLE 7

MEMBERSHIP IN THE ASSOCIATION; MANAGEMENT

7.1 Members. Each Owner shall be a member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot shall automatically transfer membership in the Association. Without any other act or acknowledgment, Occupants and Owners shall be governed and controlled by this Declaration, the Articles, Bylaws, and the Rules and Regulations of the Association and any amendments thereof.

7.2 Proxy. Each Owner may cast such Owner's vote in person, by written ballot or pursuant to a proxy executed by such Owner. An Owner may not revoke a proxy given pursuant

to this Section 7.2 except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

7.3 Voting Rights. The Association shall have two (2) classes of voting members:

7.3.1 Class A. Class A members shall be all Owners of Lots other than Declarant, and each Class A member shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote.

7.3.2 Class B. The Class B member shall be Declarant, its successors and assigns. The Class B member shall have three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership upon the earlier of the following dates (the "Termination Date"):

(a) The date on which one hundred percent (100%) of the total number of Lots in Jetty View Townhomes have been sold and conveyed to Owners other than Declarant; and

(b) The date on which Declarant elects in writing to terminate Class B membership.

After the Termination Date, each Owner, including Declarant, shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots subject to this Declaration, initially or through annexation.

When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event shall fractional voting be allowed. Fractional or split votes shall be disregarded, except for purposes of determining a quorum.

7.4 Procedure. All meetings of the Association, the Board, the ARC, and Association committees shall be conducted with such rules of order as may from time to time be adopted by the Board. Notwithstanding which rule of order is adopted, the President shall be entitled to vote on all matters, not merely to break a tie vote. A tie vote does not constitute a majority or approval of any motion or resolution.

ARTICLE 8

DECLARANT CONTROL

8.1 Interim Board and Officers. Declarant hereby reserves administrative control of the Association. Declarant, in its sole discretion, shall have the right to appoint and remove members of an interim board (the "Interim Board"), which shall manage the affairs of the Association and be invested with all powers and rights of the Board until the Turnover Meeting (as hereinafter defined). The Interim Board shall consist of from one (1) to three (3) members. Notwithstanding the provision of this Section 8.1, at the Turnover Meeting, at least one (1)

Director shall be elected by Owners other than Declarant, even if Declarant otherwise has voting power to elect all three (3) Directors.

8.2 Turnover Meeting. Declarant shall call a meeting for the purposes of turning over administrative control of the Association from Declarant to the Class A members within sixty (60) days of the earlier of the following dates:

8.2.1 Earliest Date. The date on which Lots representing one hundred percent (100%) of the total number of votes of all Lots in Jetty View Townhomes have been sold and conveyed to persons other than Declarant;

8.2.2 Optional Turnover. The date on which Declarant has elected in writing to terminate Class B membership.

Declarant shall give notice of the Turnover Meeting to each Owner as provided in the Bylaws. If Declarant does not call the Turnover Meeting required under this Section, the transitional advisory committee or any Owner may do so.

ARTICLE 9

DECLARANT'S SPECIAL RIGHTS

9.1 General. Declarant is undertaking the work of developing Lots and other improvements within Jetty View Townhomes. The completion of the development work and the marketing and sale of the Lots is essential to the establishment and welfare of the Property as a residential community. Until the Homes on all Lots on the Property, including Additional Property that may be annexed, have been constructed, fully completed and sold, with respect to the Common Area and each Lot on the Property, Declarant shall have the special rights set forth in this Article 9.

9.2 Marketing Rights. Declarant shall have the right to maintain a sales office and model on one or more of the Lots which Declarant owns. Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week. Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property, including, without limitation, on the Common Area.

9.3 Declarant Easements. Declarant reserves easements over the Property as more fully described in Sections 3.4 and 3.5 hereof.

9.4 Additional Improvements. Declarant does not agree to build any improvements not described in this Declaration.

ARTICLE 10

FUNDS AND ASSESSMENTS

10.1 Purpose of Assessments; Expenses. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, aesthetics and welfare of the

Owners and Occupants of Jetty View Townhomes, for the improvement, operation and maintenance of the Common Area and the Commonly Maintained Property, for the administration and operation of the Association, and for property and liability insurance.

