

PROTECTIVE COVENANTS, CONDITIONS, DECLARATIONS AND RESTRICTIONS

(The following Protective Covenants, Conditions, Declarations and Restrictions were recorded by the Developer for each plat that was recorded during the development of Four Seasons. Additional Protective Covenants, Conditions, Declarations and Restrictions were recorded upon development of Four Seasons No. 6 (Summerville Square), Four Seasons No. 9 (The Villas) Four Seasons No. 12 (Crystalbrook) and Four Seasons No. 14 and 15, a replat of Lot 13, and Four Seasons No. 16 (The Heights).

TO: The Public.

THIS DECLARATION, made on the date hereinafter set forth by the undersigned, hereinafter referred to as "Declarant":

WHEREAS, Declarant is the owner of certain real property in the County of Washington, State of Oregon, hereinafter referred to as "said property", more particularly described as follows:

(The legal description was entered here to describe the plat being recorded)

WHEREAS, Declarant desires to subject said property to certain protective covenants, conditions, restrictions, reservations, easements, liens and charges for the benefit of said property, and its present and subsequent owners as hereinafter specified, and will convey said property subject thereto,

NOW, THEREFORE, Declarant hereby declares that all of the said property is and shall be held and conveyed upon and subject to the easements, conditions, covenants, restrictions and reservations hereinafter set forth; all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said property. These easements, covenants, restrictions, conditions and reservations shall constitute covenants to run with the land and shall be binding upon all persons claiming under them and also that these conditions, covenants, restrictions, easements and reservations shall inure to the benefit of and be limitations upon all future owners of said property, or any interest therein:

ARTICLE I. DEFINITIONS

Whenever used in this Declaration, the following terms shall have the following meanings:

1. "Dwelling Unit" and "Garage" shall include both the main portion of any structure intended to be occupied by one family as a dwelling and all projections therefrom but shall not include the eaves of such structures, nor uncovered front porches or steps;
2. "Association" shall mean THE FOUR SEASONS HOMEOWNERS ASSOCIATION, a non-profit corporation organized under the laws of the State of Oregon, its successors and assigns;
3. "Said Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association by recorded declarations in the manner hereinafter set forth;
4. "Common Area" shall mean all real property, and appurtenances thereto, now or hereafter owned by the Association for the common use and enjoyment of the members of the Association;
5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of Common Areas, and to any parcel of said property under one ownership consisting of a portion of one or more of such lots and/or contiguous portions of two or more contiguous lots and upon which a dwelling has been constructed and occupied.
6. "Member" shall mean and refer to every person or entity who holds membership in the Association.

7. "Owner" shall mean and refer to the record owner (including contract sellers), whether one or more persons or entities, of all or any part of said property, excluding those having such interest merely as security for the performance of an obligation.

8. "Declarant" shall mean and refer to the undersigned, their successors, heirs and assigns, if such successors, heirs or assigns should acquire more than one undeveloped lot or building site from the Declarant for the purpose of development.

9. "Building Site" shall mean and refer to a Lot, or to any parcel of said property under one ownership which consists of a portion of one of such lots or contiguous portions of two or more contiguous lots if a building is constructed thereon.

10. "Set back" means the minimum distance between the dwelling unit or other structure referred to and a given street or road or lot line.

ARTICLE II. ANNEXATION OF ADDITIONAL PROPERTY

Real property in addition to that described in EXHIBIT A (exhibit is plat recorded) may be made subject to the jurisdiction of the Association, whereupon automatically it shall be included in any reference herein to "said property" or "said properties".

1. Annexation of additional property shall require the assent of persons entitled to cast two-thirds (2/3) of the votes of the Class B members present in person or by written proxy and (except as provided in Section 2 below) the assent of persons entitled to cast two-thirds (2/3) of the votes of the Class A members present in person or by written proxy at a meeting of the Association duly called for such purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of such meeting, setting forth the purpose thereof.

The presence of members entitled to cast 60% of the votes of each class of membership shall constitute a quorum at such meeting. In the event that a quorum is not forthcoming at any such meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at such meeting shall be one-half of the required quorum at the preceding meeting. If the required assent is not forthcoming, no subsequent meeting shall be held for the purpose of annexing such property for sixty days from the date of the last of such meetings.

2. If within ten (10) years of the date of incorporation of this Association, the Declarant should develop additional lands within the area described in EXHIBIT B (additional property controlled by the Declarant) attached hereto, such additional lands may be annexed to said properties without the assent of the Class A members; provided, however, that if any of said property is subjected to an FHA- insured mortgage, then the development of additional lands referred to in this subparagraph (2) shall be in accordance with the general land development plans submitted to the Federal Housing Administration with the processing papers for the first application for an FHA-insured mortgage on any part of said property. Detailed plans for the development of additional lands must be submitted to the Federal Housing Administration prior to such development, if such property is to be annexed to the Association without the consent of the Class A members. If the Federal Housing Administration determines that such detailed plans are not in accordance with the general plan on file and so advises the Association and the Declarant, the development of the additional lands must have the assent of two-thirds (2/3) of the Class A members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. At this meeting, the presence of members or of proxies entitled to cast sixty percent (60%) of all of the votes of the Class A membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth above, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 60 days following

the preceding meeting. Unless otherwise specifically so stated, submission by the developer to FHA of a general development plan shall not obligate developer to make the proposed annexations.

