

ORDINANCE NUMBER 1416

AN ORDINANCE OVERLAYING A PLANNED DEVELOPMENT ZONE ON CERTAIN PROPERTY IN THE CITY OF MILWAUKIE, OREGON, KNOWN AS FOREST HILL ESTATES, BY AMENDING ORDINANCE NO. 1316, AS AMENDED UNDER THE PROVISIONS OF SECTION 3.160, PLANNED DEVELOPMENT ZONE.

THE CITY OF MILWAUKIE DOES ORDAIN AS FOLLOWS:

Section 1. That Ordinance No. 1316 and the incorporated zoning map as amended, be further amended to provide that the tract of land hereinafter described has a zone designation of Planned Development, superimposed over the existing zones on that property. That tract of land is described as follows:

Part of the J.D. Garrett D.L.C. No. 61 in Section 31, T1S., R2E., of W.M. described as follows:

Commencing at a point which is 1372.14 feet East and 452.10 feet North of the Southwest corner of said J.D. Garrett D.L.C. and in the center of Lake Road;

Thence North $0^{\circ}33'$ East 447.1 feet to an iron pipe, and the true point of beginning;

Thence North $68^{\circ}40'$ West parallel with the center of Lake Road a distance of 336.82 feet to an iron pipe at the Northwest corner of a tract of land conveyed to Gilbert Harding et ux by Deed recorded in Book 215, Page 100, Deed Records;

Thence South $0^{\circ}33'$ West along the East line of a tract of land conveyed to Walter J. and Alice M. Freeman by Deed recorded October 2, 1959, in Book 562, Page 591, 415 feet, more or less, to a point on the North right-of-way line of Lake Road;

Thence North $68^{\circ}40'$ West along the North right-of-way line of Lake Road 182.63 feet, more or less, to the West line of the abovementioned Freeman tract;

Thence northeasterly along said Westerly line 100 feet, to an angle corner in said West line;

Thence continuing North along the West boundary of said Freeman tract and its Northerly projection 710 feet, more or less, to a point on the Southerly boundary line of Portland and Oregon City Railway Co. right-of-way (This line is now within the boundaries of Pacific Highway, East Cascade Highway Section);

Thence Southeasterly along said right-of-way line to the West line of Mintone Homes;

Thence Southerly along the West line of Mintone Homes 275 feet, more or less, to the true point of beginning.

Section 2. That the amendment described in Section 1 shall include the adoption of the approved final development plan and program of Forest Hill Estates. The final plan and program consists of Exhibit D, which consists of 19 architectural drawings with sheet 6 amended to delete reference to neighborhood store, labeled "Freeman Planned Development, " and Exhibit E, a written document of 29 pages entitled, "Forest Hill Estates, Final Program, Freeman Planned Development," attached hereto and by this reference made a part hereof, as the standards and requirements of the zone.

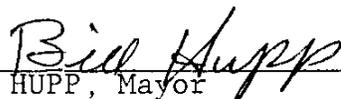
Section 3. This Planned Development is subject to the following:

- a. Provide landscape details for project as required in Planning Commission approval of project, to be reviewed and approved by the Planning Commission.
- b. Prior to approval of building permits for buildings or other development, the applicant shall submit such proposals to the Planning Commission so that it may conduct a design review.
- c. That no building permits shall be accepted for projects indicated on Exhibit A numbered (a) through (g) (Plan sheet 9, including the three commercial buildings and the four apartment buildings) and access (h) (the easterly driveway to the apartment complex) until the signalization of the intersection of Freeman Way and Highway 224 is operational.

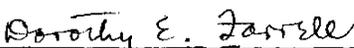
Read the first time this 20th day of November, 1978, and moved to second reading by unanimous vote of the City Council.

Read the second time and adopted by the City Council this 20th day of November, 1978.

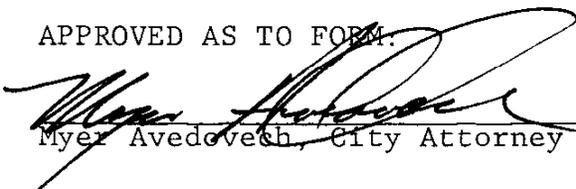
Signed by the Mayor this 20th day of November, 1978.