10.2 Covenants to Pay. Each Owner covenants and agrees to pay the Association the assessments and any additional charges levied pursuant to this Declaration or the Bylaws. Provided, however, Lots owned by the Declarant shall not be subject to assessment. All assessments for operating expenses, major maintenance, repairs and replacement and reserves shall be allocated among the Lots and their Owners as set forth in Section 10.4.2.

10.2.1 Funds Held in Trust. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely as set forth in Section 10.1. Upon the sale or transfer of any Lot, the Owner's interest in such funds shall be deemed automatically transferred to the successor in interest to such Owner.

10.2.2 Offsets. No offsets against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties.

10.2.3 Right to Profits. Association profits, if any, shall be the property of the Association and shall be contributed to the Current Operating Account.

10.3 Basis of Assessment; Commencement of Assessments. The Declarant shall pay all common expenses of the Association until the Lots are assessed for common expenses. The amount of the initial annual assessment to Owners other than the Declarant shall be determined by the Declarant. The Declarant shall be exempt from paying any assessments (operating, special and reserve) on all Lots owned by it.

10.3.1 Commencement of Operating Assessments. The date of commencement of the operating assessments shall be determined by the Declarant; however, in no event shall they commence later than the Turnover Meeting; provided, however, the Declarant shall be exempt from paying the operation portion of the assessment on all Lots owned by it.

10.3.2 Commencement of Reserves. The reserve portion of the assessment, if any, shall commence for a Lot from date of transfer of ownership of that Lot from the Declarant to a third party. The Declarant shall be exempt from paying the reserve portion of the assessment on all Lots owned by it.

10.4 Annual Assessments. Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. The initial annual assessment shall be determined by Declarant and shall be prorated on a monthly basis at the time of the closing of the first sale from Declarant. For proration purposes, any portion of a month shall count as a full month. Annual assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board. The fiscal year shall be the calendar year unless another year is adopted by vote of the Association members.

10.4.1 Budgeting. Each year the Board shall prepare, approve and make available to each member of the 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 Association currently available for replacement or major repair of the Common Area and 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 10.6.2; and (iv) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to major components of the Common Area and the Commonly Maintained Property. Notwithstanding that budgeting shall be done on an accrual basis, the Association's books shall be kept on a cash basis and the Association shall be a cash basis taxpayer, unless applicable governmental regulations require otherwise. For the first fiscal year, the budget shall be approved by the Board no later than the date on which annual assessments are scheduled to commence. Thereafter, the Board 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 Lot, within thirty (30) days after adoption of such budget.

10.4.2 Allocation of Assessments. The total amount in the budget shall be charged equally against all Lots which are subject to assessment.

10.4.2.1 Reallocation Upon Annexation of Property. In the event Additional Property is made subject to this Declaration, the expenses and reserves shall be reallocated to those Lots subject to assessment as set forth herein.

10.4.3 Nonwaiver of Assessments. If before the expiration of any fiscal year the 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.

10.5 Special Assessments. The Board and/or the Owners shall have the power to levy special assessments against an Owner or all Owners in the following manner for the following purposes provided, however, the Declarant shall be exempt from special assessments:

10.5.1 Correct Deficit. To correct a deficit in the operating budget, by vote of a majority of the Board;

10.5.2 Special Obligations of an Owner. To collect amounts due to the 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;

10.5.3 Repairs. To collect additional amounts necessary to make repairs or renovations to the Common Area or Commonly Maintained Property if sufficient funds are not available from the operating budget or replacement reserve accounts, by vote of a majority of the Board; or

10.5.4 Capital Improvements. To make capital acquisitions, additions or improvements, by vote of at least two-thirds (2/3rds) of all votes allocated to the Lots.

10.6 Accounts.

10.6.1 Types of Accounts. Assessments collected by the 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 shall deposit or cause to be deposited 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, replacement and deferred maintenance of the Common Area and Commonly Maintained Property, if any, into the Reserve Account. In its books and records, the Association shall account separately for operating expenses relating to the Common Area/Commonly Maintained Property and operating expenses relating to all other matters, as well as for necessary reserves relating to the Common Area/Commonly Maintained Property and necessary reserves relating to all other matters.

