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Clackamas County Official Records  
Sherry Hall, County Clerk

2008-008891



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Recording requested by  
and, when recorded, mail to:

Codi Bowles  
NNP-Taralon, LLC  
Newland Communities  
16701 S.E. McGillivray Boulevard, Suite 150  
Vancouver, Washington 98683

**AMENDMENT TO DECLARATION  
OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
TARALON RESIDENTIAL**

This Amendment to Declaration of Covenants, Conditions, and Restrictions for Taralon Residential (“**Amendment**”) is made this 19 day of December, 2007, by NNP-TARALON, LLC, a Delaware limited liability company (the “**Declarant**”) and TARALON RESIDENTIAL COMMUNITY ASSOCIATION, an Oregon nonprofit corporation (the “**Association**”). Declarant and the Association are hereinafter collectively referred to as the “**Managers**.” This Amendment is made with reference to the following recitals, and these recitals shall constitute an integral part hereof.

**RECITALS**

A. A Declaration of Covenants, Conditions and Restrictions for Taralon Residential (the “**Declaration**”) was recorded by Declarant on February 7, 2006, in the Clackamas County Official Records under Recording No. 2006-011412. The real property currently subject to the Declaration is described in Exhibit A attached hereto and by this reference made a part hereof and referred to herein as “**Taralon Residential**.” The Bylaws of Taralon Residential Community Association (the “**Bylaws**”) were recorded by Declarant on February 7, 2006, in the Clackamas County Official Records under Recording No. 2006-011413. Taralon Residential consists of real property shown in the plat of Taralon Commons (the “**Plat**”) recorded on February 7, 2006, in the plat records of Clackamas County under Record No. 2006-11410, in Book 131, at Page 24. All capitalized terms not defined herein shall have the meanings given them in the Declaration.

B. Declarant desires to amend the Declaration to withdraw Lot 7 of Taralon Commons (“**Lot 7**”), legally described in Exhibit B, attached hereto and by this reference made a part hereof, from Taralon Residential. Section 2.6 of the Declaration provides that Declarant may unilaterally amend the Declaration to withdraw property from Taralon Residential at any time during the Class B Control Period to remove portions of the real property owned by Declarant within Taralon Residential from the provisions of the Declaration.

C. Declarant further desires to amend the Declaration to reflect the requirements of Clackamas County Service District No. 1 (the “**District**”) concerning stormwater facilities built or to be built by Declarant within Taralon Residential, including detention ponds, drainage

swales and related improvements (the “**Stormwater Facilities**”); clarify portions of the Declaration addressing signs and incorporate the requirements of the City of Happy Valley (the “**City**”) concerning custom signs that Declarant intends to install in Taralon Residential; remove the requirement that the Association remove ice and snow from private streets in Taralon Residential; modify the date by which the association must convey Common Areas; delete those provisions of the Declaration relating to HUD and/or VA and HUD/VA Approval; and provide for the Association, acting through its Board of Directors, to acquire a community center for the shared use of the Members. The locations of the Stormwater Facilities within Taralon Residential are shown in Exhibit C-1, attached hereto and by this reference made a part hereof.

E. ORS 94.590(2)(a) provides that an amendment of the Declaration may be proposed by at least thirty percent (30%) of the Members. Declarant is the owner of Units representing more than thirty percent (30%) of the votes in the Association and proposed this Amendment.

F. Section 13.2 of the Declaration provides that the Declaration may be amended by the affirmative vote or written consent of Members representing at least seventy five percent (75%) of the total Class A votes in the Association, and the consent of the Class B Member, so long as such membership exists. Matrix Development Corporation (“**Matrix**”) is a Class A Members as of the date of this Amendment and holds over 75% all of the Class A votes in the Association. Declarant is the Class B Member. Declarant and Matrix have voted to approve the amendment of the Declaration in accordance with these Recitals, as more specifically set forth in this Amendment. Matrix joins this Amendment for the purpose of confirming its consent to its terms.

## AMENDMENT

NOW, THEREFORE, Declarant and the Association hereby adopt the following amendments to the Declaration:

1. **Withdrawal of Lot 7.** Lot 7 is hereby withdrawn from Taralon Residential and the provisions of the Declaration, except for Section 5.6.2 below.