ARTICLE III. MEMBERSHIP

Every person or entity who is a record owner (including contract sellers) of a fee or undivided fee interest in any Dwelling Unit or any Lot, or Building Site located upon any part of said property shall, by virtue of such ownership, be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any such Dwelling Unit, Lot or Building Site made subject to the jurisdiction of the Association. Such ownership shall be the sole qualification for membership, and shall automatically commence upon a person becoming such owner, and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred.

ARTICLE IV. VOTING RIGHTS

The Association shall have two classes of voting membership:

Class A. Class A members shall be all those Owners as defined in Article III with the exception of the Declarant. Class A members shall be entitled to one vote for each Dwelling Unit, Lot and Building Site in which they hold the interest required for membership by Article III. When more than one person holds such interest in any Dwelling Unit or Lot or Building Site, all such persons shall be members. The vote for such Dwelling Unit, Lot or Building Site shall be exercised as they among themselves determine, or if unable to agree, they may cast fractional votes proportionate to their ownership interests, but in no event shall more than one Class A vote be cast with respect to any one Dwelling Unit or Lot. The vote applicable to any of said property being sold under a contract of purchase shall be exercised by the contract vendor unless the contract expressly provides otherwise.

In order to prevent duplication of voting rights, if the owner of a Dwelling Unit is entitled to a vote by reason of any such ownership, neither he nor any other person shall be entitled to a vote by virtue of ownership of any interest in the land upon which is located the building in which such Dwelling Unit is located.

Class B. The Class B member(s) shall be the Declarant, its successors and assigns. Class B member(s) shall be entitled to five (5) votes for each Lot in which it holds the interest required for membership by Article III, and which is subjected to the jurisdiction of the Association by recorded covenants; provided that existing Class B votes shall be converted to Class A votes upon the happening of either of the following events, whichever occurs earlier:

- a) On a date ten (10) years from the date of filing of the Articles of Incorporation of The Four Seasons Homeowners Association; or
- b) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; provided that if Declarant subjects additional property to the jurisdiction of the Association by recorded covenants in the manner provided herein, it shall be entitled to Class B votes for such additional property as indicated above.

ARTICLE V. PROPERTY RIGHTS

Section I. Members' easements of enjoyment. Every member of the Association shall have a right and easement of enjoyment in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every assessed Lot; subject, however, to the following provisions:

- a) The right of the Association to limit the number of members permitted to use the Common Areas;
- b) The right of the Association to charge reasonable admission fees for the use of any recreational facility situated upon the Common Areas or otherwise controlled by the Association, including, particularly, the right to charge an annual or other periodic fee for members who desire exclusive use of such facility and who are willing to pay a special fee or assessment for such use;
- c) The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage said Common Areas facilities for such purposes, and the rights of any mortgagee in said properties shall be subordinate to the rights of the homeowners hereunder;
- d) The right of the Association to suspend any member's voting rights and/or right to use of any of the recreational facilities owned by the Association, for any period during which any assessments against said member's property remains unpaid; and for a period not to exceed thirty (30) days for each infraction of its published rules and regulations;
- e) The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such condition or transfer shall be effective unless an instrument signed by members entitled to cast a two-thirds of the votes of the Class A membership and a two-thirds of the votes of the Class B membership, if any, has been recorded in the appropriate records of Washington County, Oregon, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than ninety (90) days prior to such dedication or transfer;
- f) The right of the Directors of the Association to promulgate reasonable rules and regulations governing such rights of use, from time to time, in the interest of securing maximum safe usage of such Common Areas by the members of the Association without unduly infringing upon the privacy or enjoyment of the owner or occupant of any part of said property, including, without being limited thereto, rules restricting persons under or over designated ages from using certain portions of said property during certain times, and reasonable regulations and restrictions regarding parking.

Section 2. Delegation of Use. Any member may delegate, in accordance with the Rules and Regulations adopted from time to time by the Directors, his right of enjoyment to the Common Areas and facilities to the members of his family, his tenants, or contract purchasers, providing they reside on the property.

Section 3. Title to the Common Areas. The Declarant hereby covenants for itself, its heirs and assigns, that it will convey to the Association fee simple title to the Common Areas designated as such on EXHIBIT A, prior to the conveyance of the first Lot which is subjected to an FHA-insured mortgage.