10.6.2 Reserve Account. Declarant shall establish a Reserve Account, in the name of the Association, which shall be kept separate from all other funds held by the Association. The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair or replacement of any Common Area property and 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 may be used for ordinary current maintenance and operation purposes.

10.6.2.1 Calculation of Reserve Assessment; Reserve Study. The reserve assessment is based on the estimated remaining life and current replacement cost of any Common Area property and Commonly Maintained Property which normally requires major maintenance, repair or replacement, in whole or in part, within one (1) to thirty (30) years. Not less often than annually, the Board of Directors shall inventory all items of any Common Area and Commonly Maintained Property and shall estimate the remaining life of each item and the current replacement cost of each of such items. The total Reserve Account assessment shall be equal to the sum of the estimated major maintenance repair or replacement cost of each item which has an estimated life of greater than one (1) but less than thirty (30) years, divided by the estimated number of years of life for such item. The Board of Directors shall establish a thirty (30)-year plan for maintenance, repair and replacement of any Common Area and 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. The reserve account assessment shall be allocated pursuant to Section 10.4.2. The Board of Directors shall annually conduct a reserve study and a maintenance plan, or review and update an existing study and maintenance plan of any Common Area or Commonly Maintained Property to determine the reserve account requirements.

10.6.2.2 Loan from Reserve Account. After the Turnover Meeting described in Section 8.2, the Board may borrow funds from the Reserve Account to meet high seasonal demands on the Association's regular operating fund or to meet unexpected increases in expenses. Funds borrowed must be repaid later from assessments if the Board 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 shall adopt by resolution a written payment plan providing for repayment within a reasonable period.

10.6.2.3 Investment of Reserve Account. Nothing in this Section prohibits the prudent investment of Reserve Account funds, subject to any constraints imposed by the Board, the Bylaws, the Rules and Regulations or the Oregon Planned Community Act.

10.6.2.4 Refunds of Assessments. Assessments paid into the Reserve Account are the property of the Association and are not refundable to sellers or Owners of Lots. Sellers or Owners of Lots 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 Lot.

10.6.2.5 Reserves on Declarant Owned Lots. If a Lot owned by the Declarant becomes subject to assessment as provided in Section 10.4.2, the Declarant may accrue the reserve portion of the assessment until the Lot is sold to a third party not affiliated with the Declarant.

10.6.3 Current Operating Account. All costs other than those to be paid from the Reserve Account may be paid from the Current Operating Account.

10.7 Default in Payment of Assessments, Enforcement of Liens.

10.7.1 Personal Obligation. All assessments properly imposed under this Declaration or the Bylaws shall be the joint and several personal obligation of all Owners of the Lot 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 Association assessments imposed through the recording date of the instrument effecting the conveyance. A suit for a money judgment may be initiated by the Association to recover such assessments without either waiving or foreclosing the Association's lien.

10.7.2 Association Claim of Lien. The Association shall have a claim of lien against each Lot for any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof is delinquent. Such claim of 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 Association, until such amounts are fully paid. Recording of the Declaration constitutes record notice and perfection of the claim lien. Said claim of lien may be foreclosed at any time pursuant to the Planned Community Act. The Association shall record a notice of a claim of lien for assessments and other charges in the deed records of Clatsop County, Oregon, before any suit to foreclose may be filed. The claim of lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or land sale contract recorded before the Association's notice of lien and any mortgage or deed of trust granted to an institutional lender that is recorded before the Association's notice of lien.

10.7.3 Interest; Fines; Late Fees; Penalties. The Board, in its reasonable discretion, may from time to time adopt resolutions to set the rate of interest and 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 or the ARC. 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 or transmitted electronically to the Owners as permitted by the Planned Community Act. 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, special or reimbursement assessments may not be imposed against an Owner or such Owner's Lot until such Owner is given an opportunity for a hearing as elsewhere provided herein.

10.7.4 Acceleration of Assessments. If an Owner is delinquent in payment of any assessment or installment on any assessment, the 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 calendar year and all future installments of any special assessments.