2. **Stormwater Facilities Maintenance and Liability.** The Stormwater Facilities control the stormwater quantity and quality in Taralon Residential and include drainage swales, detention ponds, wetlands recharge infrastructure, manholes, and conveyance pipes. Several parties share responsibility for the operation and control of the Stormwater Facilities. For clarity and identification of express obligations, these parties and their responsibilities are described below and in that certain Declaration and Maintenance Agreement for On Site Stormwater Facilities dated June 14, 2005, recorded February 7, 2006, in the Clackamas County Official Records under Recording No. 2006-011411, as amended (the “**Maintenance Agreement**”). In the event of a conflict between the terms of the Maintenance Agreement and of the Declaration, as amended by this Amendment, the terms of the Maintenance Agreement shall control with respect to the rights and obligations of the parties thereto.

2.1 **DSL/Corp.** The wetland areas are subject to permits from the Oregon Department of State Lands (“**DSL**”) and U.S. Army Corps of Engineers (the “**Corps**”). Declarant is responsible for the proper construction of any required improvements associated with the wetland areas, for maintaining, controlling and monitoring the wetland areas as required by DSL and the Corps and for the costs related thereto, until the portions of Taralon Residential on which the wetland areas are located are conveyed to the Association as Common Areas. Declarant shall so convey the wetland areas land and improvements to the Association upon the earlier to occur of (i) applicable law requiring such conveyance, or (ii) Declarant completing all required improvements associated with the wetland areas, confirming that these improvements are operating properly and that all required landscaping and vegetation is established, and completing necessary inspections by and receiving the appropriate approval and/or acceptance thereof from DSL and the Corps in accordance with all permits (“**Completion of the Wetland Areas**”); provided, if Declarant conveys the wetland areas land and improvements prior to Completion of the Wetland Areas, Declarant shall remain responsible therefor, and the Association shall grant Declarant all easements and other permissions as may be reasonably appropriate to allow Declarant to fulfill that responsibility. Upon Completion of the Wetland Areas and Declarant’s recording of the deed transferring title to the wetland areas land and improvements to the Association, the Association shall be responsible for maintaining, controlling and monitoring the wetland areas as required by DSL and the Corps and for the costs related thereto.

2.2 **Happy Valley/DTD.** The City and/or Clackamas County Department of Transportation and Development are responsible for all stormwater infrastructure contained in the road right-of-way once it is accepted from Declarant.

2.3 **District.** The District is responsible, pursuant to the Maintenance Agreement, for all stormwater infrastructure, including pipes, flow control devices, manholes and other stormwater facilities existing outside the road right-of-way as more fully described in the Declaration and the Maintenance Agreement, excepting those portions for which the Managers are responsible, as described in Section 2.1 above.

2.4 **Managers.** Declarant is responsible for the proper construction of the Stormwater Facilities. Pursuant to the Maintenance Agreement, Declarant, until conveyance to the Association, and thereafter the Association will be responsible for the maintenance and operation of (i) the detention ponds on Taralon Residential, as described more fully in Section 2.5 below, (ii) the wetlands recharge conveyance system, subject to DSL and Corps permit(s), and (iii) any private manholes or other facilities designed as part of the wetlands recharge system (collectively, the “**Manager Facilities**”). Declarant shall be responsible for providing prior written notice of any transfer of responsibility from Declarant to the Association to the City, the District and Matrix.

2.5 **Maintenance of Manager Facilities.** Declarant shall be responsible for the costs of constructing, maintaining, repairing and replacing the Manager Facilities until the Manager Facilities are conveyed to the Association. Declarant shall so convey the Manager Facilities to the Association upon the earlier to occur of (i) applicable law requiring such conveyance, or (ii) Declarant completing all required improvements associated with the Manager

Facilities, confirming that these improvements are operating properly, and completing necessary inspections by and receiving the appropriate approval and/or acceptance thereof from the applicable governing entities in accordance with all permits (“**Completion of the Manager Facilities**”); provided, if Declarant conveys the Manager Facilities prior to Completion of the Manager Facilities, Declarant shall remain responsible therefor, and the Association shall grant Declarant all easements and other permissions as may be reasonably appropriate to allow Declarant to fulfill that responsibility. Upon Completion of the Manager Facilities and Declarant’s recording of the deed transferring title to the Manager Facilities to the Association, the Manager Facilities shall become part of the Common Area and Area of Common Responsibility under the Declaration. Pursuant to Section 6.1 of the Declaration, the Association is required to maintain and keep in good repair each Area of Common Responsibility. The cost of maintenance, repair and replacement of each Area of Common Responsibility is a Common Expense to be allocated among all Units as part of the Common Assessment. Declarant, until Completion of the Manager Facilities and Declarant’s recording of the deed transferring title to the Manager Facilities to the Association, and thereafter the Association shall operate and maintain the Manager Facilities (excepting those portions in the jurisdiction of DSL and the Corps as described in Section 2.1 above) as described in Exhibit C, attached hereto and by this reference made a part hereof. With regard to those portions of the Manager Facilities in the jurisdiction of DSL and the Corps as described in Section 2.1 above, Declarant, until Completion of the Wetland Areas and Declarant’s recording of the deed transferring title to the wetland areas land and improvements to the Association, and thereafter the Association shall comply with all wetland mitigation requirements set forth in the permit(s) issued by DSL and/or the Corps.

