

BYLAWS
OF
Willow Creek Heights Homeowners Association

ARTICLE I

Name and Location

1.1 The name of this Association is Willow Creek Heights Homeowners Association, hereinafter referred to as the "Association". The principal office of the Association shall be located in Washington, Clackamas or Multnomah County, but meetings of members and Directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II

Definitions

2.1 "Association" shall mean and refer to Willow Creek Heights Homeowners Association, its successors and assigns.

2.2 "Common Area" shall mean all real property, including easements, owned by the Association for the common use and enjoyment of the Owners as set forth in the Declaration of Covenants, Conditions and Restrictions. It shall also include any improvements such as fencing, monuments, landscaping (including irrigation system(s) and lighting installed as common property within said real property and easements).

2.3 "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions ("CC&Rs") of Willow Creek Heights appropriately recorded in Washington County, Oregon.

2.4 "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area. In the event a platted lot is divided in accordance with the applicable governmental ordinances, rules and regulations and the provisions of the reservations, restrictions and covenants applicable to said lots, the term lot shall include each lot which results from the division of the platted lot.

2.5 "Maintenance" as used herein, only in the context of the Homeowners Association obligations, "maintenance" includes repair, replacement, and upkeep of the common area(s), including without limitation, any structures, drainage systems, lighting systems, and irrigation systems; all acts of maintenance and repair shall be held to the "as good as or better than the improvement which was initially constructed", standard.

2.6 "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

2.7 "Owner" shall mean and refer to the record owners, whether one or more persons or entities, of the fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those having such interest merely as security for performance of an obligation.

2.8 "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions of Willow Creek Heights Homeowners Association and such additions thereto as may hereafter be brought within the power and jurisdiction of the Association in accordance with the provisions of the Willow Creek Heights Covenants, Conditions and Restrictions.

ARTICLE III

Meetings of Members

3.1 Annual Meetings. The first annual meeting of the Members shall be held within one (1) year from the date of the Turnover Meeting.

3.2 Special Meetings. Special meetings of the Members may be called at any time by the President or by the Board of Directors, or upon written request of Members who are entitled to vote one-fourth (1/4) of all votes of the Association. Fractional vote requirements shall be rounded up to the next full vote.

3.3 Notice of Meetings. Written notice of each meeting of the Members shall be given by, or at the directions of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice, postage paid, at least fifteen (15) days before such meeting, to each Member entitled to vote there at, addressed to the Member's address last appearing on the books of the Association for the purpose of notice. Such notices shall specify the place, day and hour of the meeting and in the case of a special meeting, the purpose of the meeting. Fractional vote requirements shall be rounded up to the next full vote.

3.4 Quorum. The presence at the meeting of Members entitled to cast, or of proxies entitled to cast, one-fourth (1/4) of the votes of the Association shall constitute a quorum for any action except as otherwise provided in the Declaration or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the Members entitled to vote at said meeting shall have the limited power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or represented. The quorum for the Turnover Meeting shall be set at the number of Members in attendance.

3.5 Proxies. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. All proxies shall be revocable and shall automatically cease upon conveyance by the member of his lot.

3.6 Voting Rights of Members. Each lot shall be entitled to one vote.

ARTICLE IV

Board of Directors Selection and Term of Office

4.1 Number. A Board of Directors consisting of five (5) Directors shall manage the affairs of this Association. Director positions shall be open to only one owner per Lot, regardless of the number of owners named on that Lot. Prior to first annual meeting, West Hills Development may appoint any number of Directors from 1 through 5, at their discretion, in accordance with the CC&R's.

4.2 Term of Office. At the first annual meeting the members shall elect five (5) Directors. Those Directors shall be elected for terms of one (1) for one year, two (2) for two years and two (2) for three years. Elected Directors will draw for terms at their first meeting. At each subsequent annual meeting, the members shall elect a Director for three-year terms.

4.3 Removal. Any Director may be removed from the Board, with or without cause, by a majority vote of the Members of the Association present at a duly called Meeting of the Members. The quorum provision for a Meeting of Members shall apply. In the event of death, resignation or removal of a Director, his or her successor shall be selected by the remaining Members of the Board and shall serve for the unexpired term of his or her predecessor.

4.4 Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, any Director may be reimbursed for his or her actual expenses incurred in the performance of his or her duties.

4.5 Action taken Without a Meeting. The Directors shall have the right to take any action in the absence of a meeting, which they could take at a meeting by obtaining the written approval of all the Directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE V

Nomination and Election of Directors

5.1 Nomination. Nominations for election to the Board of Directors shall be from among Members either in writing or in person at a duly called Meeting of Members.

5.2 Election. Election to the Board of Directors shall be by secret written ballot. At such election the Members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VI

Meetings of Directors

6.1 Regular Meetings. Regular meetings of the Board of Directors shall be held as needed without notice, at such place and hour as may be fixed from time to time by the Board, or as may be called by the President.

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Association, or by any three (3) Directors, after not less than three (3) days notice to each Director, or as otherwise agreed to by the members.

6.3 Quorum. A majority of the number of Directors shall constitute a quorum for the transaction of business. Every act or decision done or made by majority of the Directors present at a duly held meeting at which quorum is present shall be regarded as the act of the Board.