10.7.5 Association's Right to Rents; Receiver. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of such Owner's Lot or shall be entitled to the appointment of a receiver.

10.8 Statement of Assessments. The Association shall provide, within ten (10) business days of receipt of a written request from an Owner, a written statement that provides:

10.8.1 The Association shall provide, within ten (10) business days of receipt of a written request from an Owner, a written statement that provides:

10.8.1.1 The amount of assessments due from the Owner and unpaid at the time the request was received, including:

- (a) Regular and special assessments;
- (b) Fines and other charges;
- (c) Accrued interest; and
- (d) Late payment charges.

10.8.1.2 The percentage rate at which interest accrues on assessments that are not paid when due.

10.8.1.3 The percentage rate used to calculate the charges for late payment or the amount of a fixed charge for late payment.

10.8.2 The Association is not required to comply with Section 10.8.1 if the Association has commenced litigation by filing a complaint against the Owner and the litigation is pending when the statement would otherwise be due.

ARTICLE 11

PARTY WALL AND EASEMENTS

11.1 General Rules of Law to Apply. To the extent not inconsistent with the provisions of this Article the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply to each Party Wall that is built as part of the original construction of the Homes and any replacements thereof.

11.2 Easement. In the event that any Party Wall originally constructed by Declarant shall encroach upon or protrude over an adjoining Lot, the Lot Owner of such adjoining Lot shall be conclusively deemed to have granted a perpetual easement to the Lot Owner of such Party Wall for the maintenance and use of the structure in question. No Owner shall maintain any action for the removal of such a structure or any action for damages as a result of such encroachment or protrusion. The foregoing shall also apply to any replacements of any Party Wall, if the same are constructed in substantial conformance with the structure as originally constructed.

11.3 Sharing of Repair and Maintenance Costs. The reasonable cost of repair and maintenance of a Party Wall shall be shared equally by the Owners who make use of the structure in question.

11.4 Restoration of Damaged Wall. If a Party Wall is damaged by fire or other casualty or by physical deterioration, and such damage is not otherwise covered by insurance, each Owner who has used such structure shall be jointly and severally responsible for the restoration of the same, subject 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.

11.5 Weatherproofing. Notwithstanding any other provision of this Article, a Lot Owner who, by Owner's negligent or willful acts, causes any Party Wall to be exposed to the elements, shall bear the whole cost of furnishing the necessary protection against such elements. Either Lot Owner may restore it, and shall have an easement over the adjoining Lot for purposes of making such restoration. The Lot Owner sharing the exposed Party Wall shall contribute equally to the cost of restoration thereof, without prejudice, however to the right of either Lot Owner to call for a larger contribution from the other Lot Owner under any rule of law regarding liability for negligent or willful acts or omissions.

11.6 Destruction by Fire or Other Casualty. If a Party Wall is destroyed by fire or other casualty, the Lot Owners shall restore the improvements thereon to their condition as it existed immediately prior to destruction.

11.7 No Right to Remove or Alter. No Lot Owner shall have the right to remove or alter any Home or Party Wall without the written consent of adjoining Party Wall Lot Owner(s), and the written consent of the Declarant, or if after the Turnover Meeting, written consent of the Association, acting through its Board.

11.8 Interior Alteration. No alteration of any Home shall occur that may affect any Party Wall, bearing wall, ceiling, roof, foundation, column, girder, beam, support, or main wall, without the express written permission of the Lot Owner of any Home with an adjoining Party Wall, and the written permission of the Declarant prior to the Turnover Meeting and the Board thereafter. No alteration is allowed that may impair the structural integrity or mechanical systems of any Home or lessen the support of any portion of any Home.

11.9 Easements of Subjacent Support and Necessity. Each Home shall have easements of subjacent support and necessity with respect to, and the same shall be subject to such easements in favor of, all of the other Homes.