**2.6 Liability for Taralon Stormwater Facilities.** Declarant shall be responsible for maintaining a public liability insurance covering the Taralon Stormwater Facilities until the Taralon Stormwater Facilities are conveyed to the Association or other responsible parties. When the Manager Facilities become part of the Common Area and Area of Common Responsibility under the Declaration upon conveyance of the Manager Facilities to the Association, Section 7.1 of the Declaration provides that the Board of Directors of the Association shall obtain a public liability insurance policy covering the Area of Common Responsibility, which shall include the Manager Facilities. The City, the District and Clackamas County shall have no liability for the maintenance, repair or replacement of the Manager Facilities, nor for any damage or injury to property or persons in connection with the Manager Facilities or lack of maintenance thereof, other than damage or injury to property or persons directly resulting from the acts of such parties, or their employees, agents or contractors.

### **3. Custom Fences and Custom Signs.**

**3.1 Custom Fences.** Declarant shall install fences in Taralon Residential for the protection of the Stormwater Facilities, including fences that wrap around the detention ponds and are along the drainage swales and roads, streets and right-of-ways (collectively, the “**Custom Fences**”). To the extent applicable, the Custom Fences shall be considered a part of the Manager Facilities. Declarant shall be responsible for the cost of maintaining, repairing and replacing the Custom Fences until the portions of Taralon Residential on which the Custom Fences are located are conveyed to the Association as Common Areas and an Area of Common Responsibility under the Declaration or, to the extent applicable, dedicated to the City as public

streets. Pursuant to Section 6.1 of the Declaration, the Association is required to maintain and keep in good repair each Area of Common Responsibility. Upon Declarant's conveyance of the portions of Taralon Residential on which the Custom Fences are located to the Association as Common Areas or dedication to the City as public streets, the Custom Fences shall constitute an Improvement under the Declaration, and shall be maintained by and at the cost of the Association, which cost shall be a Common Expense (as defined in the Declaration) to be allocated among all Units as a part of the Common Assessments as defined in and pursuant to the Declaration.

3.2 **Custom Signs.** Section 12.3 of the Declaration provides "No sign of any kind shall be erected within the Properties without the written consent of the Board of Directors, except entry and directional signs installed by Declarant." By way of clarification, "directional signs" shall include, but not be limited to, the custom directional, street, identification, trail, trellis monument and message signs installed by Declarant (the "**Custom Signs**"). The Custom Signs installed in Taralon Residential by Declarant shall constitute an Improvement under the Declaration. Declarant shall be responsible for the maintaining, repairing and replacing the Custom Signs and the costs related thereto until the portions of Taralon Residential on which the Custom Signs are located are conveyed to the Association as Common Areas or dedicated to the City as public streets. Upon Declarant's conveyance of the portions of Taralon Residential on which the Custom Signs are located to the Association as Common Areas or dedication to the City as public streets, the Custom Signs shall constitute an Improvement under the Declaration, and shall be maintained by and at the cost of the Association, which shall repair and replace the Custom Signs as necessary to present a neat and orderly appearance consistent with the Community-Wide Standard, and which costs shall be a Common Expense to be allocated among all Units as described in the Declaration. The budget for the Association, and the Reserve Study (as appropriate), shall include a separate line item for maintenance, repair and replacement of the Custom Signs.