BILL HUPP, Mayor

ATTEST:


Dorothy E. Farrell, Recorder

APPROVED AS TO FORM:


Myer Avedovesh, City Attorney

ORD 1416

FINAL PROGRAM
FREEMAN FOREST HILL PLANNED DEVELOPMENT

Exhibit E

NOTE:

This Program has been revised to conform with conditions adopted by the Planning Commission in its approval of August 8, 1978.

The Program, together with accompanying final building and site drawings, constitutes the approved zoning for the super-imposed PD zone applied to this property.

FOREST HILL ESTATES
FINAL PROGRAM/FINAL PLANNED DEVELOPMENT

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Final Program

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FINAL PROGRAM/PROGRAM RELATED UNIT DEVELOPMENT

Tax Lot 600,500,400,302,1000,300,200,1100, 800

Total Acres 11.86

Residential.....	6.44
Professional and commercial services.....	2.04
Common area.....	2.04

GENERAL CHARACTER OF THE AREA

The land between 38th Avenue and east to the existing expressway entrance and from the expressway south to Kellogg Creek is one of the largest remaining blocks of underdeveloped land that is less than ten miles to the City of Portland Core.

The expressway is a regional connector between McLoughlin Blvd. and I-205. Lake Road is a major arterial connecting the Clackamas area, East Milwaukie and the City of Milwaukie central business district.

Our project will impact the expressway and Lake Road. Public services required for this project will affect the land bordered by Lake Road to the south, the expressway to the north, 38th Avenue to the west and the existing expressway entrance to the east. Thus, for the purposes of this zone change, we will deal primarily with the above mentioned road boundary and land.

New single family subdivisions have recently been constructed on vacant parcels to the east of older established subdivisions. To our knowledge, no new land developments of a scale large enough to establish a road network have been projected.

Land uses and characteristics consist of development that is sparse for a metropolitan area and are mixed. They consist of truck farms; single family homes of greatly varying conditions on greatly varying land sizes; estate-character homes and grounds; and nonconforming use multi-family structures.

The land is geographically separated from the expressway with the exception of 37th Avenue and the new freeway cut at International way.

Lake Road has far too many connections for a well functioning arterial. Many of the connections are private streets with public sewer and water. In many cases, the road connections could be cul-de-sacs with new accesses made to a collector road to the north.

NEED FOR CHARACTER PRESERVATION

The character or "imagability" of Lake Road and the expressway in this vicinity is that of a greenway or scenic drive. The character is created by continuous tree and shrub growth screening or large amounts of open space. It is our feeling that the "imagability" of the area should be preserved as development occurs.

EXISTING ZONING AND ALLOWABLE USES

The comprehensive plan and current zoning would allow approximately 4.5 acres of industrial development, 3.86 acres of transitional use (office, duplex) and 4.50 acres of R-10 single family residential.

PROPOSED LAND USE PATTERN

The proposed project contains three land uses. Single family residential, multifamily residential, and service, professional and convenience commercial.

The single family housing is located on gentle ground slope areas. We feel land abutting this use will develop in a similar use. Lot sizes are projected to be approximately 5,000 square feet. Each homeowner will belong to an association that will maintain commonly owned greenway abutting Lake Road, the expressway and dividing the single family area from the multifamily.

The multifamily housing units are located on steeper slopes where it is difficult to construct single family homes. The densely wooded areas can reduce the vision impact of the multifamily structures and deletion of single lots can aid in saving specimen trees. The setting and view from the multifamily area is pleasant, but the noise generated from the expressway and industrial areas are in excess of F.A.A.

regulations for single family development.

The future signalization and improvement of the Lake Road connection to International way will expose now vacant land to easy access to the expressway. Heavy commercial services are available within easy reach of the area. No convenience or service businesses exist in this area. No other property within the area will have the access for local residences, employees and regional traffic.

COMPREHENSIVE PLAN

The comprehensive plan map designates approximately 4.5 acres of this land as industrial development and the remainder as medium density residential.

We feel that the plan map does not conform with the plan text in the case of the industrial classification. Grade differences would create a situation where industrial traffic would have to pass through residential areas to obtain access. The plan text states also that the most suitable locations for higher density housing are generally those most convenient to shopping or activity centers, but that other areas may be appropriate such as along arterial streets. . . . or where special features of the land make clustered or compact building development advantageous." The portion of the site designated as multifamily has direct connection to the couplet to Lake Road and the expressway. The site is impacted by the noise of the expressway. Access by these roads exists to the K Mart complex, Fred Meyer, the downtown shopping core, the Clackamas shopping core and Portland. Geographic conditions - steep slopes - and a large number of specimen trees make this area most sensibly developed as multifamily.