ARTICLE VI. COVENANT FOR MAINTENANCE ASSESSMENT

1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants for all of said Property, and each Owner of any Dwelling Unit, Lot or Building Site by acceptance of a deed or contract of purchase therefor, whether or not it shall be so expressed in any such deed or other conveyance or agreement for conveyance, is deemed to covenant and agreed to pay to the Association: (1) Regular annual or other regular periodic assessments or charges, and (2) Special assessments for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time such assessment was levied. The obligation shall remain a lien on the property until paid or foreclosed, but shall not be a personal obligation of successors in title unless expressly assumed by them.

2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in said property and in particular for the improvement and maintenance of said property, any Common Areas, the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, and of the Dwelling Units situated upon said property and including, without being limited thereto, the payment of taxes and insurance on all or any part of said property.

3. Basis and Maximum Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Dwelling Unit or Lot or Building Site to an Owner, the maximum regular assessment shall be Six (\$6.00) per month for each Lot or Dwelling Unit subject thereto.

a) From after January 1 of the year immediately following the conveyance of the first Lot or Dwelling Unit to an owner, the maximum monthly assessment may be increased effective January 1 of each year, beginning January 1, 1970, without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C., or successor U.S. Governmental agency, U.S. city average) from July of the year in which these covenants are recorded to July of the year preceding the year in which such increase becomes effective.

b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment may be increased above that determined by reference to the Consumer Price Index, as aforesaid, by a vote of the members, provided that any such increase shall be approved by the affirmative vote of not less than two-thirds of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum flat charge and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix a regular flat assessment upon a monthly, quarterly, or annual basis at an amount not in excess of the maximum specified above.

d) If any Owner should fail to keep and maintain properly the exterior of any building or lot or the exterior of any common or other area of said property owned or maintained by said Owner in good condition, or if any part of said property becomes damaged or destroyed, then the Association, after giving said Owner reasonable written notice (by Certified or Registered Mail with return receipt requested, quoting a copy of this paragraph), may enter upon said property and perform said maintenance and assess the reasonable cost thereof to said Owner, such assessment shall be added to the regular assessment and become a lien and enforceable in the same manner. Disputes concerning the enforcement of this provision and the necessity of such maintenance or replacement shall be arbitrated by an arbitrator to be mutually agreed upon by the parties, or if the parties are unable to agree, then as appointed by the Circuit Court of the State of Oregon for Washington County or other court of appropriate jurisdiction.

4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that, except for repairs or replacements, any such assessment for structural alterations, capital additions or capital improvements reflecting an expenditure of in excess of \$500.00 shall require the assent of a two-thirds (2/3) majority of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

5. Uniform Rate of Assessment. Both regular periodic flat charges and any special assessments (except those levied pursuant to Paragraph 3(d) above) must be fixed at a uniform rate for all Dwelling Units, Lots and Building Sites, and may be collected on an annual, quarterly, or monthly basis in the discretion of the Directors; except that assessments may be levied applicable to some Lots only with prior consent by the Owners of such lots if such procedure is considered equitable in the discretion of the Board in order to construct facilities to be available only to the members desiring to pay for the cost thereof.

6. Quorum for Any Action Authorized Under Sections 3 and 4. At the first meeting called, as provided in Sections 3 and 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 3 and 4, and the required quorum at such subsequent meeting shall be one-half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the date of the meeting at which no quorum was forthcoming.

7. Date of Commencement of Annual Assessments: Due Dates. All Dwelling Units, and all Lots and Building Sites upon which buildings have been constructed shall be subject to the annual or monthly assessments provided for herein on the first day of the month following the date the designated park or recreation facilities are available for use by the members. The first regular assessment shall be adjusted according to the number of months remaining in the calendar year and in no event shall an assessment be levied for a period in which a Lot was not accessible from a paved street or roadway to an improved public street. The Board of Directors shall fix the amount of the regular assessment at least thirty (30) days in advance of each assessment period. Written notice of the assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any reasonable time furnish a certificate in writing signed by an officer of the Association setting forth whether the assessments on a special Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

8. Effect of Nonpayment of Assessments: Remedies of the Association. 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 six percent (6%) per annum. The Secretary of the said Association shall file in the office of the Director of Records, County Clerk, or appropriate recorder of conveyances of Washington County, State of Oregon, within 10 days after delinquency, a statement of the amount of any such charges or assessments, together with interest as aforesaid, which have become delinquent with respect to any Dwelling Unit, Lot or Building Site on said property, and upon payment in full thereof, shall execute an file a proper release of the lien securing the same. The aggregate amount of such assessments, together with interest, costs and expenses and a reasonable attorney's fee for the filing and enforcement thereof, shall constitute a lien on the whole Dwelling Unit, Lot or Building Site (including any undivided interest in common elements of any Dwelling Unit, Lot or Building Site in any condominium), with respect to which it is fixed from the date the note of delinquency thereof is filed in the office of said Director of Records or County Clerk, or other appropriate recording office, until the same has been paid or released as herein provided. Such lien may be enforced by said Association in the manner provided by law with respect to liens upon real property. The owner of said property at the time said assessment is levied shall be personally liable for the expenses, costs and disbursements, including reasonable attorney's fees of the Declarant or of the Association, as the case may be, of processing and if necessary, enforcing such liens, all of which expense, costs and disbursements and attorney's fees shall be secured by said lien, including fees on appeal, and such owner at the time such assessment is levied, shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Dwelling Unit, Lot or Building Site.