ARTICLE 12

DISCLOSURES; DISCLAIMERS

12.1 Mold. Mold is a commonly occurring natural substance that can grow in the Lot Owner's Home where water infiltration and humidity exist. Lot Owners acknowledge that there is controversy regarding whether and to what extent certain types of mold are toxic to humans. Lot Owners understand and agree that Declarant will not be liable for any property damage, failure to eradicate, personal injury, loss of income, emotional distress, death, loss of use, loss of value, adverse health effects or any other consequential, incidental, economic or non-economic damage suffered by the Lot Owner's Home's occupants and/or Owner and resulting from the presence of mold. Owner is hereby advised to regularly cause the Lot Owner's Home to be inspected for mold or any other dangerous condition. Lot Owners should take prompt action to remedy underlying water infiltration and humidity conditions that are causing any mold discovered and thereby avoid any possibility of damage or injury from long-term exposure to mold.

12.2 Lot Square Footage. Actual Lot and Home square footage as noted on the plat and as constructed may be different from the living square footage and square footage shown on plans and specifications or advertising brochures, which are based on good faith estimates.

12.3 Vegetation. Grass, trees and other vegetation, if any, even if remaining at close of purchase of a particular Lot, escrow and occupancy, may not survive and may need to be replaced at the sole expense of the Owner or Association. No warranty of quality or survival is given by Declarant with respect to grass, trees and other vegetation. Further, Owner is advised that native or street trees are often subject to governmental regulation and may not necessarily be removed at will.

12.4 Sound Transmission. Owners acknowledge and agree that it is normal to experience some transmission of sound from the driveway, public roadways and another Lot/Home, that on occasion these sounds are heard in normal conditions with typical noise levels, that Declarant made no warranty regarding soundproofing, transmission of sound between Homes and/or levels or adequacy of sound insulation, and that transmission of sound shall not be considered a construction defect. Accordingly, noise, sound transmission, and vibrations will likely be heard and felt ("Acoustic Conditions"). Owners further acknowledge that they have had ample opportunity to discern to their satisfaction the Acoustic Conditions, level of sound and

sound transmission at the Lot and Home at various times of day, that sound levels may differ over time depending on a variety of factors, and that they have accepted all current and potential future sound levels and Acoustic Conditions. The consideration paid to Declarant for the Home reflects Owners' acceptance of the Acoustic Conditions, and Owners acknowledge that Declarant would have required a higher purchase price for any additional sound insulation or any warranties regarding sound.

12.5 Floodplain Restrictions. As required by 24 CFR 55.12(6)(iii), any construction and landscaping activities (except for minor grubbing, clearing of debris, pruning, sodding, seed, and similar activities) in the portions of the Property consisting of a 100-year floodplain, if any, shall be conducted only in ways that preserve such floodplain and no building shall be constructed within such floodplain, if any.

12.6 Completion of Improvements. Declarant and its agents, employees, and contractors shall have the right to complete improvements and otherwise perform work that is: (i) authorized by this Declaration; (ii) indicated on the plans; (iii) authorized by building permits; (iv) provided for under any sales agreement between Declarant and a purchaser; (v) necessary to satisfy any express or implied warranty obligation of Declarant; or (vi) otherwise authorized or required by law.

12.7 Right of Review and Inspection. Upon reasonable advance notice to the Board, Declarant shall have the perpetual right to review all inspection and maintenance records of the Association. In addition, upon request from Declarant, the Board shall provide Declarant at Declarant's cost copies of all inspection reports, proposed plans for alterations and copies of all warranty claims. By appointment arranged in advance, Declarant, its agents and assigns shall have the continuing right, but not the obligation, after the conveyance of each Lot by Declarant to inspect Owner's Home and the Common Area at reasonable times to identify and correct any conditions for which Declarant could potentially be responsible under the sales agreement or any applicable law.

12.8 No Representations. It is natural during the course of a sale contemplated for a purchaser to have questions regarding the Property. In order for the purchaser to receive authoritative answers, purchaser must present any questions to Declarant in writing. Purchaser and Owners understand and agree that subcontractors and real estate agents are not authorized to make representations for Declarant. Purchaser and Owners understand and acknowledge that any statements contained in marketing literature (including Declarant's website, if any), flyers, advertisements and listing agreements are not representations and are all subject to change, and therefore, are not to be interpreted to expand or modify any terms or conditions contained in this Declaration. Purchasers and Owners shall at no time speak with subcontractors or site workers to make changes of any kind or regarding the condition of the Property or the Common Area. Purchasers and Owners acknowledge that Purchasers and Owners are not relying on any representation made by Declarant or its employees or agents, except as expressly set forth in any applicable sales agreement.