Because of the individual characteristics, the remainder of the site has been developed as single family to the southwest (because of its proximity to established residential uses) and convenience-commercial to the east (because of its proximity to an area wide route access and egress). These uses comply with the medium density residential planning guidelines in the plan, which states--"This classification includes areas of moderately dense housing. . . . Homesites as small as 5,000 square feet also occur. . . . overall densities are anticipated to range between six to twelve units per net residential acre. . . . It is anticipated that all medium density residential areas will be provided with a full range of urban services within the foreseeable future. . . . The C-1 neighborhood commercial zone will be utilized to permit the operation of small neighborhood grocery stores.

SITE DEVELOPMENT STANDARDS

- A. Single Family Designations.
 1. Permitted use: single family residential

2. Standards

- a. Lot size: 5,000 sq. ft. minimum
- b. Front yard: 10 ft. to building
- c. Side yard: 3 ft. interior, 10 ft. corner lots, 10 ft. between buildings
- d. Rear yard: 15 ft.
- e. Off street parking: 2 covered spaces, 2 tandem spaces
- f. Height restriction: 35 ft.
- g. Lot coverage: 45 percent of total lot area.
- h. Vegetation: 30 percent in planted trees, grass, shrubs, etc.
- i. Street trees: as shown on development plan
- j. Recreational vehicles shall not be stored out of cover

3. Cluster Housing

1. Permitted uses: Apartment dwelling and supplementary uses such as recreation facilities, garages, etc.
2. Building yard setbacks, heights, lot coverage and vegetation shall conform to the plans submitted and approved by the Planning Commission and Design Review Board.
3. No recreational vehicles shall be stored out of cover.

DEVELOPMENT STANDARDS FOR COMMERCIAL AREA

1. Conditional uses: To be reviewed by the Planning Commission to insure the logic of the use is compatible with surrounding uses and that the use satisfies a use need supplemental to the industrial area to the north and the surrounding housing area.
 - a. A food store not to exceed 1,500 sq. ft.
 - b. Offices, studios or clinics of a professional nature such as architects, artists, attorneys, writers, dentists, designers, engineers, investment counselors, doctors, physicians, real estate sales, etc.
 - c. Eating or drinking establishment
 - d. Community building
 - e. Recreation facility
 - f. Financial institution
 - g. Laundry and dry cleaning pick up
 - h. Government use
 - i. or any use supplemental to the industrial or residential area

2. Standards

- a. Lot size: 10,000 sq. ft. minimum per building
- b. Building and parking setbacks: 10 feet all yards except Lake Road, for which set back shall be 50 feet from right of way
- c. Off street parking and loading per city zoning ordinance
- d. Height: 35 ft. maximum

PUBLIC NEED

Demand for single family housing is the highest it has been in the last four years. Available lots for construction are scarce. Multnomah County to the north has the lowest lot production rate in the tri-county area. This is because the remainder of their available land exists on over-sized lots developed prior to pressures for increased

density. Much of the land to the east is developed or zoned as commercial or industrial. This area is one of the few remaining undeveloped areas within the urban containment boundary with full public services available.

Current raw land quotes for most developments are \$9,000 per acre and up. A year ago that cost was \$6,000. With increases in improvement costs added, serviceable lots are up 50 percent in one year. Building lots are now \$15,000 and up. Housing prices for those lots will be \$50,000 to \$75,000.

Families are now spending 31 percent of their income for housing compared with 20 percent in the 1960's. The rate of inflation, for housing and land is and will continue to increase higher than the overall inflation rate.

A 1976 study in the Portland Metropolitan area shows that only 44 percent of the population can afford a new single family dwelling. Assuming 25 percent of monthly income for housing expenditures instead of 31 percent, then only 36 percent of families can afford a housing purchase.

The above statistics demonstrate two factors: a. increasing density on a parcel of land can provide much needed savings to home purchasers. b. 56 percent to 64 percent of the areas population must house themselves in rental housing or older single family dwellings.

Increasing housing density helps carry out the LCDC goals relating to housing, public facilities and services and urbanization. Density increases mean a lower land and improvement cost per unit.

In the last five years, apartment housing construction throughout the area has been sluggish. The construction that has occurred has been constructed to minimum housing standards. Many people who can afford single family monthly costs, but who can not yet accumulate the required down payment have no housing available but moderate rental units.