9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be inferior, junior and subordinate to the lien of all mortgages and trust deeds now or hereafter placed upon said property or any part thereof. Sale or transfer of any Dwelling Unit, Lot or Building Site, or any other part of said property shall not affect the assessment lien. However, the sale or transfer of any Dwelling Unit or Lot

or Building Site which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to amounts thereof which became due prior to such sale or transfer; and such lien shall attach to the net proceeds of sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. No sale or transfer shall relieve such Dwelling Unit, Lot or Building Site from liability for any assessments thereafter becoming due or from the lien thereof.

10. Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein; (a) all properties expressly dedicated to and accepted by a local public authority; (b) any Common Areas; (c) all other properties owned by the Association; and (d) property owned by the Declarant prior to the time a Dwelling Unit or other building is constructed thereon and occupied. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE VII. PARTY WALLS

1. General Rules of Law to Apply. Each wall which is built as a part of the original construction of the homes upon the properties and placed on or immediately adjacent to the dividing line between the Lots owned by different persons shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence of willful acts or omissions shall apply thereto.

2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared equally by the Owners whose Lots abut such wall.

3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owner who has used the wall may restore it, and if the other owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use, without prejudice, however, to the right of any such owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omissions. The word "use" as referred to herein means ownership of a dwelling unit or other structure which incorporates such wall or any part thereof.

4. Weatherproofing. Notwithstanding any other provision of this Article, an owner who by his negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

5. Right to Contribution Runs with Land. The right of any owner to contribution from any other owner under this Article shall be appurtenant to the land and shall pass to such owner's successors in title.

6. Arbitration. Any dispute concerning a party wall or any provisions of this Article shall be arbitrated. Each party shall choose one arbitrator, and such arbitrators shall choose an additional arbitrator, and the decision shall be by a majority of all the arbitrators.

7. Encroachments. If any portion of a party wall or other part of a building or structure now or hereafter constructed upon said property encroaches upon any part of the Common Areas or upon the Lot or lots used or designated for use by another lot owner, an easement for the encroachment and for the maintenance of same is granted and reserved and shall exist, and be binding upon the Declarant and upon all present and future owners of any part of said property for the benefit of the present and future owners of such encroaching building or structure for the purpose of occupying and maintaining the same; in the event a structure consisting of more than one dwelling unit becomes partially or totally destroyed or in need of repair or replacement, mutual and reciprocal easements are granted and reserved upon the Common Areas and in and upon each Dwelling Unit and Lot for the benefit of the Association and the adjacent owner or owners to the extent reasonably necessary or advisable to make repairs and replacements; and minor encroachments resulting from any such repairs and/or replacements and the maintenance thereof are hereby

granted and reserved for the benefit of the present and future owners thereof. The easements for encroachment herein granted and reserved shall run with the land.

ARTICLE VIII. ARCHITECTURAL CONTROL

1. No building, fence, wall, hedge, structure, improvement, obstruction, ornament, landscaping or planting shall be placed or permitted to remain upon any part of said property unless a written request for approval thereof containing the plans and specifications therefor, including exterior color scheme, has been approved in writing by a majority of the Architectural Committee or by its representative designated by a majority of the Committee.

2. The Architectural Committee referred to herein shall be composed of John H. Klein, Dwight E. Haugen, Frank A. Rommel, John L. Stahl and Lester A. Dow. Its decision shall be final and binding; however, applications may be resubmitted. Upon failure of the committee or its designated representative to approve or disapprove any application for a period of thirty (30) days after it has been submitted in writing, in duplicate, to the Chairman of the committee or his designated representative, said application will be deemed to have been approved if the said Chairman has signed and dated said application, acknowledging receipt thereof on a copy submitted with the original. The original members of the Committee shall serve for three years. New members shall be elected for a term of three years by majority vote of the Board of Directors of the Association. If any member of the Committee is unable or unwilling to act, the remaining members shall elect a successor to serve out the unexpired term.

3. No member of the Architectural Committee, however created, or constituted, shall receive any compensation from the Association or make any charge for his services as such.

ARTICLE IX.

EXTERIOR MAINTENANCE

1. Maintenance of Common Areas and Exterior Maintenance. The Association shall maintain or provide for the maintenance of the Common Areas, and in addition, the Association may, if it so desires, provide exterior maintenance upon and for each Lot subject to assessment hereunder, including, without being limited to, the following: paint, repair, replace and care for roofs, gutters, downspouts, exterior building surfaces, trees, shrubs, grass, landscaped areas, walks and other exterior improvements. Such exterior maintenance shall not include glass surfaces. In the event that the need for such maintenance or repair is caused through the willful or negligent act or omission of the Owner, his family, tenants, guests, or invitees, the cost of such maintenance or repairs may, in the discretion of the Directors, be added to and become a part of the assessment to which such lot is subject, and a lien and enforceable in the same manner. Damage caused by fire, flood, storm, earthquake, riot, vandalism or other causes other than normal wear from use and the elements shall be the responsibility of each owner and not included in any maintenance provided by the Association.