ARTICLE 13
GENERAL PROVISIONS

13.1 Records. The Board shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board also shall keep detailed and accurate financial records, including individual assessment accounts of Owners, the balance sheet, and income and expense statements. Individual assessment accounts shall designate the name and address of the Owner or Owners of the Lot, the amount of each assessment as it becomes due, the amounts paid upon the account, and the balance due on the assessments. The minutes of the Association, the Board and Board committees, and the Association's financial records shall be maintained in the state of Oregon and reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies.

13.2 Indemnification of Directors, Officers, Employees and Agents. The Association shall indemnify the Declarant and any Director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that such person is or was the Declarant, a Director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if such person acted in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe that such person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which such person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe that such person's conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association to reimbursement of such payment from such person, should it be proven at a later time that such person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as the Declarant, a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated with or benefited from the acts which created said liability.

13.3 Enforcement; Attorneys' Fees. The Association, the Declarant and the Owners and any mortgagee holding an interest on a Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or hereinafter imposed by any of the provisions of this Declaration as may appertain specifically to such parties or Owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of this Declaration (including without

limitations, for the collection of assessments), the prevailing party shall be entitled to its actual administrative costs incurred because of a matter or event which is the subject of the suit or action, attorneys' fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorneys' fees, to be set by the appellate court. In addition thereto, the Association shall be entitled to its reasonable attorneys' fees and costs incurred in any enforcement activity or to collect delinquent assessments, together with the Association's actual administrative costs, whether or not suit or action is filed.

13.4 Construction Defect Claim Procedure. No litigation shall be commenced against the Declarant, contractor or builder of the Home or any Owner of a Lot in respect to any alleged defect in a Home or on any Common Area except in compliance with the process set forth in Oregon Revised Statutes 701.560 to 701.595 and ORS 701.605.

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

13.6 Amendment. Except as otherwise provided in ORS 94.590, and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than seventy-five percent (75%) of the total votes of each class of members that are eligible to vote. Any amendment must be executed, recorded and certified as provided by law; provided, however, that no amendment of this Declaration shall effect an amendment of the Bylaws or Articles without compliance with the provisions of such documents, and the Oregon Nonprofit Corporation Act and that no amendment may be effected without the express written consent of Declarant or its successors and assigns, including, without limitation, amendment of this Section 13.6, for a period of ten (10) years from the date of the recording of this Declaration.

13.7 Release of Right of Control. Declarant may give up its right of control in writing at any time by notice to the Association.

13.8 Unilateral Amendment by Declarant. In addition to all other special rights of Declarant provided in this Declaration, Declarant may amend this Declaration in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, the approval of which entity is required in order for it to insure, guarantee or provide financing in connection with development of the Property and sale of Lots. Prior to the Turnover Meeting, no such amendment shall require notice to or approval by any Class A member.

13.9 Resolution of Document Conflicts. In the event of a conflict among any of the provisions in the documents governing Jetty View Townhomes, such conflict shall be resolved by looking to the following documents in the order shown below:

1. Declaration;
2. Articles;
3. Bylaws;
4. Rules and Regulations.

IN WITNESS WHEREOF, Declarant has executed this instrument this 24th day of AUGUST, 2022.

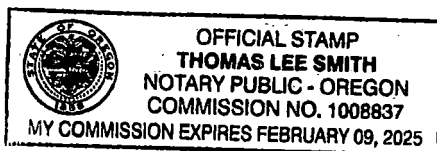
JETTY STREET, LLC, an Oregon limited liability Company


Charles M. Hansen, Manager

STATE OF OREGON)
) ss.
County of MARION)

AUGUST 24th, 2022

Personally appeared before me the above-named Charles M. Hansen, who, being duly sworn, did say that he is a Member of Jetty Street, LLC, an Oregon limited liability company, and that said instrument was signed on behalf of said company by authority of its Members; and acknowledged said instrument to be its voluntary act and deed.




NOTARY PUBLIC FOR OREGON