Because of the nature of this site, we feel it will support and draw people of a similar social-economic group to those in the surrounding single family areas. Thus, we feel that apartment housing in this area will satisfy a public need, but will also result in minimum social conflicts because of the similar life styles of the prospective residents.

Future improvement of the Lake Road expressway connection will create new traffic access and egress potentials for the area housing and the industrial park. Both the housing and the industrial area have no supplemental services available at this time. When this connection is made, this site will be the best location to provide those services from the standpoint of access and natural geographic buffers.

HOMEOWNERS ASSOCIATION - GENERAL RESPONSIBILITIES

The project will have two documents filed at the time of the final platt.

- Declaration of conditions and restrictions.
- Bylaws of a homeowners association.

The declaration of conditions and restrictions will establish regulations for use by the homeowners association in implementing land use and building controls. The declaration shall include but not be limited to restrictions for the following: land use and occupancy, standards for all dwelling and accessory buildings, fencing and landscaping, nuisance control, signs, pet control, sanitation, control of recreation and utility vehicles, and requirements for architectural controls.

The homeowners association shall be a corporation whose members shall include all residential property owners within the planned development. The association responsibilities shall include enforcement of the conditions and restrictions and management of the common tract areas.

OPEN SPACE

Areas designated open space or common tracts shall be maintained and managed by the homeowners association. These tracts are created for

passive recreation; walking, jogging and bicycling. Landscaping shall consist of lawn and existing trees. Areas of dense growth will be treated as conservation areas. In these areas, dense brush shall be removed; specimen growth will be supplemented. The platt will bear dedications of public easements over all common tracts.

APPLICABLE I.C.D.C. GOALS AND GUIDELINES

GOAL 5 - CONSERVE OPEN SPACE AND PROTECT NATURAL AND SCENIC RESOURCES.

We feel the character of Lake Road and the expressway in this vicinity is that of a greenway or scenic drive. The character is created by continuous tree and shrub growth screening. This project makes a commitment to save those areas where they exist on this parcel and to expand them where they do not exist.

GOAL 10 - PROVIDE FOR THE HOUSING NEEDS OF CITIZENS OF ALL LEVELS.

This goal requires municipalities to encourage provision of local housing needs with a diversity of types, prices and rent levels. The proposal as submitted creates a sensible density without burden to the community, and yet provides housing types not available anywhere in the community.

GOAL 12 - PROVIDE AND ENCOURAGE A SAFE, CONVENIENT AND ECONOMIC TRANSPORTATION SYSTEM.

The project increases density along a major arterial and expressway. The proximity to urban Portland, I205 and regional shopping facilities will place traffic on streets intended to carry traffic. Public transportation is available along the South boundary of the site.

GOAL 13 - CONSERVE ENERGY.

The proposal would minimize energy consumption by curtailing urban sprawl. Increasing density along a major arterial will shorten trip lengths and encourage public transit, thus saving fuel. Small lot design cluster development and preserving trees which form shelter and wind breaks allow the use of energy saving construction techniques which will also enhance energy conservation.

SOIL AND FACILITIES IMPACT
PALEMAN PLANNED UNIT DEVELOPMENT

SURFACE DRAINAGE

The parcel does not have any water courses on it, nor does the surface water run directly to a water course or body of water. Surface water has never created standing water at the base of Lake Road, nor the expressway, indicating no current drainage problems. The existing storm drainage system in Lake Road and the expressway will handle all increased runoff. Using both drainage systems will allow practical storm sewer placement for installation and maintenance.

The preservation policy of the requested planned development will prevent erosion or any runoff problems from occurring.

VEGETATION

The site is heavily wooded with many specimen fir, maple, cedar, fruit, and nut trees. Site vegetation gives Lake Road and the expressway the character of a greenway or scenic drive. The majority of these trees can be saved with proper site grading, root pruning, feeding and protection.

The majority of the specimen trees are located on the site plan. Units have been carefully placed between them. Flexible building placement standards have been proposed to enable builders to place single family residences to best take advantage of trees and setting.

SOILS STABILITY

An engineered subsurface investigation will be required along the eastern apartment boundary. The remaining structures may be supported on native soils using conventional spread footings placed at a comparatively shallow depth. The soils investigation would be required only to indicate lateral soil stability at the area of the bank cut.