3.3 **Street Sign Maintenance and Replacement.** As provided in the Maintenance Agreement, if the City reasonably determines that Declarant or the Association has not adequately maintained the Custom Signs, it shall notify the party responsible for such maintenance, providing a reasonably detailed description of the maintenance activities the responsible party must complete. If the responsible party does not commence performance of the maintenance activities within thirty (30) days of its receipt of the City's notice and diligently pursue such activities to completion, the City may enter upon the Properties, perform the necessary maintenance and charge the responsible party for the actual costs of such maintenance. The responsible party shall repay the City within thirty (30) days of the responsible party's receipt of the City's demand for payment detailing the work performed and the cost incurred by the City in performing such work. *Provided, however,* if an emergency occurs for which the City manager or the City manager's designee reasonably believes that substantial damage to persons, property or the public health or safety may occur if certain Custom Signs are not replaced immediately, then the City may enter onto the Properties and replace such Custom Signs with standard street signs (using temporary signs whenever practicable) without prior notice to the responsible party, and shall thereafter promptly notify the responsible party of the replacement performed and the cost incurred by the City in performing the replacement, and the

responsible party shall repay City within thirty (30) days of the responsible party's receipt of the City's notice and demand.

4. **Conveyance of Common Areas.** Section 3.1 of the Declaration is hereby deleted in its entirety and replaced with the following:

"3.1. Conveyance of Common Area. Declarant shall convey the Common Area within the Properties, except for the Manager Facilities, to the Association no later than the Turnover Meeting. Declarant shall convey the Manager Facilities to the Association upon the earlier to occur of (i) applicable law requiring such conveyance, or (ii) Completion of the Manager Facilities; provided, if Declarant conveys the Manager Facilities prior to Completion of the Manager Facilities, Declarant shall remain responsible therefor, and the Association shall grant Declarant all easements and other permissions as may be reasonably appropriate to allow Declarant to fulfill that responsibility. If ingress or egress to any Unit is through a Common Area, the deed conveying the affected Common Area to the Association shall be subject to the easement of the Owner of the Unit for such ingress or egress. Such deeds shall not include Common Easement Areas. Title to Common Easement Areas, subject to the easements set forth in this Declaration, shall rest in the Owners of the respective Units within which such areas are located, or in the public if part of a dedicated street or right of way."

5. **Community Center.**

5.1. Section 5.6.2 of the Declaration is hereby deleted in its entirety and replaced with the following:

"5.6.2. Personal Property and Real Property for Common Use. Subject to the provisions of Section 3.4 above, the Association, through action of its Board of Directors, may acquire, hold title to, convey, lease and dispose of tangible and intangible personal property and real property and interests therein. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by Declarant.

Declarant shall develop and construct a community center (the "**Community Center**") on a portion of Lot 7 as shown on the Plat for the use and benefit of all Members. Declarant shall convey the Community Center land and improvements to the Association upon the earlier to occur of (i) applicable law requiring such conveyance, or (ii) Declarant completing construction of the Community Center building improvements, swimming pool and landscaping and receiving the appropriate occupancy/use permit(s) from the governing jurisdictions ("**Completion of the Community Center**"); provided, if Declarant conveys the

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Community Center land and improvements prior to Completion of the Community Center, Declarant shall remain responsible therefor, and the Association shall grant Declarant all easements and other permissions as may be reasonably appropriate to allow Declarant to fulfill that responsibility. The fee interest held by the Association in the Community Center land and improvements shall be a Common Area for shared use of the Members.

For Units located within Lots 1, 2 and 4 as shown on the Plat, Declarant shall recover its costs and expenses for developing and constructing the Community Center through the collection of a fee ("**Community Center Participation Fee**") to be paid at the closing of the first sale of each such Unit to an Owner other than an Owner who purchases solely for the purposes of constructing a residence thereon for resale. The Community Center Participation Fee for each Unit shall be in the amount of Two Thousand Dollars (\$2,000) and, prior to Completion of the Community Center and Declarant recording the deed transferring title to the Community Center land and improvements to the Association, shall be paid into an interest bearing escrow account established with Pacific Northwest Title Company ("**Community Center Escrow Account**"). The funds held in the Community Center Escrow Account, including all interest thereon, shall be automatically released to Declarant upon Completion of the Community Center and Declarant's recording of such deed, and thereafter the Community Center Participation Fees shall be paid to Declarant, unless Declarant otherwise directs, within three (3) days of the sale of each Unit for which the Community Center Participation Fee is owed.

For purposes of Units located in any other lot shown on the Plat that are or become subject to this Declaration, Declarant shall recover its costs and expenses for providing the Community Center by (i) collecting the Community Center Participation Fee at closing of the sale of such lots from Declarant to the purchaser of said lot(s), (ii) collecting the Community Center Participation Fee at closing of the sale of each Unit to an Owner other than an Owner who purchases solely for the purposes of constructing a residence thereon for resale, or (iii) through the establishment of a subassociation whereby members of the subassociation pay an assessment equal to the Community Center Participation Fee. The costs of maintenance, taxes and insurance for the Community Center shall be a Common Expense to be assessed against Units as a Common Assessment.