Each owner shall be responsible for maintaining and keeping in good order and repair the interior of his own dwelling unit.

ARTICLE X.

PROPERTY USE RESTRICTIONS

The following restrictions shall be applicable to the real property described in EXHIBIT A, and shall be for the benefit of and limitations upon all present and future owners of said property, or of any interest therein;

1. Unless written approval is first obtained from the Architectural Committee, no sign of any kind shall be displayed to public view on any building or building site on said property except one professional sign of not more than five square feet advertising the property for sale or rent, or signs used by the developer to

advertise the property during the construction and sales period. If a property is sold or rented, any sign relating thereto shall be removed immediately, except that the Declarant and only Declarant or its agent may post a "Sold" sign for a reasonable period following a sale.

2. No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of said property, except dogs, cats, or other household pets provided that such household pets are not kept, bred or maintained for any commercial purpose.

3. No part of said property shall be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No garbage, trash or other waste shall be kept or maintained on any part of said property except in a sanitary container. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

4. No noxious or offensive or unsightly conditions shall be permitted upon any part of said property, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

5. No trailer, camper-truck, tent, garage, barn, shack, or other out-building shall at any time be used as a residence temporarily or permanently on any part of said property.

6. Parking of boats, trailers, motorcycles, trucks, truck-campers and like equipment, or junk cars or other unsightly vehicles, shall not be allowed on any part of said property nor on public ways adjacent thereto excepting only within the confines of an enclosed garage, and no portion of same may project beyond the enclosed area except under such circumstances, if any, as may be prescribed by written permit approved by the Architectural Committee. All other parking of equipment shall be prohibited except as approved in writing by the Architectural Committee.

7. It shall be the obligation of each Owner of any Lot or Building Site to keep and maintain the same, and any building now or hereafter located thereon, in proper condition, including the area between his property line and the improved portion of any abutting public curb or street, including sidewalks, if any, through an association of homeowners or otherwise, and to keep and maintain in good condition any common areas owned by any such service association or other association.

8. No owner shall remove or otherwise alter any plant or tree or any landscaping or improvement in any Common Area or in any recreational area without the written consent of the Architectural Committee.

9. The records of the Secretary of the Association shall be conclusive evidence as to all matters shown by such records and the issuance of a certificate of completion and compliance by the Secretary or Assistant Secretary of the Association showing that the plans and specifications for the improvement or other matters herein provided for have been approved, and that said improvements have been made in accordance therewith, or a certificate as to any matters relating to and within the jurisdiction of the Association by the Secretary thereof, shall be conclusive evidence that shall fully justify and protect any title company certifying, guaranteeing, or insuring title to said property, or any portion thereof, or any lien thereon and/or any interest therein as to any matters referred to in said certificate, and shall fully protect any purchaser or encumbrancer from any action or suit under this Declaration. After the expiration of one year following the issuance of a building permit therefore by municipal or other governmental authority, any structure, work, improvement or alteration shall, as to any purchaser or encumbrancer in good faith and for value and as to any title company which shall have insured the title thereof, be deemed to be in compliance with all the provisions hereof, unless a notice of non-compliance executed by the Association shall have appeared of record in the office of the County Clerk of Washington County, State of Oregon, or unless legal proceedings shall have been instituted to enforce completion or compliance.

ARTICLE XI EASEMENTS

All conveyances of land situate in the said Property, made by the Declarant, and by all persons claiming by, through, or under the Declarant, shall be subject to the foregoing restrictions, conditions and covenants,

whether or not the same be expressed in the instruments of conveyance, and each and every such instrument of conveyance shall likewise be deemed to grant and reserve, whether or not the same be declared therein, mutual and reciprocal easements over and across and under all Common Areas and over, across and under all land situate within 5 feet of the side and rear lines of each Lot or Building Site now or hereafter recorded or platted or conveyed by recorded instrument in said Property (except that the side and rear line easement shall be 10 feet along the perimeter of this subdivision), and excepting any portion of said property which may now or hereafter be occupied by a residence, shall not thereafter be subject to any easement not theretofore applied to use, for the purpose of building, constructing and maintaining thereon underground or concealed electric and telephone lines, gas, water, sewer, storm drainage lines, radio or television cables and other services now or hereafter commonly supplied by public utilities or municipal corporations, all of said easements shall be for the benefit of all present and future owners of property subjected to the jurisdiction of the Association by covenants and restrictions recorded and approved as hereinabove provided; said easements however shall not be unrestricted, but shall be subject to reasonable rules and regulations governing rights of use as adopted from time to time by the Directors of the Association in the interests of securing maximum safe usage of said property without unduly infringing upon the rights or privacy of the owner or occupant of any part of said property. (See also easement for encroachments specified in Article VII). Provided further that if any two or more lots or fraction of one or more lots shall be developed for one building as a single tract or building site, then said be developed for one building as a single tract or building site, then said easements shall thereafter be located on the area within five (5) feet of the side and rear lines of said building site; if there has been an application to use of such easement prior to development of such lots or fraction of one or more lots to such a building site, then, subject to the approval of the Association, such easement may be relocated, but any expense involved in moving any sewer or storm lines or other utility lines shall be borne by the Owner of the lot or building site, the development of which requires movement of such lines; and a further mutual and reciprocal easement for sidewalk purposes is granted and reserved over and across the front ten (10) feet of each Lot in said property, and over all Common Areas in said property, for the purpose of constructing and maintaining and repairing sidewalks for the benefit of the residents of said property, their tenants and guests, subject however, to rules and regulations reasonably restricting the right of use thereof for the safety and welfare of the public as may be promulgated from time to time by the Association and/or public authority. A corner lot shall be considered to have two front sides for purposes of this sidewalk easement. The "front" of a Lot shall be deemed to be only that portion of a lot abutting a public street or highway, and the sidewalk easement herein granted and reserved shall not be deemed to include a town house lot which abuts a common area or private road or driveway only and does not directly abut a public street or highway.

ARTICLE XII. GENERAL PROVISIONS

1. Enforcement. The Association, or any Owner, or the owner of any recorded mortgage upon any part of said Property, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.
2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.
3. Amendment. The Covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. Any of the covenants and restrictions of this Declaration except the easements herein granted may be amended during the first twenty-five (25) year period by an instrument signed by members entitled to cast not less than seventy-five percent (75%) of the votes of each class of membership. Easements herein granted and reserved shall not be amended except by instrument signed and acknowledged by one hundred percent (100%) of the Owners of the property affected, the Architectural Committee, by the Planning Commission or by the governing body of the County or other

public authority having jurisdiction over the granting of building permits in said property, and by Beaver Construction Company, so long as it owns any interest in the real property referred to in EXHIBIT B. All such amendments must be recorded in the appropriate Deed Records of Washington County, Oregon, to be effective. (See also easements for encroachments specified in Article VII).

4. No Right of Reversion. Nothing herein contained in this Declaration, or in any form of deed which may be used by Declarant, or its successors and assigns, in selling said property, or any part thereof, shall be deemed to vest or reserve in Declarant or the Association any right of reversion or re-entry for breach or violation of any one or more of the provisions hereof.

5. Insurance. The owner of every building or dwelling unit located upon any part of said property shall at all times cause the same to be insured with broad form fire and extended coverage insurance for the full replacement value thereof, and shall upon request, cause the insurance company to furnish the Association with a certificate showing said insurance to be in effect. If any owner fails to furnish the Association with said certificate, the Association may obtain (but it shall not be obligated to do so) such insurance with the proceeds payable to the owner, any mortgagees, and to the Association as their respective interests may appear. The Association shall assess the cost of such insurance against the owner, and such assessment shall become a lien and collectable and enforceable in the same manner as all assessments provided for herein.

6. Benefit of Provisions; Waiver. The provisions contained in this Declaration shall bind and inure to the benefit of and be enforceable by Declarant, the Association, and the owner or owners of any portion of said property, and their heirs and assigns, and each of their legal representatives, and failure by Declarant or by the Association or by any of the property owners or their legal representatives, heirs, successors or assigns, to enforce any of such conditions, restrictions or charges herein contained shall in no event be deemed a waiver of the right to do so.

7. Assignment by Declarant. Any or all rights, powers, and reservations of Declarant herein contained may be assigned to the Association or to any other corporation or association which is now organized or which may hereafter be organized and which will assume the duties of Declarant hereunder pertaining to the particular rights, powers and reservations assigned; and upon any such corporation or association evidencing its intent in writing to accept such assignment and assume such duties, it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. All rights of Declarant hereunder reserved or created shall be held and exercised by Beaver Construction Co. alone, so long as it owns any interest in any portion of said property.

8. FHA Approval. As long as there is a Class B membership, the following actions will require the prior approval of the Federal Housing Administration if there is an FHA-insured mortgage on any Lot in said properties: Annexation of additional properties, dedication of Common Areas, and amendment of this Declaration of Covenants, Conditions and Restrictions. (This paragraph was not a part of the Protective Covenants, Conditions, Declarations and Restrictions for all the plats recorded.)

IN WITNES WHEREOF, we, the owners of all property within said Property, have hereunto caused these presents to be executed this ____ day of _____. 19__.

(BEAVER CONSTRUCTION COMPANY
or
WEDGWOOD HOMES OF PORTLAND, INC.
executed the Protective Covenants, Conditions,
Declarations and Restrictions for each plat recorded)

Notarial Acknowledgment

RESTRICTIVE COVENANT

TOTAL UNDERGROUND SUBDIVISION

THE UNDERSIGNED, the owner of the real property now plated as _____ Subdivision, which plat is recorded in Book _____, Page _____ of Plat Records of Washington County, State of Oregon, hereby makes the following (additional) declarations as to limitations, restrictions, and uses to which the lots and/or tracts constituting said subdivision may be put, hereby specifying that said declarations shall constitute covenants running with the land for the benefit of all future owners of properties within said subdivision and thereby binding upon all parties and all persons claiming under the undersigned. For the purpose of keeping said subdivision desirable, uniform, attractive, and suitable in design and use:

No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication purposes, nor any pole, tower, or other structure supporting said outdoor overhead wires shall be erected, placed, or maintained within this subdivision. All owners of lots or tracts within this subdivision, their heirs, successors, and assigns shall use underground service wires to connect their premises and the structures built thereon to the underground electric or telephone utility facilities provided.

IN WITNESS WHEREOF, the undersigned has caused this instrument to be executed this ____ day of _____ 19__.

(BEAVER CONSTRUCTION COMPANY
or
WEDGWOOD HOMES OF PORTLAND, INC.
executed the Restrictive Covenant Total Underground
Subdivision)

Notarial Acknowledgment
BY-LAWS OF FOUR SEASONS HOMEOWNERS ASSOCIATION

(There are additional bylaws for the associations within Four Seasons: Summerville Square, Crystalbrook, The Villas and The Heights)

ARTICLE I.
NAME AND LOCATION.

The name of the corporation is FOUR SEASONS HOMEOWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at 9055 SW Beaverton Highway, Portland, Oregon, but meetings of members and directors may be held at such places within the State of Oregon as may be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS

Section 1. "Association" shall mean and refer to FOUR SEASONS HOMEOWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in EXHIBIT A to the Declaration of Covenants, Conditions and Restrictions hereinafter referred to, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property and appurtenances thereto owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties within the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any part of the Properties, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" or "Developer" shall mean and refer to BEAVER CONSTRUCTION COMPANY, its successors, heirs and assigns, if such successors, heirs or assigns should acquire more than one undeveloped Lot or building site from the Declarant for the purpose of development.

Section 8. "Declaration" or "Covenants" shall mean and refer to the covenants, conditions, easements and restrictions applicable to the Properties recorded in Book 769, Page 259-279, Washington County Deed Records.

Section 9. "Building Site" shall mean and refer to a Lot, or to any parcel of said property under one ownership which consists of a portion of one of such lots or contiguous portions of two or more contiguous lots if a building is constructed thereon.

ARTICLE III. ANNEXATION OF ADDITIONAL PROPERTY

Real property in addition to that described in EXHIBIT A may be made subject to the jurisdiction of the Association, in the manner set forth in the Covenants, whereupon automatically it shall be included in any reference herein to "said property" or "said properties".

ARTICLE IV.

MEMBERSHIP

Every person or entity who is a record owner (including contract sellers) of a fee or undivided fee interest in any Dwelling Unit or any Lot, or Building Site located upon any part of said property shall, by virtue of such ownership, be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any such Dwelling Unit, Lot or Building Site made subject to the jurisdiction of the Association. Such ownership shall be the sole qualification for membership, and shall automatically commence upon a person becoming such owner, and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred.

ARTICLE V. VOTING RIGHTS

The Association shall have two classes of voting membership: Class A and Class B, whose voting rights shall be as prescribed in the Covenants.

ARTICLE VI. PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Protective Covenants. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family, his tenants or contract purchasers, who reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

Section 2. Irrespective of the fact that Section 1(b) of Article V. of the Protective Covenants gives the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area, this right shall not be exercised as to members (except special fees for exclusive use of facilities consented to by those assessed, in circumstances prescribed in the Covenants), for a period of five (5) years from the date of the recordation of the Declaration, and after this period, only upon written approval of two-thirds (2/3) of the entire Class A membership.

ARTICLE VII.
BOARD OF DIRECTORS: ELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of five (5) directors; the directors need not be members of the Association.

Section 2. Election. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years; and at each annual meeting thereafter, the members shall elect directors for a term of two years to fill the position of any director whose term has expired.

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 VIII.
MEETING OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held monthly (or less frequently if the Directors desire) 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 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 shall be regarded as the act of the Board.

ARTICLE IX
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 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 of the members 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 X.
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) 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, the Articles of Incorporation, or the Declaration;
- c) 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
- d) 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 this Association, and to see that their duties are properly performed;
- c) as more fully provided herein, and 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, as hereinafter provided in Article XIV, and
 - 2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;
- d) issue, or to 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;
- g) cause the Common Area to be maintained; and

h) cause the exterior or any other part of any building on said Properties to be maintained.

ARTICLE XI. COMMITTEES

Section 1. The replacements for the Architectural Committee shall be appointed as provided in the Protective Covenants, and a Nominating Committee shall be appointed by the Directors as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board in its discretion determines;

c) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and

d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XIII, Section 8(d). The Treasurer shall be an ex officio member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE XII. MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one 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 7:30 o'clock 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 on 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 by 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 entire membership or who are entitled to vote one-fourth (1/4) 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 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 the 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 Protective Covenants, 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 when said member no longer owns an interest in any Lot upon said Properties.

ARTICLE XIII. OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Officers. The officers of this Association shall be a president and vice-president, who shall at all times be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

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 this 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 otherwise 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, from time to time, determine.

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 by 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 in the manner prescribed for regular election. The officer elected 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 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

a) 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

b) 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 maybe required of him by the Board.

Secretary

c) The secretary shall record the votes 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 are required by the Board.

Treasurer

d) The treasurer shall receive and deposit in appropriate bank accounts all monies 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 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 presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XIV. ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each member is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the owner of such property at the time when the assessment was accrued. The lien upon said property for such charges shall affect the interest of any successor in title, but shall not be the personal obligation of any person who was not the Owner thereof at the time the same accrued unless expressly assumed by such person.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and for the purposes set forth in the Covenants.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum regular monthly assessment shall be _____ for each Lot subject thereto.

a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment may be increased effective January 1 of each year by the Directors of the Association without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C., or successor U.S. governmental agency) from the month preceding the month in which the Covenants are recorded to the month preceding the month in which such increase becomes effective.

b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment may be increased above that determined by reference to the Consumer Price Index, as aforesaid, by a vote of the members, provided that any such increase shall be approved by the affirmative vote of not less than two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum flat charge and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors, in its discretion, may fix a regular flat assessment upon a monthly, quarterly, or annual basis at an amount not in excess of the maximum specified above.

Section 4. Method of Computation when Using the Consumer Price Index. The Consumer Price Index establishes the United States City Average numerical rating (1957-59 = 100) for the month of _____ as _____. This will be the base rating. To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer Price Index for the month preceding the proposed assessment month. This adjustment percentage, if in excess of 100 percentum, is multiplied by the original maximum annual assessment to obtain the maximum assessment for the subsequent year.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that any such special assessment for structural alterations, capital additions or capital improvements shall require the assent of a two-thirds (2/3) majority of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. This section shall not prohibit the Directors from authorizing capital expenditures for replacements or repairs or improvements from funds generated by regular assessments.

Section 6. Uniform Rate. Both regular periodic flat charges and any special assessments must be fixed at a uniform rate for all Lots and may be collected upon an annual, quarterly or monthly basis in the discretion of the Directors.

Section 7. Quorum for Any Action Authorized Under Sections 3 and 5. At the first meeting called, as provided in Sections 3 and 5 hereof, the presence at the meeting of members or of proxies entitled to cast 60% of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 3 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of any Common Area to the Association. The first regular assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a special Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Non-Payment of Assessments: Remedies of the Association. 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 six (6%) per annum. The Secretary of said Association shall file in the office of the Director of Records, County Clerk, or appropriate recorder of conveyances of the county in which said Covenants are recorded, within 120 days after delinquency, a statement of the amount of such charges or assessments, together with interest as aforesaid, which have become delinquent with respect to any Lot on said Properties, and upon payment in full thereof, shall execute and file a proper release of the lien securing the same. The aggregate amount of such assessment, together with interest, costs and expenses and reasonable attorneys' fees for the filing and enforcement thereof, including fees on appeal, if any, shall constitute a lien upon the whole Lot (including any undivided interest in the common elements of any Lot in any condominium), with respect to which it is fixed from the date the notice of deficiency thereof is filed in the office of said Director of Records or County Clerk or other appropriate recording office, until the same has been paid or released as herein

provided. Such lien may be enforced by said Association in the manner provided by law with respect to liens upon real property. The owner of said property at the time said assessment is levied shall be personally liable for the expenses, costs and disbursements, including reasonable attorneys' fees of the Declarant or of the Association, as the case may be, of processing and if necessary, enforcing such liens, all of which expenses, costs and disbursements and attorneys' fees, including fees on appeal, if any, shall be secured by said lien, and such owner at the time such assessment is accrued shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages or Deed of Trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to amounts thereof which became due prior to such sale or transfer, and such lien shall attach to the net proceeds of such foreclosure sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Areas; (c) all other properties owned by the Association; and (d) property owned by Declarant prior to the time a dwelling unit or other building is constructed thereon and occupied. However, no land or improvements devoted to dwelling use shall be exempt from such assessments.

ARTICLE XV. 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, the Articles of Incorporation, and the 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 a reasonable cost.

ARTICLE XVI. CORPORATE SEAL.

The Association shall have a seal in circular form, and shall be in the form indicated by the impression stamped opposite this paragraph.

ARTICLE XVII. AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote in person or by proxy of members entitled to exercise a majority of the total eligible voting power of each class of membership.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Covenants and these Bylaws, the Covenants shall control.

ARTICLE XVIII. MISCELLANEOUS

The fiscal year of the Association shall begin on the first 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 and end on December 31st of that year.