UNIQUE FEATURES

The unique features of the site are both external and internal.

The parcel is geographically separated from the expressway and surrounding areas to the north and east. This creates a feeling of separation from within and from outside the site.

The site and the area around Lake Road and the expressway is surrounded by continuous tree and shrub growth.

This project is committed to saving those areas and supplementing them by careful placement of structures and reserving openspace.

The north and northeast corners of the site commands handsome woodied settings and vistas. It is our intention to orient the largest number of units to those areas as possible.

SCHOOLS

The area is served by MILWAUKIE ELEMENTARY, ROWE JUNIOR HIGH and MILWAUKIE HIGH SCHOOL. These schools are under practical capacity at this time as shown by the following schedule:

	May 31, 1978	Pract. Cap.
MILWAUKIE ELEMENTARY	448	480
ROWE JUNIOR HIGH	610	730
MILWAUKIE HIGH SCHOOL	1275	1450

North Clackamas County School District Number 12 is not concerned about growth in these schools, because the potential new housing areas affecting them are limited.

We assume the single family housing area would add 36 school age children to the area.

Traditionally, the Milwaukie area apartment population has not affected the school population. However, that trend has shown some signs of changing. Assuming a high input, 48 school aged children would be introduced to the area from the apartments.

Thus, a total of 84 school aged children against a total of 329 future capacity.

TRANSFORMATION

The Milwaukie Expressway is a regional connector between McLoughlin Blvd. and I 205. Lake Road is a major arterial connecting the Clackamas area, Last Milwaukie and the City of Milwaukie.

Clackamas County Department Of Public Works feels a road such as Lake Road can carry 12,000 cars per day. Lake Road is currently under that capacity at all points of travel, as seen by the following 24 hour traffic counts:

Lake Road, west of Oatfield	7000/Day
Lake Road, East of Oatfield	9200/Day
Lake Road, at expressway overpass	6210/Day

2990 cars per day travel Lake Road Last of Oatfield, that are not reflected at the overpass. From viewing the area and discussions with Public Works, I feel it is reasonable to conclude

that the additional traffic is generated from Rowe Junior High School, travel over the hill at 37th to and from shopping centers along McLoughlin and traffic exiting to the expressway.

We can assume our project will add 2 trips per day to that system, or 173 cars per day. 173 cars per day is a minimum amount in relationship to the total volume.

The loss of traffic at the expressway overpass does not reflect heavy traffic exiting the expressway to Lake Road. It is possible to conclude from this that the traffic at Lake Road and Oatfield Road is an expression of north and south traffic and traffic to Rowe Junior High School, and not new development along the expressway or Lake Road or expressway traffic.

Considering the above data and conclusions, it is probable that the new expressway connection will reduce potential traffic increases from this development as well as others along Lake Road.

Tri Met has reviewed the proposed development plan. They requested a bus turnout lane and area for a bus shelter. The specific location was left up to the developer. This location allows the maximum accessibility for the project population, but minimizes traffic cross pattern problems.

PARKS AND RECREATIONAL FACILITIES

North Clackamas Central Park is the closest park to the area. Also available are the sports field facilities at Rowe Junior High School. Because of distance and the nature of Lake Road, walking to these sites is difficult. However, auto or bicycle range is very convenient.

Three open space designations for recreation are designated on site; passive, active and social.

Passive recreation area is planned on each lot or dwelling unit by inclusion of patio or deck space. Preservation areas which will remain in a natural state. Many of the patio areas will face the preservation area.

Active recreation is included by placing paths for walking, jogging and bicycling. Around many of these areas will be open lawn areas.

Social recreation will be provided by the inclusion of a recreation building, swimming pool and racket ball court.

POLICE AND FIRE PROTECTION

Auto circulation systems, building locations and methods of brush clearing have been reviewed by the Fire Marshall.

The street system when connected with future development will provide easy street patrolling for the police. Short culdisacs provide ease of access, yet separation from thru traffic.

Potential vandalizm problems exist with the placement of common areas and pathways. However, we feel the asthetic quality and preservation of these open space areas is a benefit which offsets the potential problems.

SOCIO-ECONOMIC AND PUBLIC IMPACT PROPOSAL

The projected population makeup is projected to be of similar socio-economic classification in single family areas and the apartments. Both housing areas will require approximately the same monthly service costs in rent and or mortgage payments. We feel the apartment dwellers will be individuals who do not wish the burdens of home ownership or who do not yet have the capital available for initial home ownership investment. Placing them in the same income group will place people in proximity who have similar lifestyle, interests and attitudes. This level will also be similar to the surrounding Lake Road area. The nature of the apartment design also allows for condominium conversion at a future date.