If any Lot shown on the Plat, or any portion thereof, has been or is withdrawn from Taralon Residential and the provisions of this Declaration by Declarant and not subsequently annexed into Taralon Residential or otherwise submitted to the provisions of this Declaration, and Declarant

desires to provide for the shared use of the Community Center and other Common Areas within Taralon by the owners of real property within the withdrawn property, Declarant may subject the Community Center land and improvements and other Common Areas within Taralon to a declaration of shared use of the Community Center and Common Areas by the Owners within Taralon Residential and the owners (including their guests, invitees and tenants) within such withdrawn property. If the use of the Community Center and Common Areas are shared, the Common Expenses of the Association shall be equitably allocated among the Association and owners of real property within the withdrawn property based on the total number of Units within the Association and residential units within the withdrawn property sharing the use of the Community Center and Common Areas. Such declaration may additionally provide for the use of the Community Center by non-residential owners for activities consistent with the nature of the Community Center as a community meeting and community activity venue.”

5.2. Section 5.9 of the Declaration is hereby deleted in its entirety and replaced with the following:

“5.9. Contracts Entered into by Declarant or Board of Directors Prior to Turnover Meeting. Notwithstanding any other provision of this Declaration, no management contract, service contract or employment contract entered into by Declarant or the Board of Directors on behalf of the Association prior to the Turnover Meeting shall have a term in excess of three (3) years. In addition, any such contract shall provide that it may be terminated without cause or penalty by the Association or Board of Directors upon not less than thirty (30) days’ written notice to the other party given not later than sixty (60) days after the Turnover Meeting.”

6. **Installation and Maintenance of Private Streets.** Section 6.1 of the Declaration provides that the Association shall maintain and keep in good repair the Areas of Common Responsibility and that such maintenance shall include maintenance, repair and replacement of “all private streets (including, but not limited to, removal of ice and snow therefrom). . . .” The phrase “(including, but not limited to, removal of ice and snow therefrom)” is hereby deleted. The Association may, but shall not be required to, remove ice and snow from the private streets, but the failure of the Association to remove ice and snow shall not create any liability on the part of the Association for such failure nor shall the removal of ice and snow at any time create any future obligation to continue such removal activities.

7. **Commencement of Assessments.** Sections 10.6(a) and 10.6(b) of the Declaration are hereby deleted in their entirety and replace with the following:

“(a) the first (1<sup>st</sup>) day of the twelfth (12<sup>th</sup>) month following the month in which an Owner (excluding Declarant and Matrix) acquires record title to a Unit or a purchaser’s interest under a recorded contract of sale, but not sooner than the first



day of the twelfth (12<sup>th</sup>) month following recording of the Amendment to Declaration of Covenants, Conditions and Restrictions for Taralon Residential dated December 19, 2007, if construction of a residence is not commenced on such Unit by that date, and for purposes of this Section 10.6, the time construction of a residence is commenced shall mean lot-specific grading or other lot-specific site preparation preparatory to construction of improvements on the Unit;

(b) the first (1<sup>st</sup>) day of the sixth (6<sup>th</sup>) month following the month in which construction commenced if construction of a residence is commenced on a Unit prior to the latest date specified in Section 10.6(a) and if construction on the residence on such Unit is not then completed;”

8. **HUD/VA Provisions.**

8.1 Section 13.2 of the Declaration is hereby deleted in its entirety and replaced with the following:

“13.2. Amendment. Prior to the conveyance of the first Unit, Declarant may unilaterally amend this Declaration. Thereafter, except as otherwise provided in this Declaration, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least seventy-five percent (75%) of the total Class A votes in the Association, and the consent of the Class B Member, so long as such membership exists. In addition, the approval requirements set forth in Article XIV hereof shall be met if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the Recorder’s Office of Clackamas County, Oregon. References to specific sections in this Declaration shall mean those sections as amended from time to time pursuant to this Section 13.2 or pursuant to other sections of this Declaration.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege during the Class B Control Period. Furthermore, no amendment may increase the number of Units or change the boundaries of any Unit or any uses to which any Unit is restricted unless the Owners of the affected Unit(s) unanimously consent to such amendment.”