ARTICLE VII

Powers and Duties of the Board of Directors

7.1 Powers. The Board of Directors shall have power to:

(A). Adopt and publish rules and regulations governing use and maintenance of the Common Area related facilities; maintenance of landscaping and irrigation system including the fencing and monuments located within easements, the personal conduct of the Members and their guests on the Common Area and facilities; and to establish fines and penalties for the violation thereof;

(B). Suspend the voting rights of a Member and the right of a Member to use the Common Area and facilities during any period in which such Member shall be in default in the payment of any assessment levied by the Association. Such rights may also be suspended after notice and hearing, for a period not to exceed sixty (60) days for violation of any published rules and regulations.

(C). Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws or the Declaration;

(D). Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(E). Employ a manager, an independent contractor or such other employees as they deem necessary and to prescribe their duties.

7.2 Duties. It shall be the duty of the Board of Directors to:

(A). Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members, or at any special meeting when such statement is requested in writing by Members possessing one-fourth (1/4) of the total votes of the Association. Fractional vote requirements shall be rounded up to next full vote;

(B). Supervise all officers, agents and employees of the Association, and see that their duties are properly performed;

(C). As more fully provided in the Declaration, to:

(1). Fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period;

(2). Send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period; and

(3). Foreclose by lien against any property for which assessments are not paid within ninety (90) days after due date or to bring an action at law against the Owner personally obligated to pay the same.

(D). Issue, or to cause an appropriate officer to issue, open demand by any persons, a certificate setting forth whether or not any assessment has been paid. The Board may make a reasonable charge for issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(E). Procure and maintain adequate liability and hazard insurance on property owned by the Association.

(F). Cause all officers or employees having fiscal responsibilities to be bonded or insured, as it may deem appropriate;

(G). Provide for the maintenance, repair or replacement of the Common Areas and related facilities including landscaping, irrigation systems(s), fencing and monuments located within the easements;

(H). Administer a reserve account if one is established.

ARTICLE VIII

Officers and Their Duties

8.1 Enumeration of Officers. The officers of this Association shall be a President, Secretary/Treasurer, and such other officers as the Board may from time to time by resolution create. The Treasurer, if a separate office, does not have to be a member of the Board of Directors.

8.2 Election of Officers. The election of officers shall take place at the first regular meeting of the Board of Directors following each annual meeting of the Members.

8.3 Term. The officers of the Association shall be elected annually by the Board and shall each hold office for one (1) year unless he or she shall sooner resign, or shall be removed, or otherwise disqualified to serve.

8.4 Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of who shall hold office for such period, have such authority, and perform such duties as the Board may from time to time determine.

8.5 Resignation and Removal. The Board may remove any Officer from office with or without cause. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, the acceptance of such resignation shall not be necessary to make it effective.

8.6 Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer her or her replaces.

8.7 Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

8.8 Duties. The duties of the officers are as follows:

(A). President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

(B). Secretary. Shall record and keep the minutes of all meetings and proceedings of the Board and of the Members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the Members; keep appropriate current records showing the Members of the Association, together with their addresses, and shall perform such other duties as required by the Board.

(C). Treasurer. Shall receive and deposit in appropriate bank accounts all monies of the Association and disburse such funds as directed by resolution of the Board of Directors; sign all checks and promissory notes of the Association; keep proper books of account; cause all tax returns and other governmental reports to be timely prepared and filed; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting and deliver a copy of each to the members. These duties may be delegated by Board approval to management agent.

ARTICLE IX

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any Member. The Declaration and Bylaws of the Association shall be available for inspection by any Member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE X

Assessments

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments that are secured by a lien upon the property against which the assessment is made. Any assessments that are not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve (12) percent per annum. A one-time late charge of 10% of the delinquent amount shall be charged, on the first of the month after the due date, in addition to the interest rate. The Association may bring an action at law against the property for the collection of all interest, costs and reasonable attorney's fees for any such action and any appeal thereof, all of which shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his or her lot.

ARTICLE XI

Amendments

11.1 These Bylaws may be amended, at regular or special meeting of the members, by a majority vote of the total votes in the Association by use of the U.S. Mail. At least 30-days prior to a meeting being called for this purpose, a copy of the proposed amendment will be mailed to all homeowners.

11.2 In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XII

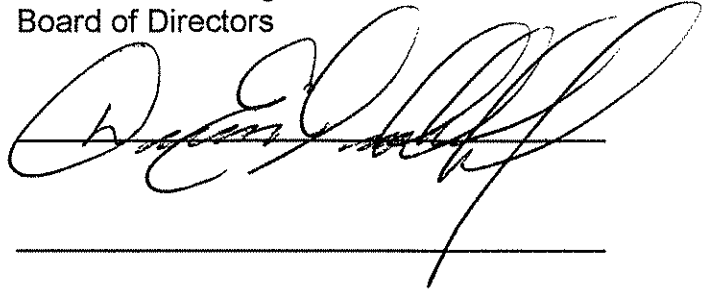
The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December every year, except that the first fiscal year shall begin on the date of establishment of the Association as set forth by the recording date of the Articles of Incorporation.

ARTICLE XIII

As used herein, the singular shall include the plural and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this document.

IN WITNESS WHEREOF, we being all the initial Directors of Willow Creek Heights Homeowners Association, have hereunto set our hands this 1st day of February 2001.

Willow Creek Heights Homeowners Association
Board of Directors

A handwritten signature in black ink, written over a horizontal line. The signature is highly stylized and cursive, appearing to start with a large 'D' and 'E'. Below the signature line, there is another horizontal line.