TAX IMPACT

Two factors create tax burdens to existing municipalities uncontrolled growth and zero or slow growth.

Areas within the state that have allowed growth to occur ahead of sewer, water and protective services have now found themselves in a position of catching up with growth. This raises the tax rate to a point that burdens property owners and deminishes resale potential because prospective purchasers are aware of these burdens.

Slowing growth for its own sake deminishes raw land value and inflates home prices because of lack of supply. With the rise in value comes the rise in assessments by the County Assessor. Also, existing property owners must bear the burden of increasing maintance cost.

We feel this project will greatly benefit the tax base in the Milwaukie area. As demonstrated, we will not over burden any public service or facility. Also, we will not use more than our fair share of the available services and facilities.

No added services will be required for this project, yet we will add more than 4 million dollars in taxable improvements.

Verification of this benefit can be seen by averaging the consolidated tax rate of Oregon's rapid growth cities and slow or no growth cities. According to figures provided by the League of Oregon Cities, the tax rate for rapid growth cities is 24.79 versus 29.30 for slow growth cities. This is a substantial difference of 4.51.

SUMMARY

We feel that we have proven that the project as proposed will not only have no negative impact on the surrounding areas, but will have positive impact. The most positive impact based upon data to date will be improving economic and tax rate stability, improving the traffic situation on Lake Road, enhancing and stabilizing the greenway aspects of Lake Road, providing much needed professional and convenient facilities and providing a sensible beginning of a collector street system accrossed the ridge between 37th and 43rd avenues.

DECLARATION OF CONDITIONS AND RESTRICTIONS

OF

FOREST HILL ESTATE

Whereas, the declarants have filed for record in the office of the County Clerk of the County of Clackamas, State of Oregon, a plat designated FOREST HILL ESTATE,

Now, therefore, does hereby certify and declare that the following reservations, conditions, covenants, agreements and restrictions shall become and are hereby made a part of all conveyances of property within the plat of FOREST HILL ESTATE, as the name appears on the official map and plat of which conveyances the following reservations, conditions, covenants, agreements and restrictions shall become a part by reference and to which they shall apply thereupon as fully and to the same effect as if set forth at large therein.

1 - TERM: These covenants, conditions and restrictions are to run with the land and shall be binding on all parties claiming under them for a period of thirty years from the date these covenants are recorded.

2 - LAND USE AND OCCUPANCY: All building lots shall be used and occupied only for residential purposes and private garage and other building incidental to residential use. The number of units per lot shall not exceed the designation on the plat of FOREST HILLS ESTATE. No dwelling shall be occupied by more than one family, nor shall no building or any part of be used or occupied by an institution, business, manufacturing or commercial enterprise.

3 - STRUCTURE: Lots one thru twenty-three - No structure shall be erected, altered, placed or permitted to remain on any lot other than one detached single-family dwelling not to exceed two stories in height, a private garage, and other out-buildings incidental to residential use of the lot. The ground floor area of the main structure, exclusive of garage and one-story open porches shall be not less than 950 square feet in the case of one-story structure of less than 300 square for a dwelling of more than one story.

Lot 25&26 - No structure shall be erected, altered, placed with more than twelve (12) dwelling units per building. The floor area of each dwelling unit shall not be less than 300 square feet. No structure shall exceed 2 1/2 stories in height.

4 - STANDARDS FOR ALL DWELLINGS AND ACCESSORY BUILDINGS: All applicable standards of the City of Milwaukie, County of Clackamas, State of Oregon shall apply.

Lot size: As per subdivision plat approval.

Front Yard: A front yard setback of at least 10 feet shall be maintained.

Side Yard: No side yard setback shall be required except on corner lots a side yard of at least 10 feet on the side abutting

the street. The sum of side yard distance between the dwelling structure and accessory buildings on lots of separate ownership not protected by fire walls in conformance with State of Oregon Structural Specialty Code.

Rear Yard: A rear yard setback of 15 feet shall be required.

Off-Street parking: As specified in Article 5 of the Zoning Ordinance of the City of Milwaukie.

Height Restrictions: Maximum height of any structure shall be 2 1/2 stories or 35 feet, whichever is less.