8.2 Section 14.3 of the Declaration, HUD/VA Provisions, and all reference thereto are hereby deleted in their entirety.

9. **Execution and Certification of Amendment.** This Amendment was adopted by the Members in accordance with the Declaration and Bylaws. ORS 94.590(3) provides amendments to a declaration shall be executed and certified on behalf of the association by the president and secretary as being adopted in accordance with the declaration and the provisions of ORS Chapter 94 and acknowledged in the manner provided for acknowledgment of deeds. The President and the Secretary by their signatures below certify that this Amendment has been adopted in the manner required by the Declaration and Bylaws. Additionally, Declarant and Matrix, representing one hundred percent (100%) of the votes in the Association, confirm their approval of this Amendment by their signatures below.

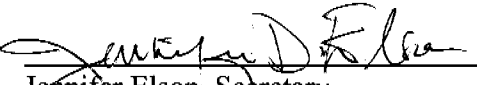
IN WITNESS WHEREOF, the undersigned have executed this Amendment as of the date first written above.

*[signatures on following page]*

**ASSOCIATION:**

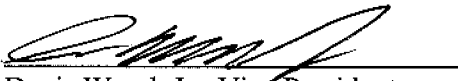
TARALON RESIDENTIAL COMMUNITY  
ASSOCIATION, an Oregon nonprofit corporation

By:   
Davis Wood, Jr., President

By:   
Jennifer Elson, Secretary

**DECLARANT:**

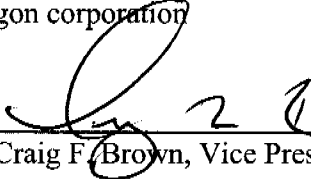
NNP-TARALON, LLC,  
a Delaware limited liability company

By:   
Davis Wood, Jr., Vice President

*[Additional signatures on following page]*

**MATRIX:**

MATRIX DEVELOPMENT CORPORATION, an  
Oregon corporation

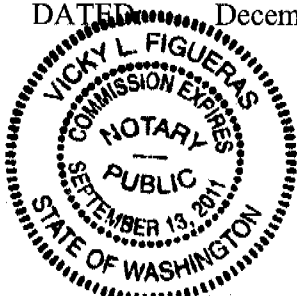
By:   
Craig F. Brown, Vice President

*[Notary acknowledgments on following page]*

STATE OF WASHINGTON )  
County of Clark ) ss.

I certify that I know or have satisfactory evidence that Davis Wood, Jr., is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as President of Taralon Residential Community Association, an Oregon nonprofit corporation.

DATED: December 17, 2007.



Vicky L. Figueroa  
Notary Public in and for the State of Washington  
Residing at Camas, WA  
My appointment expires: 9-13-2011

STATE OF WASHINGTON )  
County of Clark ) ss.

I certify that I know or have satisfactory evidence that Jennifer Elson is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute this instrument and acknowledged it as Secretary of Taralon Residential Community Association, an Oregon nonprofit corporation.

DATED: December 19, 2007.

Vicky L. Figueroa  
Notary Public in and for the State of Washington  
Residing at Camas, WA  
My appointment expires: 9-13-2011

[Additional notary acknowledgments on following page]

STATE OF WASHINGTON )

County of Clark ) ss.

I certify that I know or have satisfactory evidence that Davis Wood, Jr., is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as Vice President of NNP-Taralon, LLC, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED: December 17, 2007.

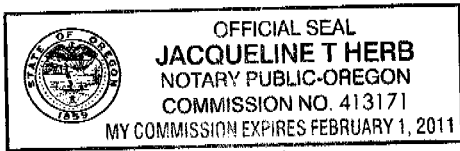
Victor R. Agueras  
Notary Public in and for the State of Washington  
Residing at Camas, WA  
My appointment expires: 9-13-2011

*[Additional notary acknowledgments on following page]*

STATE OF OREGON )  
County of Washington ) ss.

The foregoing instrument was acknowledged before me this 13<sup>th</sup> day of December, 2007, by Craig F. Brown, as Vice President of Matrix Development Corporation, an Oregon corporation.

Jacqueline T. Herb  
Notary Public for Oregon  
My Commission Expires: February 1, 2011



**EXHIBIT A**

(Legal Description of Taralon Residential)

**Legal Description of Property Originally Subject to Declaration:**

All that real property shown in the plat of TARALON COMMONS, in the City of Happy Valley, County of Clackamas and State of Oregon, except Lot 5 and Lot 6, TARALON COMMONS, in the City of Happy Valley, County of Clackamas and State of Oregon.

**Legal Description of Property Subject to Declaration as Modified by this Amendment:**

All that real property shown in the plat of TARALON COMMONS, in the City of Happy Valley, County of Clackamas and State of Oregon, except Lot 5, Lot 6 and Lot 7, TARALON COMMONS, in the City of Happy Valley, County of Clackamas and State of Oregon.



**EXHIBIT B**

(Legal Description of Lot 7)

Lot 7, TARALON COMMONS, in the City of Happy Valley, County of Clackamas and State of Oregon.

## EXHIBIT C

### Stormwater Facilities Operation and Maintenance Plan

1. **Description of Stormwater Facilities.** The Manager Facilities control the stormwater quantity and quality in Taralon Residential and include drainage swales and detention ponds as shown on Exhibit C-1. The detention ponds are designed to receive stormwater runoff and remove coarse materials from the stormwater by letting them settle to the bottom of the detention pond. The drainage swales direct stormwater runoff into the detention ponds. The Manager Facilities shall be operated and maintained in accordance with the guidelines set forth in this Stormwater Facilities Operations and Maintenance Plan.

2. **Maintenance Activities.** Declarant, until the conveyance to the Association, and thereafter the Association shall operate and maintain the Manager Facilities (excepting those portions in the jurisdiction of DSL and the Corps as described in Section 2.1 above) as follows:

- Cut and remove or recycle vegetation as needed to remove dead vegetation and keep the vegetative cover dense and vigorous. Grass (if present) shall be mowed to a height of four to six inches and grass clipping shall be removed. Vegetation, large shrubs and trees that interfere with or limit access to the Manager Facilities shall be removed or pruned.
- Remove non-native invasive vegetation, including Himalayan blackberries and English ivy. Removal should be accomplished with minimal use of toxic herbicides and pesticides, preferably by manual extraction including roots, where possible.
- Remove and replace invasive vegetation making up 25% or more of the total vegetation of all species.
- Adhere to local guidelines and regulations pertaining to the use of fertilizers, herbicides and pesticides.
- Selectively irrigate if necessary during the establishment period for the plants until the vegetation becomes established.
- Replant bare spots and areas of poor growth with plants creating an aesthetic natural appearance.
- Remove dead vegetation and deciduous foliage and debris during the fall season to prevent the unwanted release of nutrients.
- Require all landscape maintenance contractors and agents to abide by these guidelines and regulations.
- Monitor sediment collection and remove sediment from the conveyance pipe system if accumulation inhibits the Manager Facilities' operation, including wetland recharge pipelines and manhole(s).
- Inspect and clean sump systems as necessary to ensure their continued operation and effectiveness.
- Store any removed sediment in accordance with safe management practices specified by applicable local, state and federal regulations. Dispose of sediments promptly.
- Maintain pedestrian and vehicular access routes into and around the Manager Facilities to minimize plant disturbance and provide convenient access for

maintenance workers to inspect and maintain the Manager Facilities and for District employees to inspect the Manager Facilities.

- Provide records of the maintenance performed to District at 9101 SE Sunnybrook Blvd., Suite 441, Clackamas, Oregon 97015, on or before January 1 of each year.
- Provide information and signage alerting homeowners within Taralon Residential of the purpose of the facility, the maintenance activities and the importance of proper maintenance.

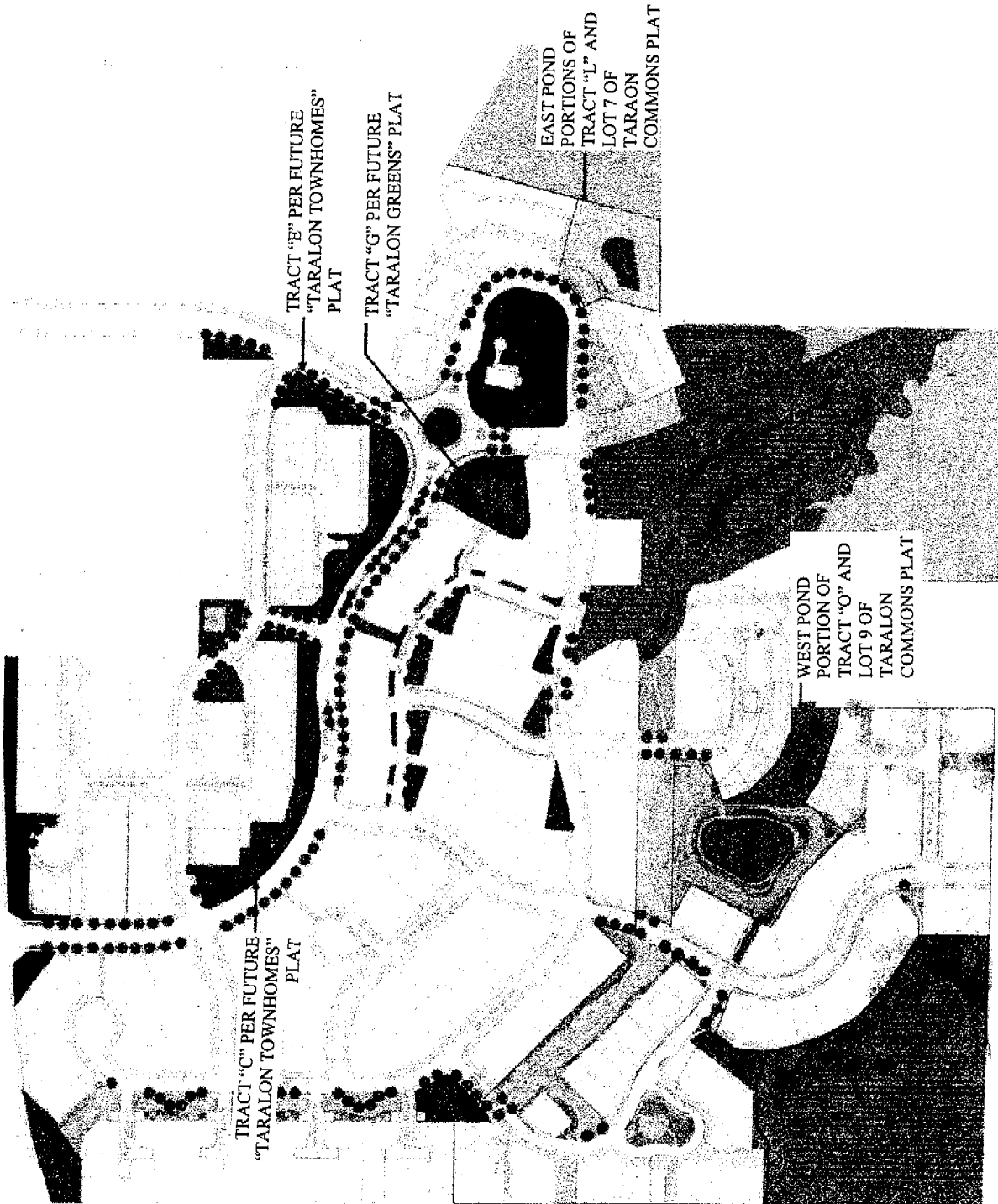
3. **Inspection by District.** As provided in the Maintenance Agreement, District employees shall be allowed, but not required, to inspect the Manager Facilities at any time, but the District shall not own any of the Manager Facilities. However, if District reasonably determines that Declarant or the Association has not adequately maintained the Manager Facilities, it shall notify the party responsible for such maintenance, providing a reasonably detailed description of the maintenance activities the responsible party must complete. If the responsible party does not commence performance of the maintenance activities within thirty (30) days of its receipt of District's notice and diligently pursue such activities to completion, District may enter upon the Property, perform the necessary maintenance and charge the responsible party for the actual costs of such maintenance. The responsible party shall repay District within thirty (30) days of the responsible party's receipt of District's demand for payment detailing the work performed and the cost incurred by District in performing such work. *Provided, however,* if an emergency occurs for which District reasonably believes that substantial damage to persons, property or the public health or safety may occur if immediate work on the Manager Facilities is not performed, then District may enter onto the Property and perform the work without prior notice to the responsible party, and shall thereafter promptly notify the responsible party of the work performed and the cost incurred by District in performing the work, and the responsible party shall repay District within thirty (30) days of the responsible party's receipt of District's notice and demand.

4. **Additional Maintenance Provisions in the Declaration.** The Declaration imposes maintenance obligations and restrictions in addition to those set forth in this Amendment. The Declaration includes restrictions relating to the drainage systems in Taralon Residential, whether located within the Common Area or Units owned by homeowners, including restrictions on obstructing or altering the natural flow of water (Section 12.16), constructing fences (Section 12.25) and altering grades, slopes and drainage (Section 12.29). This Amendment supplements, and does not limit or otherwise restrict, the provisions of the Declaration.

5. **Modification.** District's prior written consent shall be required for any modification of the provisions of the Declaration governing maintenance of the Taralon Stormwater Facilities (including the Custom Fences), liability therefor or the restrictions described in Section 4 of this Exhibit C.

EXHIBIT C-1

(Open Space Plan Showing Detention Ponds)



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