Lot Coverage: Maximum areas that may be covered by the dwelling structure and accessory buildings shall not exceed 45 per cent of the total area of the lot.

Minimum Vegetation: Minimum area of the lot that must be left of planted in trees, grass, or shrubs shall be 30 per cent of the total area of the lot.

- 5 - ADDITIONAL SHELLERS: No trailers, tent, shack, garage, barn or other outbuilding shall at any time be used as a residence temporarily, or permanently, nor shall any structure of a temporary character be used as a residence.
- 6 - NUISANCES: No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.
- 7 - SIGNS: No sign of any kind shall be displayed to the public view on any lot except one professional sign or not more than one square foot, one sign or not more than five square feet advertising the property for sale or rent, or signs used by a builder, to advertise the property during the construction and sales period. An appropriate entrance marker is excepted herefrom.
- 8 - LIVESTOCK: No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any lot, except that cats or dogs or other usual household pets may be kept, provided that they are not kept bred, or maintained for any commercial purpose.
- 9 - SANITATION: No lot shall be used or maintained as dumping ground for rubbish, trash, garbage, or other waste and all such material shall not be kept except in sanitary containers, and all incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.
- 10 - RECREATIONAL VEHICLES: All stored recreational vehicles shall be contained in a garage or off site.
- 11 - FENCING: All fencing must comply with the following definitions and their regulated uses and are subject to review under Item 10.

Sight Obscuring Fence: A fence consisting of wood, masonry, evergreen hedge or other evergreen planting arranged in such a way as to obscure vision at least 80%.

11 - FENCING: (cont)

Lot or Pet Fencing: A fence consisting of wood, metal or masonry enclosing set area not to exceed 550 square feet.

REQUIRED USES

Front Yards: Only sight obscuring fences shall be allowed. Total length of fence shall not exceed 24 ft. of the front yard.

Side and Rear Yards Along Common Tracts or Public Streets: Lot or pet fencing shall be set back 8 feet from any side or rear yard property line. Sight obscuring fence shall not exceed a total length of 50 feet.

Side and Rear Yards For All Lots Abutting Other Dwelling Lots on Three Sides: Lot or pet fencing shall be set back 8 feet from any side or rear yard property line. Sight obscuring fencing shall have no limitations on length for side and rear yards if a lot abutts other dwelling lot on three sides.

- 12 - ARCHITECTURAL CONTROL: No building shall be erected, placed or altered on any lot until the construction, plans and specifications and a plan showing the location of the structure have been approved by the Architectural Control Committee as to quality of workmanship and materials, harmony of external design with existing structures, and as to location with respect to topography, existing trees, and finish grade elevation. No fence or wall shall be erected, placed or altered on any lot nearer, to any street than the building set back line unless similarly approved. The Architectural Control Committee is composed of three persons designated by the undersigned, or by a representative designated by a majority of the members of of said committee. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members or the committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. The committee's approval or disapproval as required in these covenants shall be in writing. In the event the committee, or its designated representatives, fails to approve or disapprove within 30 days after plans and specifications have been submitted to it, or in any event, if no suit to enjoin the construction has been commenced prior to the completion thereof, approval will not be required and the related covenants shall be deemed to have been fully complied with.

- 13 - ENFORCEMENT - Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate any covenants either to restrain violation or to recover damages. Invalidation of any one of these covenants by judgement or court order shall in no wise affect any of the other provisions which shall remain in full force and effect. Any breach of these covenants shall give the declarants, their officers and agents, or any owner of the land in said described area, the right to compel performance of these agreements and to abate and remove, at the expense of the then owner or owners of the property and structures or erections in violation of them through the courts having jurisdiction in such case.

Dated _____

Freeman Investment Co.

By _____
W. J. Freeman

By _____
J. C. Freeman

BYLAWS

of

FOURSEVEN HILL HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the Corporation is FOURSEVEN HILL HOMEOWNERS ASSOCIATION.

ARTICLE II

DEFINITIONS

Section 1

"Association" shall mean and refer to FOURSEVEN HILL HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2

"Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions, and Restrictions and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3

"Common area" shall mean all real property owned by the Association for the common use and enjoyment of the owners.

Section 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.

Section 5

"Owner" shall mean and refer to the record owner, 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 the performance of an obligation.

Section 6

"Declarant" shall mean and refer to Freeman Development Co., a partnership consisting of Walter Freeman and John Freeman, its successors and assigns. If such successors or assigns should acquire more than one (1) undeveloped lot from the Declarant.

Section 7

"Declaration" shall mean and refer to the Declaration of Covenants, Conditions, and Restrictions applicable to the properties recorded in the office of the Recorder of Multnomah County, Oregon.

Section 8

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

ARTICLE III

MEETINGS OF MEMBERS

Section 1. Annual Meetings.

The first annual meeting of the members shall be held within one (1) year from the date of incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter at the hour of 8:00 p.m. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour of the first day following which is not a legal holiday.

Section 2. Special Meetings.

Special meetings of the members may be called at any time by the President or the Board of Directors or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 3. Notice of Meetings

Written notice of each meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meeting, by mailing a copy of such notice,

postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day, and hour of the meeting and, in case of a special meeting, the purpose of the meeting.

Section 4. Quorum.

The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have 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 be represented.

Section 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. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his lot.

ARTICLE IV

BOARD OF DIRECTORS, SELECTION TERM OF OFFICE

Section 1. Number.

The affairs of the Association shall be managed by a Board of three (3) Directors, who need not be members of the Association.

Section 2. Term of Office.

At the first annual meeting, the members shall elect three (3) Directors for a term of one (1) year, and at each annual meeting thereafter, the members shall elect three (3) Directors for a term of one (1) year.

Section 3. Removal.

Any Director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation, or removal of a Director,

his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation.

No Director shall receive compensation for any service he may render to the Association; however, any Director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 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

Section 1. Nomination.

Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two (2) or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 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

Section 1. Regular Meetings.

Regular meetings of the Board of Directors shall be held monthly without notice at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings.

Special meetings of the Board of Directors shall be held when called by the President of the Association or by any two (2) Directors after not less than three (3) days' notice to each Director.

Section 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 a majority of the Directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers.

The Board of Directors shall have power to:

A. Adopt and publish rules and regulations governing the use of the common area and facilities and the personal conduct of the members and their guests thereon and to establish penalties for the infraction thereof.

B. Suspend the voting rights and right to use of the recreational facilities of a member 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 infraction of published rules and regulations.

C. Exercise for the Association all powers, duties, and authority vested in or delegated to the Association and not

reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, 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.

Section 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 one-fourth (1/4) of the Class A members who are entitled to 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 the lien against any property for which assessments are not paid within thirty (30) days after due date or bring an action at law against the owner personally obligated to pay same.

D. Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the 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, as it may deem appropriate.

ARTICLE VIII

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices.

The officers of the Association shall be a President and Vice President (who shall at all times be members of the Board of Directors), a Secretary, a Treasurer, and such other officers as the Board may from time to time create by resolution.

Section 2. Election of Officers.

The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term.

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

Section 4. Special Appointments.

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

Section 5. Resignation and Removal.

Any officer may be removed from office with or without cause by the Board. 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 and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 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 he replaces.

Section 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.

Section 8. Duties.

The duties of the officers are as follows:

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.

Vice President

The Vice President shall act in the place and stead of the President in the event of his absence, inability, or refusal to act and shall exercise and discharge such other duties as may be required of him by the Board.

Secretary

The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and the members; serve notice of meetings of the Board and the members; keep appropriate current records showing the members of the Association and their addresses; and shall perform such other duties as required by the Board.

Treasurer

The Treasurer shall receive and deposit in appropriate bank accounts all moneys of the Association and shall disburse such funds as directed by resolution of the Board of Directors. shall sign all checks and promissory notes of the Association. keep proper books of account; cause an annual audit of the Association's books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be represented to the

membership at its regular annual meeting and deliver a copy of each to the members.

ARTICLE IX

COMMITTEES

The Association shall appoint a Nominating Committee, as provided in these Bylaws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

ARTICLE X

BOOKS AND RECORDS

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, Articles of Incorporation, 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 XI

ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of ten percent (10%) per annum, and the Association may bring an action at law against the owner personally obligated to pay same or foreclose the lien against the property; and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot.

ARTICLE XII

AMENDMENTS

Section 1

These Bylaws may be amended at a regular or special meeting of the members by a vote of a majority of a quorum of members present in person or by proxy, except that the Federal

Housing Administration or the Veterans' Administration shall have the right to veto amendments while there is Class B membership.

Section 2.

In case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control, and in case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XIII

MISCELLANEOUS

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF