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RECORDED BY
WESTERN TITLE & TRUST CO
96-369
AFTER RECORDING RETURN TO:
Pacific Northwest Development Corp.
9725 SW Beaverton Hillsdale Hy, #110
Beaverton, OR 97005

96-19450

411 - 0076

FIRST AMENDMENT TO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE GREENS AT REDMOND

These Covenants, Conditions, and Restrictions are made this 28th day of February, 1996, by THE GREENS AT REDMOND, an Oregon Partnership, consisting of Pacific Northwest Development Corporation, an Oregon Corporation, and L. J. Blake, Inc., an Oregon Corporation as owner of the real property described on Exhibit "A" attached hereto and incorporated by reference herein, hereinafter referred to as "Declarant". Said property is located in the City of Redmond, Deschutes County, State of Oregon.

Section 1. RECITALS

1.1 The Declarant desires to set forth the rights, reservations, restrictions, covenants, easements, liens and charges that pertain to said land and to which said land is hereby subjected and of which in the future may be made applicable to other plats of real property included within the above described land, each and all of which is and are for the benefit of said land and shall constitute covenants running with the land, for the purpose of maintaining the desirability of said land and to establish suitable use and architectural design and compatibility with the adjacent golf course operation; and

1.2 The Declarant desires to provide the means whereby the residential plat and Planned Unit Development impressed upon the land described herein is compatible and harmonious with the adjacent and contiguous executive nine (9) hole golf course that is to be separately and privately owned.

1.3 The Declarant desires to provide the means to enforce said rights, reservations, easements, liens and charges and for necessary maintenance and for the right to establish building restrictions, future use, responsibilities, rights and obligations and to provide for a community organization consisting of a non-profit owners association that includes as members those who purchase any lot, residential facility, tract or parcel of said land.

IN CONSIDERATION of these presents and the execution hereof, the Declarant does hereby make the following grant of rights and declare that said land is and shall be held and conveyed upon and subject to, and there is hereby established, confirmed and impressed upon said land the reservations, restrictions, covenants, easements, liens and charges hereinafter set forth, and the same are hereby made as running with the land and are applicable to all future grantees, assignees and successors of any interest therein, to wit:

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Section 2. DEFINITIONS

2.1 Annual Charge. The term "Annual Charge" shall mean the sum of (1) the yearly and/or special assessment against the assessable property; (2) the interest and/or penalties on any delinquent charges imposed; (3) the cost of any maintenance or repair work required to be performed by the owner but not so performed and performed instead by the Association; and (4) the cost of enforcing the lien imposed hereunder upon such assessable property.

2.2 Assessable Property. The term "Assessable Property" shall mean the entire property, all or any portion of the property, including the common property, owned by the Association or assigns.

2.3 Association. The term " Association" shall mean The Greens at Redmond Owners Association, Inc., an Oregon non-profit corporation, its successors or assigns.

2.4 Board. The term "Board" shall mean the Board of Trustees, Board of Directors, or other governing body of the Association.

2.5 Common Properties. The term "Common Properties" shall mean that certain real property owned by the Association or dedicated on the face of the Plat map for common use and enjoyment of the lot owners and members of the Association including all private roads, paths, walkways, landscaped easement areas and parks.

2.6 Committee. The term "Committee" shall mean the Architectural Design Control Committee appointed by the Declarant or The Greens at Redmond Owners Association Inc.

2.7 Declarant. The term "Declarant" shall mean The Greens at Redmond, an Oregon Partnership, consisting of Pacific Northwest Development Corporation, an Oregon Corporation, and L. J. Blake, Inc., an Oregon Corporation, or its successors interest.

2.8 Golf Course. The term "Golf Course" shall mean the executive nine (9) hole golf course that is a privately owned golf course. The entire golf course area shall be designated and marked on the Subdivision Planned Unit Development Plat and known as Lots 4, 5, 6 and Lot 185, which shall be used as the maintenance lot and buildings for the golf course.

2.9 Improvements. The term "Improvements" shall include, but not be limited to, any buildings, outbuildings, private roads, utilities, water and sewer systems, drainage systems, driveways, pedestrian walkways, parks, bridges, parking areas, fences, barriers, rock entryway/waterfall areas, retaining walls and stairs, decks, hedges, windbreaks, planting, planted trees and shrubs, signs, poles, lighting, storage areas and all other structures or exterior landscaping (including any irrigation systems), vegetation or ground cover of every type and every kind above the land surface.

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2.10 Lot. The term "Lot" shall mean any plot of land shown upon any recorded plat of the properties with the exception of common properties as heretofore defined.

2.11 Member. The term "Member" shall mean all of those who are members of The Greens at Redmond Owners Association, Inc. as provided herein.

2.12 Owner. The term "Owner" shall mean and include (1) all holders of fee title to any lot; and (2) any other person or persons entitled to possession of the Lot pursuant to a contract or lease. Each housing living unit or units located on a lot shall entitle said owner of the lot or unit to one (1) vote for each living unit in The Greens at Redmond Owners Association Inc.. The land designated for the golf course, shown as Lots 4, 5, 6 and Lot 185, shall be excluded from all voting rights of The Greens at Redmond Owner Association, Inc.

2.13 Plat. The document used to record in the county records to indicate subdivision of the land.

2.14 Planned Unit Development (P.U.D.) Development that has multiple uses under existing zoning laws.

2.15 Residential Facilities. Residential facilities shall be the area known as the residential building improvements located on a lot, excluding garages, porches and/or decks.

2.16 Sales Office. The term "Sales Office" shall mean the office of the Declarant situated on a lot on the land described herein and to be used for the sale of lots and improvements within the Plat, and the sales office shall continue so long as the Declarant maintains the same for the limited purpose of selling and/or reselling lots or residential living units within this plat. The sales office and/or model home will be located on private lots and/or the golf course area.

2.17 Streets. The term "Streets" shall mean any street, highway or other thoroughfare within or adjacent to The Greens of Redmond and shown on any recorded subdivision or partition map, or survey map of record, whether designated thereon as street, boulevard, place, drive, road, terrace, way, lane, circle or otherwise.

2.18 Private Streets Those streets not dedicated to City or County and to be maintained by The Greens at Redmond Owners Association, Inc. or by others via contractual agreement with the Association.

2.19 Private Water Lines and Sewer Lines Facilities not dedicated to City or County and to be maintained by the The Greens at Redmond Owners Association, Inc. or by others via contractual agreement with the Association.

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Section 3. RESERVATIONS

3.1 Reservation of Easements. Easements for drainage, sewers, water pipes and utilities, facilities and services (including but not limited to water supply, electricity, gas, telephone, television) are hereby reserved over, under, upon, in and through all roadways and walkways, and over, under, upon and through a five (five) foot wide strip along each side of the interior lot lines and the front ten (10) and rear five (5) feet of each lot, tract or parcel of said Plat in which to install, lay, construct, repair, renew, operate, maintain and inspect underground pipes, sewers, conduits, cables, wires and all necessary facilities and equipment for the purpose of serving said Plat and the adjacent contiguous golf course and the Central Oregon Irrigation District (COID) easement, dedicated park areas as defined herein, together with the right to enter upon said easement areas, lots, tracts, parcels, roads and walkways for or pertaining to the aforesaid. This reservation of easement is for the benefit of the Declarant or assigns described herein and the owner or owners of the adjacent and contiguous nine (9) hole golf course as shown on the face of the plat map.

3.2 Reservation of Roads and Utilities. All roadways, utilities, walkways and easements, whether shown on said Plat or not, that the Declarant may construct or cause to be constructed upon said land, shall be conveyed by the Declarant to The Greens at Redmond Owners Association Inc. and held by The Greens at Redmond Owners Association, Inc. at such time as the roadways have been completed in accordance with Deschutes County and/or the City of Redmond engineering requirements and accepted as completed by Deschutes County and/or the City of Redmond, and upon conveyance of the roadways and utilities to as provided herein, The Greens at Redmond Owners Association, Inc. shall thereafter be responsible for the maintenance and upkeep of the roadways, utilities and related drainage systems. The Declarant hereby reserves the right at all times to use all roadways, utilities, walkways and easements and other common property as referred to herein for all purposes without restrictions, including but not limited to, the right to conduct and engage in sale and resale activities throughout the subdivision. The Greens at Redmond Owners Association, Inc. shall have the responsibility and right to collect assessments from the owners of any lot within The Greens at Redmond plat (except the parcels designated as the executive nine (9) hole golf course shown on plat as Lots 4, 5, 6 and Lot 185, which is the maintenance lot and building for the golf course) for road maintenance costs as hereinafter provided.

3.3 Reservation of Right to Drain, to Clear Brush, etc. There is hereby reserved to the Declarant the right to drain all roadways, walkways, easement ways and areas over and across any lot or lots, blocks, tracts and parcels where water might take a natural course after the grading thereof and the right (but without the obligation to do so) to enter upon any lot, block, tract or parcel of said The Greens at Redmond plat to excavate grades to install drain systems as required to solve run-off problems, to trim, cut and remove brush, trees, stumps, noxious weeds or growths, and the Declarant grants said rights to The Greens at Redmond Owners Association, Inc.

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3.4 Sales Office. The Declarant reserves the right to maintain a sales office and/or model home on lot(s) to be designated by the Declarant within said The Greens at Redmond Plat for the purpose of selling and re-selling lots/residential living units within said Plat; provided, that the sales activity shall be limited to the sale, renting, leasing, or resale of lots and/or improvements within said Plat; and the Declarant reserves the right to place and maintain "for sale" signs on any lot or improvements within said Plat as may be prepared and erected by the Declarant.

Section 4. PROPERTY SUBJECT TO THE COVENANTS, CONDITIONS, AND RESTRICTIONS FOR THE GREENS AT REDMOND.

4.1 General Declaration Creating The Greens at Redmond. Declarant hereby declares that all of the real property located in Deschutes County, Oregon described in Exhibit "A" is and shall be subject to the Covenants, Conditions and Restrictions set forth in this Declaration for the purpose of protecting the desirability and attractiveness of said real property. All of the Covenants, Conditions, and Restrictions shall run with all of the land subject to this Declaration and shall be binding upon and inure to the benefit of Declarant, all Owners, and their successors in interest.

4.2 Residential Character of Property. Unless otherwise stated on the face of the Plat or designated by the Declarant, each lot, tract or parcel shall be used only for residential purposes, which shall include residential living units, consisting of apartment units, condominiums, houses, patio and/or wall houses and/or plexes. No other structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any residential lot or building site within said The Greens at Redmond Plat except the lots designated as golf course shall be allowed to construct clubhouse facilities and related buildings and support maintenance buildings to service the golf course facility and its users.

4.3 Addition of Other Real Property by Declarant.

(a) Declarant reserves the right at any time during the term of this Declaration to expand the planned unit development by adding all or a portion of any land now or hereafter owned by Declarant to the real property which is covered by this Declaration and described on Exhibit "A" (the Real Property" herein), or by annexing lots or common property to the Real Property or by reconfiguring lots that are part of the Real Property. An Owner of a lot in the Real Property, or an owner of any other land, which is now or may later be subject to this Declaration, may not object to any such creation or reconfiguration of lots in the Real Property, or addition, expansion, annexation to the Real Property. Declarant may create or reconfigure lots out of or in the Real Property by an Amendment to this Declaration. Declarant may add or annex other real estate by recording a notice of addition of real estate (the "Notice of Addition"), and upon recordation of the Notice of Addition, the provisions of this Declaration specified in the Notice of Addition shall apply to the added or annexed real estate in the same manner as if it were originally covered by this Declaration. Thereafter, to the extent this Declaration is made applicable thereto, the rights, powers and responsibilities of

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Declarant and Owners of Lots/Residential Facilities within such added or annexed real estate or reconfigured parts of the Real Property. Further, without the consent or approval of any Owners, Declarant may also create additional lots by developing all or any part of the Real Property, or Declarant may alter or reconfigure any lots in the Real Property which Declarant owns.

(b) There is no limitation on the number of lots or units which the Declarant may alter, configure, or create out of the Real Property or annex to the planned unit development. Further, there is no limitation on the right of the Declarant to add or annex common property. Votes of such added or annexed lots shall be allocated to each lot and to the classes of members as provided in Section 9 of this Declaration. The method of reallocating common expenses as additional lots are altered, created, reconfigured, added or annexed and the manner of reapportioning the common expenses if lots are altered, reconfigured, created or annexed during the fiscal year shall be determined in accordance with Section 10 of this Declaration.

(c) Contents of The Notice of Addition or the Amendment to this Declaration shall contain at least the following provisions:

(1) A reference to this Declaration stating the date of recording and the recording information where the Declaration is recorded.

(2) A statement that the provisions of this Declaration or some specified part thereof shall apply to such added real property or to the altered or reconfigured portion of the Real Property.

(3) A legal description of such added real property or a legal description of that portion of the Real Property that the Declarant elects to change, alter or reconfigure.

(4) Such other or different covenants, conditions and restrictions as Declarant shall, in its discretion, specify to regulate and control the use, occupancy, and improvement of such added or annexed real estate or the altered or reconfigured parts of the Real Property.

(d) The Effect of Annexation. The real estate included in any such annexation shall thereby become a part of The Greens at Redmond, and this declaration, and the Declarant and the Association shall have and shall accept and exercise administration of this Declaration with respect to such annexed real estate.

(e) Provisions of Declaration of Notice of Addition or Amendment to Declaration. Notwithstanding any provision apparently to the contrary, a declaration with respect to any annexed, altered or reconfigured property may, subject to any applicable ordinances:

(i) establish such new land classifications and such limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of the annexed, altered or reconfigured property;

(ii) with respect to existing land classifications, shall establish additional or different limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant deems to be appropriate for the development of such annexed, altered, created, or reconfigured property.

(f) Subject to any applicable governmental ordinances, Declarant may withdraw any property from The Greens at Redmond only by a duly adopted amendment to this Declaration, except that Declarant may withdraw all or any portion of any property annexed pursuant to a Notice of Addition at any time prior to the sale of the first lot which is the property annexed by such Notice of Addition. Such withdrawal shall be by a modification of the declaration executed by Declarant and recorded in the Official Records of Deschutes County. If a portion of the property is so withdrawn, all voting rights otherwise allocated to lots being withdrawn shall be eliminated, and the common expenses shall be reallocated as provided in Section 10.8 below. The right of Declarant to withdraw property hereunder shall not expire until the first lot in the last phase of The Greens at Redmond has been sold.

Section 5. ARCHITECTURAL DESIGN CONTROL COMMITTEE

5.1 Responsibility. In order to preserve and protect against improper use of building sites; to preserve and protect the value of property to the extent possible; to guard against the construction of buildings using improper or unsuitable materials; to insure the reasonable development of the property; to encourage the erection of attractive buildings thereon; to insure that buildings on fairway lots are harmonious and compatible with the golf course usage; and in general to provide adequately for a high type and quality of improvement on said property, there is hereby created a Architectural Design Control Committee. These covenants shall and do hereby provide that no improvements shall be erected, placed or altered on any building site or lot in the Plat until the buildings, landscape or other improvement plans, specifications, and plot plans showing the location of such improvement on the particular building site have been submitted to and approved in writing by the Committee as to conformity and harmony of external design with these covenants and with existing structures in the development, and as to location of the improvements on the building site, giving due regard to the anticipated use thereof as the same may affect adjoining structures, uses and operation, and as to location of the improvements with regard to topography, grade and finish ground elevations and as to submitted landscape plan, part of which shall be design layout, grading plan showing contour elevations, fences, planting plan, construction detail drawings and specifications, all of which shall be approved by the Committee.

5.2 Membership. The Architectural Design Control Committee shall consist of five members, and shall initially be composed of Pete Wilson, Joan Crew, Steve Wilson and Marv Steadman. By a majority vote, the committee may designate a representative to act for it. In case of death or resignation of any committee member, the remaining member or members shall have full authority to designate a successor. Neither the members of the committee nor its designated representative shall be entitled to any compensation for services performed by said members. In the event that the deaths or resignations of all members of the Committee shall occur without successors having been appointed, the majority of the Owners shall have full power to designate successors.

5.3 Action. Except as otherwise provided herein, a majority of the Architectural Design Control Committee shall have power to act on behalf of the committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may render its decisions only by written instrument setting forth the actions taken by the members consenting thereto.

5.4 Failure to Act. In the event the Committee, or its designated representative, fails to approve or disapprove in writing such design as provided herein within thirty (30) days after said plans and specifications have been submitted to it, this covenant will be deemed to have been fully complied with; and if the construction or alteration of improvements is begun in violation of the terms and conditions of this section, or without the written approval as required in this section, and no suit to enjoin the erection, establishment or alteration of such improvement has commenced within (ninety) 90 days after the completion hereof, this covenant will be deemed to have been fully complied with.

5.5 Nonwaiver. Consent by the Architectural Design Control Committee to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

5.6 Liability. The Committee and/or its successors or assigns, shall not be liable for damages to anyone so submitting plans for approval or to any of any mistake in judgment, non-action on its part or of its agents or employees, or any action arising out of or in connection with the approval or disapproval or failure to approve any such plans and anyone so submitting plans to the Committee or otherwise acquiring title to any of the property covered hereby agrees that he or it will not bring any action or suit to recover for any such damages against the Committee, provided that the committee members acted in good faith and were not guilty of gross negligence.

5.7 Enforcement. For purposes of enforcement of this covenant, the Declarant, the Architectural Design Control Committee, any lot owner or purchaser, the Board of Directors of The Greens at Redmond Owners Association Inc., the owners of the golf course may bring any action or suit to enjoin the erection, establishment or alteration of any improvement inconsistent or in violation of these restrictive covenants.

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In the event action is instituted to enforce any term of this agreement, the prevailing party shall recover from the losing party reasonable attorney fees incurred in such action as set by the trial court and, in the event of an appeal, as set by the appellate courts.

5.8 Requirement of Approval. No improvement, change, construction, addition, excavation, landscaping, tree removal, or other work or action which in any way alters the exterior appearance of the property from its theretofore natural or improved state (and no change, alteration or other indication of any of the foregoing previously approved hereunder), and no addition to or modification of any improvement or landscaping (whether or not theretofore approved hereunder), shall be commenced and continued until the same shall have first been approved in writing by the Committee in accordance with The Greens at Redmond design standards. The decision of the Committee shall be final, absent of fraud, misconduct or failure to exercise honest judgment. Approval shall be requested by submission to the Committee of plans and specifications, in duplicate, showing the following:

- (a) Existing and proposed land contours and grades;
- (b) All buildings, and other improvements, access drives, and other improved areas, and the locations thereof on the site;
- (c) Plans for all floors, cross sections, and elevations, including projections and wing walls;
- (d) All landscaping, including existing and proposed tree locations and planting areas (and species thereof), mail boxes and exterior ornamentation;
- (e) Exterior lighting plans;
- (f) Walls, fencing and screening;
- (g) Patios, decks, pools, and porches;
- (h) Signs and parking areas;
- (i) Samples of materials to be used as may be reasonably requested by the Committee;
- (j) Such other information, data, and drawings as may be reasonably requested by the Committee. Specifications shall describe types of construction and exterior materials to be used, including, without limitation, the colors and manufacture thereof, and shall otherwise be prepared according to The Greens at Redmond Design and Material Standards.

5.9 Cash Bond. The Architectural Design Control Committee may, at the discretion of said committee, require prior to commencement of the construction, addition, excavation, or improvement of any structure or building on any lot, the posting of a cash bond in an amount equal to the cost of any estimated repairs or damages to the curbs, gutters, storm drainage system or roadways as may result from said construction, alteration or improvement. Said amount shall be held by the Architectural Design Control Committee until said repairs or damages have been completed. In the event that such lot owner does not cause any such damage or shall repair or replace the same upon completion of the contemplated construction, the Architectural Design Control Committee shall thereupon return to the lot owner any such funds held as provided herein.

Section 6. RESTRICTIONS

6.1 Antennas. No television antenna, radio antenna, satellite antenna, or other device shall be placed on any Lot or building structure without the prior written consent of the Architectural Design Control Committee.

6.2 Appearance. All garbage, trash, cuttings, refuse, garbage and refuse containers, clothes drying apparatus, and other service facilities located on the Lot shall be screened from view of the street and adjoining property owners in a manner approved by the Architectural Design Control Committee.

6.3 Approval Required. No Improvement shall be erected, placed, altered, maintained, or permitted to remain on any land subject to this Declaration until final plans and specifications have been approved in writing by the Architectural Design Control Committee (See section 5.8 - Requirement of Approval).

6.4 Building Limitations. No building shall be erected, altered, placed or permitted on any residential lot in said P.U.D. Plat that exceeds thirty (30) feet in height as provided herein nor at a distance closer than twenty (20) feet from the front line of any lot, tract or parcel, twenty (20) feet on cul-de-sac lots, or from any road line which borders it or by which it is bounded nor nearer than five (5) feet from an interior lot line. All of the distances described in this paragraph must be adhered to unless any modifications are approved in writing by the Architectural Design Control Committee and a variance is granted to Deschutes County and/or the City of Redmond, whichever has authority over the variance request.

6.5 Clothes Drying Area. No portion of any Lot shall be used as a drying or hanging area for laundry of any kind where it can be viewed from any street, adjacent house or golf course.

6.6 Construction and Alteration. Nothing shall be altered or constructed in or removed from or placed on a Lot or building structure except with the prior written consent of the Architectural Design Control Committee.

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6.7 Curb Cuts. Curb cuts, in order to install driveways from the paved roadway, shall be restored in accordance with those specifications as shall be required by the Architectural Design Control Committee.

6.8 Exterior Lighting or Noise Making Device. No exterior lighting or noise making device shall be placed on a Lot or any portion thereof without the prior written consent of the Architectural Design Control Committee.

6.9 Fence, Sign and Utility Easements. Declarant hereby reserves a nonexclusive easement as shown on the official plat of The Greens at Redmond for the purpose of the installation, maintenance and repair of a fence, entrance sign, ornamental waterfalls and/or fountains, utilities, and a rock or brick sign standard. Construction will be of such material as Declarant, in its sole discretion, shall deem appropriate. No Resident shall make any repair, change or alteration of these Improvements without the prior written approval of the Declarant, Architectural Design Control Committee, or The Greens at Redmond Owners Association, Inc.

6.10 Firearms and Related Activity. No firearm, crossbow, bow and arrow, or air gun, including without limitation, BB type, sling shot or pellet guns shall be used within the subdivision.

6.11 Fires and Common Refuse. No outdoor fires for the burning of wood, trash or debris shall be started without first obtaining a valid permit from the local government authority (city, county and/or state) during seasons when required, and no lot shall be used or maintained as a dumping ground for rubbish, refuse or garbage. Garbage or other wastes shall not be kept excepting in sanitary containers. All incinerators or other equipment for the disposal or storage of such matter shall be kept in a clean and sanitary condition, and all incinerators shall be approved before installation or use by the Architectural Design Control Committee.

6.12 Improvements. Each Lot within The Greens at Redmond shall be maintained in a clean and attractive condition, free of litter, debris and brush and there shall be no repairing of recreational vehicles (R.V.s), autos, trucks, boats or motorcycles outside of the garage area. In the event the owner of any lot shall fail to maintain the same as provided herein, the The Greens at Redmond Owners Association Inc., the Declarant, the Homeowners and/or the Owners of the golf course may so maintain the same at the cost and expense of the owner. In addition, each Lot shall be fully landscaped (including front, side and back yards) no later than, (a) six (6) months after posting "Notice of Completion", or (b) six (6) months from date dwelling is occupied, whichever occurs first.

6.13 Licensed Contractors. The principal structure on each Lot shall be constructed by a licensed building contractor only. No amateur home building will be allowed on any Lot.

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6.14 Limitation on Transfer. No Owner shall transfer either by conveyance, contract of sale or lease any interest in his Lot which would result in ownership of such Lot being held by more than ten (10) persons, unless approved by the Architectural Design Control Committee and/or The Greens at Redmond Owners Association Inc.

6.15 Livestock, Poultry, and Pets. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any Lot, except that dogs, cats, or other household pets may be kept provided that they are not kept, bred or maintained for any commercial purpose, and that they shall not be kept in numbers or under any conditions reasonably objectionable in a closely built-up residential community. Dogs and cats shall not be allowed to roam loose outside the limits of the residential lot or building site on which they are kept. Pet owners shall be responsible for cleaning up their pets' droppings on any residential lot or common properties. No pets shall be allowed on the golf course. No pet shall be allowed to bark, howl or expel noises that disturb the adjoining property owners.

6.16 Lot Area, Width, Set-Back Lines. Lot area, width, and building set-back lines shall be in accordance with the requirements of the applicable City of Redmond and/or Deschutes County Zoning and Land Use Regulations, and as shown on the Plat of The Greens at Redmond.

6.17 Material and Color Standard. In order to preserve and protect the integrity and value of The Greens at Redmond subdivision, its lots and common areas, all external siding materials including, but not limited to, wood siding, brick, stone, or stucco, and all roofing materials including, but not limited to, tile, cedar shake, cedar shingle, metal roofing and architecturally approved composition roofing, and all coverings including, but not limited to, semi-transparent stain, solid color stain tint colors, paint and paint colors, must be approved by the Architectural Design Control Committee.

6.18 Minimum Dwelling Size. The main structure, exclusive of open porches or garages, shall not be less than eight hundred fifty (850) square feet for a one-story dwelling, nor less than one thousand one hundred (1,100) square feet for the area of a dwelling of more than one story. For the purpose of this provision, a home with a daylight basement shall be considered a dwelling of more than one story. In addition to minimum dwelling size, it is required that all dwellings have a carport or garage for a minimum of one (1) automobile. There shall also be a requirement to provide parking for one (1) additional standard sized automobile, unless a variance is approved by the Architectural Design Control Committee. On lots that are developed with more than one residential living facility on the lot, the overall building size cannot be less than eight hundred fifty (850) square feet for a one (1) story building nor less than one thousand one hundred (1,100) square feet for a two (2) story building. There shall be no minimum size of the actual living units but the entire design plans of the building, including interior and exterior, parking areas and landscaping must be approved in writing by the majority of the Architectural Design Control Committee.

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6.19 Nuisances. No obnoxious, offensive, or commercial activity or pursuit shall be carried on upon any Lot or improvements therein nor shall anything be done thereon which may be an annoyance or nuisance to the other Residents. Boundary fences, walls or hedges shall be kept in good condition and repair. Each Lot or improvements and its landscaping shall be kept neat and tidy, and free of weeds, pests, and diseases. Lawns must be cut sufficiently and maintained year round so that they do not become eyesores and detrimental to the values of other properties. Trees and shrubs shall be trimmed and pruned and not allowed to encroach on any other lot, sidewalk or street.

6.20 Occupancy. No Resident shall occupy, use or permit the lot or residential facility or any part thereof to be used for any purpose other than a private, single family residence for the Resident, except that a Resident may rent the residence for periods of not less than month-to-month.

6.21 Parking. A minimum of two (2) parking places must be provided for each Lot or residential facility. No boats, trailers, buses, motor homes, commercial vehicles, trucks larger than one ton, disabled vehicles or other similar vehicles shall be parked or stored on any lot or in any street in a position whereby said vehicles will be visible from the street, the golf course or from the homes on other lots without the written approval of the Architectural Design Control Committee. Nor shall curbside parking be allowed for more than 24 consecutive hours on public streets inside The Greens at Redmond P.U.D. Development. No vehicle shall park on any private streets.

6.22 Severability. Invalidation of any use of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

6.23 Service Screening. Storage Areas. Garbage and refuse shall be placed in containers which shall be concealed and contained within the buildings or shall be concealed by means of a screening wall of material similar to and compatible with that of the building or buildings on the lot, or shall be concealed by sufficient landscaping to provide a permanent screen at all times of the year. These elements shall be integrated with the building plan, be designed so as to not attract attention, and shall be located in as reasonably an inconspicuous manner as possible.

6.24 Sight Distance at Intersection. Regarding corner Lots, no fence, wall, or shrub planting which obstruct sight lines at elevations between two (2) and six (6) feet above roadways shall be placed or permitted to remain within the triangular area formed by the street property lines and a line connecting them at points 25 feet from the intersection of the street lines, or, in the case of a rounded corner lot, 25 feet from the intersection of the extended street property lines. However, the applicable standards of the City of Redmond and/or Deschutes County shall apply if such standards are more restrictive.

These sight distance limitations shall apply on all Lots within the first ten (10) feet of a street right-of-way line. No trees shall be permitted to remain within such distances unless the foliage line is maintained at sufficient height to prevent obstruction of such sight lines, or, if the City of Redmond and/or Deschutes County sight line limitations standard is more restrictive, the more restrictive standard shall apply.

6.25 Signs. No sign of any kind shall be displayed to public view on or from any Lot or improvements without the Declarant's prior written consent, provided, however, that an Resident may display not more than one (1) Design Standard Board-approved "for sale" or "for rent" sign per Lot or improvements, but excluding from the aforesaid signs used by the Declarant or their exclusive sales agent or a builder to advertise the property during construction and marketing period.

6.26 Storage Tanks. No storage tanks, including but not limited to, those used for storage of water, gasoline, oil, other liquid or any gas, shall be permitted on the property outside of building except as approved by the Architectural Design Control Committee.

6.27 Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn, or other outbuilding shall be erected, placed or used on any Lot at any time, either temporarily or permanently. The Architectural Design Control Committee shall have the absolute right to restrict or prohibit the construction of a building or other structure even though such a building or structure is not otherwise restricted or prohibited herein, if in said Board's sole discretion such building or structure would be detrimental to the development of said land and said Plat. If the covenants conflict with Deschutes County regulations, the more restrictive covenant shall apply.

6.28 Trees and Shrubs. No trees or natural shrubbery shall be removed unless approved in writing by the Architectural Design Control Committee; it being the intention to preserve natural growth, in accordance with the Declarants' plan development and the landscape theme and plan of the golf course.

6.29 Utilities. No above-ground utilities, pipes or wires shall be used to connect Improvements with supplying facilities without the written approval of the Architectural Design Control Committee.

6.30 Utilities Easement. Certain lots within The Greens at Redmond are subject to a utility line easement as shown on the official plats. This is a nonexclusive easement for the installation, maintenance and repair of underground utilities. No Improvement or structure of any kind, except a boundary fence, shall be permitted on the easement. Any landscaping or fencing placed upon the easement shall be done only in accordance with any applicable standards established by the City of Redmond and/or Deschutes County. Neither the City of Redmond and/or Deschutes County, nor Declarant shall be responsible for restoring any landscaping or fencing in the event the Declarant, the City of Redmond and/or Deschutes County are required to enter upon the easement for the purposes set forth herein.

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6.31 Vacant Lot. The Owner of a vacant Lot shall maintain the landscaping in a groomed and attractive manner so that the Lot does not become an eyesore and detrimental to the values of other properties. Each lot owner having an unimproved vacant lot shall cause the grass, weeds and any brush thereon to be cut at least twice a month during the months of May through October, and remove any grass trimmings and brush from the lot so that each lot is kept and maintained in a neat and safe condition. If a Lot is not properly maintained, The Greens at Redmond Owners Association Inc. shall notify the Owner of the violation. The notice shall be sent to the Owner at his last known address. Owner shall have fifteen (15) days from date of notice to correct the violation. If the violation is not corrected within fifteen (15) days, The Greens at Redmond Owners Association Inc. may complete the work at Owner's expense. If the cost is not reimbursed to The Greens at Redmond Owners Association Inc. within thirty (30) days from written notification to the Owner, The Greens at Redmond Owners Association Inc. may file a lien against the Owner's Lot. Said lien shall bear interest at the rate of fifteen percent (15%) per annum until paid and the lien shall be subject to foreclosure as provided by this Declaration and Oregon law.

6.32 Walls and Fences. All lots fronting on the golf course shall have a four foot (4') cyclone chain link fence installed on the lot line adjoining the golf course by the Developer and/or golf course owner. Said design and materials shall be compatible with the existing four foot (4') cyclone chain link fence installed between the clubhouse and the canal at Golf Course Tee #1. Lots that front the golf course shall be restricted to four foot high side and back yard fencing. Fencing between lots and in back of each lot (except golf course lots) shall be no higher than six feet (6'), including all side yards, built with materials similar to and compatible with that of the building or buildings on the lot. All fencing, prior to installation, must be approved in writing by the Architectural Design Control Committee.

In addition, the Declarant reserves the right to construct a berm and/or erect a fence or both along the boundary line of the entire subdivision approximately six (6) feet in height, not including the elevation of the berm. Declarant reserves an easement across those lots affected by said berms as shown on the recorded plat. Further, the Declarant reserves the right to construct a four (4) foot fence along the right-of-way boundary line of the subdivision as may be required by Deschutes County, the City of Redmond and Central Oregon Irrigation District (COID) and to construct a four foot (4') chain link fence on all lots fronting on golf course. The maintenance of any such fences as constructed along the Central Oregon Irrigation District (COID) Canal easement-public dedicated park and golf course frontage lots and any lighting or landscaping in said areas shall be at The Greens at Redmond Owners Association Inc.'s expense. The Declarant further reserves the right to install lighting, rock waterfall, entrance signs standards, berms, fencing, plumbing, building or recreational improvements and landscaping in the parcels dedicated as park areas or easement areas. The maintenance of all of these items shall be maintained at The Greens at Redmond Owners Association Inc.'s expense.

6.33 Water and Sewer Supply. No individual water supply system or sewage disposal system shall be permitted on any Lot or unit.

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6.34 Party Walls. General Rules of Law to Apply. Each wall which is built as apart of the original construction of living units upon the properties and placed on, or immediately adjacent to and parallel with, the dividing line between the lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this section, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Sharing of Repair and Maintenance. A party wall shall be maintained in a good and safe condition. The cost of reasonable repair and maintenance of a party wall shall be shared by the Owners who make use of the wall in proportion to such use. The word "use" as referred to in this section means ownership of a living unit or other structure which incorporates any part of such wall.

Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owners who have used the wall may restore it, and if the other Owners hereafter 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 Owner repairing or reconstructing a party wall shall have the right of access over the adjacent Owner's lot to the extent reasonably necessary to effect the repair or reconstruction.

Weatherproofing. Notwithstanding any other provision of this section, 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.

Right to Contribution Runs with Land. The right or requirement of any Owner to make contributions for the repair, replacement and/or maintenance of the party wall under this section shall be appurtenant to the land and shall pass to such Owner's successors in title.

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 lots 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 Declarants 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 purposes of occupying and maintaining the same; in the event a structure consisting of more than one living unit becomes partially or totally destroyed or in need of repair or replacement, mutual and reciprocal easements are granted and reserved in and upon each dwelling unit and lot for the repair. No such easement shall exist, however, in respect to an encroachment caused by construction of any improvements on any lot after completion of construction of the original improvement thereon by the Declarant.

Damage and Destruction Affecting Residences: Duty to Rebuild. If all or any portion of any residence is damaged or destroyed by fire or casualty, it shall be the duty of the Owner of said residence to rebuild, repair, reconstruct said residence, in a manner which will restore it to its appearance and condition immediately prior to the casualty.

Time Limitation. The Owner or Owners of any damaged residence shall be obligated to proceed with all due diligence hereunder and shall commence reconstruction within six (6) months after the damage occurs and complete reconstruction within twelve (12) months after the damage occurs, unless prevented by causes beyond their reasonable control.

Section 7. PROPERTY RIGHTS

Owners' Easements of Enjoyment. Every Owner shall have a right and easement of enjoyment in and to the Common Easement Area which shall be appurtenant to and shall pass with the title to every Lot or unit, subject to the following provisions:

- (a) The right of The Greens at Redmond Owners Association Inc. to charge administration fees and fees for the maintenance of the Common Areas, Common Easement Area, easements or parks, private roadways and/or private utilities that service the P.U.D.;
- (b) The right of The Greens at Redmond Owners Association Inc. to suspend the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid;
- (c) The right of The Greens at Redmond Owners Association Inc. to dedicate or transfer all or any part of the Common Areas to any public agency, authority, or utility for such purposes to serve or maintain the properties within the recorded plat. If The Greens at Redmond Owners Association Inc. needs to dedicate or transfer the common areas to any others, it shall be required to obtain approval of at least 75% of the Owners of Lots not owned by Declarant.

SECTION 8. GOLF COURSE

8.1 Golf Course. Those parcels and tracts of properties designated as "Golf Course" on the face of the Plat are privately owned and to be operated and maintained, separate, independent and exclusive of the control of The Greens at Redmond Owners Association Inc. or any lot owner or any rules or regulations they may adopt or approve. The owners of the golf course, their assigns or successors in interest shall be entitled to maintain their properties as shown on the face of the Plat, free of restriction, interference or control of any lot or residential facility owner or The Greens at Redmond Owners Association Inc. In the event for any reason that the owners of the golf course or their assigns or successors in interest determine that it is not economically reasonable or feasible to maintain an executive Par 3 golf course on the tracts and parcels designated as such on the face of the Plat, they may alter or change the golf

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course in any manner or discontinue use of the property as a golf course; provided, that the parcels designated as the golf course tract shall be kept as open, natural greenbelt space and shall not be used for any other commercial or residential purpose of any nature without first obtaining the approval of 75% of the owners as shown on The Greens at Redmond plat.

8.2 Access. No lot owner, guest or other person shall enter upon the golf course for any reason from any lot/residential facility, tract or parcel surrounding the golf course except in the public entry areas as designated by the golf course owners. Each lot owner, their guest or other person hereby agree to follow and obey all rules and regulations as may be established by the golf course owners for the use and enjoyment of said golf course.

8.3 Fencing. The Declarant shall have the right to install a four foot (4') high fence on the lot line fronting on the golf course. If said fence is installed, it shall be the financial responsibility of The Greens at Redmond Owners Association Inc. to maintain said fence. If the fence is not maintained to reasonable standards, the owners of the golf course, their assigns or successors shall have the right, after giving The Greens at Redmond Owners Association Inc. reasonable notice, to repair said fence and be reimbursed by The Greens at Redmond Owners Association Inc. for said costs, including reasonable interest and collection costs.

8.4 Enforcement of Reservations and Covenants. The owners of the golf course shall be entitled to enforce any of the covenants, reservations and restrictions contained herein to the extent and degree as The Greens at Redmond Owners Association Inc. or any lot owner may otherwise enforce the same.

8.5 Changes or Amendments. Notwithstanding any provision pertaining to amendment of these declaration of rights, reservations, restrictions and covenants to the contrary as provided herein, the provisions relating to the operation, maintenance and control of the golf course shall not otherwise be altered or changed in any manner nor shall this declaration of rights, reservations, restrictions and covenants be changed or any provision amended herein that would alter the independent and separate operation and maintenance of the golf course contemplated and provided herein.

8.6 Risks Assumed by Owner. The owner of any lot/residential facility in The Greens at Redmond Plat and their guests and invitees assume the risks that are incidental and inherent with the lots situated near or adjacent to the golf course and fairways. The owners and their guests and invitees agree to hold harmless, waive and release any claim against the owners of the golf course, the developer, the Declarant, the real estate sales company and their agents and The Greens at Redmond Owners Association Inc., arising out of the design, construction, operation, maintenance and/or playing golf on the golf course or any claims or actions that might arise as a result of any owner or their guest or invitee being on or about the golf course in violation of any rules, regulations or these covenants or any claim or damages that might arise from any injuries or destruction of property caused by golf balls.

8.7 Non-Assessment and Drainage The golf course tracts or parcels shall not be obligated in any manner to pay any dues or assessment for the maintenance of common areas as provided in Section 10 herein; provided, the golf course and owners thereof shall maintain the storm water drainage, ponds, ditches and culverts as constructed within the golf course, except that portion of the drainage system to be maintained by The Greens at Redmond Owners Association Inc. as provided in Section 10.2 herein.

8.8 Golf Play Easement Declarant hereby grants to the Owners of the Golf Course and their successor and assigns, members, guests, golf course users and maintenance personnel, a permanent easement ("Golf Play Easement") for the exclusive use of the Golf Course for the following purposes:

- (a) the effects of playing golf (including without limitation the holding of golf tournaments) on the Golf Course or engaging in associated recreational activities on the Golf Course, including without limitation the lighting of the golf course, golf practice or golf ball hitting facilities during hours of daylight or darkness and the creation of usual and common noise levels associated with golf play, golf tournaments or associated recreational activities;
- (b) the creation of noise related to the Golf Course and the Golf Course improvements, including without limitation the operation of mowing and spraying equipment (such noises may occur from early morning until late evening); and
- (c) the overspray of herbicides, fungicides, pesticides, fertilizers and water over portions of the lot and improvements located adjacent to the Golf Course, provided such chemicals and water are applied in accordance with sound golf course management practices.

The above Golf Play Easement shall be a burden on and run with the Lots and improvements subject to this Declaration and shall benefit the Golf Course, its Owner and the Golf Course Users.

As used in this Declaration, "Golf Course Users" means the Owners of the Golf Course and their successors and assigns and any subsequent owner or operator of the Golf Course, and their respective servants, employees, independent contractors, agent, guests and invitees, during their respective periods of ownership or operation.

In connection with the use of the foregoing perpetual easement, the Owners of the Golf Course and their successors and assigns and each such subsequent owner of the Golf Course shall defend, indemnify and hold harmless, Declarant, and its successors and assigns (the Owners of the lots subject to this Declaration are not successors and assigns of Declarant) from any claims or liabilities relating to any loss, claims, costs, expenses or damages caused by Golf Course User or maintenance personnel.

Section 9. THE GREENS AT REDMOND OWNER'S ASSOCIATION, INC.

9.1 The Greens at Redmond Owners Association Inc. shall have the powers of a homeowner's association as provided in ORS 94.630, as may be amended from time to time.

9.2 Every Owner of a Lot or Residential Facility which is subject to assessment shall be a member of The Greens at Redmond Owners Association Inc.. Membership shall be appurtenant to and may not be separated from ownership of any Lot/Residential Facility, which is subject to assessment.

9.3 The Greens at Redmond Owners Association Inc. shall have two classes of members:

Class A: Class A members shall be all owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned except those Lots that are developed with more than one residential facility located on said Lot. These Lots shall be entitled to one vote for each residence built on said Lot. This includes apartments, housing units, patio homes, wall houses, condominiums, plexes and/or any other residential units built on said lots. The voting member shall be considered that owner showing vested ownership in the property with not more than one vote per living unit. When more than one person holds an interest in any Lot/Residential Facility, all such persons shall be members. The vote for such Lot/Residential Facility shall be exercised as they among themselves determine. In absence of agreement, the vote of the Lot/Residential Facility Owners shall be divided on a pro-rata basis as provided in the Bylaws of The Greens at Redmond Owners Association Inc.

Class B: The sole Class B member shall be Declarant, which shall be entitled to three (3) votes for each lot and/or residential facility located on each lot with minimum votes as per the proposed original filed and approved P.U.D. with the maximum votes consisting of subdivided lots filed and developed with residential facilities. The Class B member shall become a Class A member when the total votes outstanding of Class A members equals the total votes of the Class B member, or when all of the proposed original filed and approved P.U.D. Lots and/or Residential Facilities owned by the Declarant have been sold, whichever is later.

Section 10. ASSESSMENT OF COMMON EXPENSES

10.1 Assessments. The Greens at Redmond Owners Association Inc. shall assess all common expenses pro-rata according to the number of lots platted and developed and/or individual living units on all said lots in The Greens at Redmond. Any common expense assessment or any installment of the assessment past due shall bear interest at the rate of 1.25% per month or such other rate as may be established by resolution of the Board of Directors of The Greens at Redmond Owners Association Inc. Any common expense or any part of a common expense benefiting fewer than all

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of the Lots/Residential Facilities may be assessed exclusively against the Lots/Residential Facilities benefited. If any common expense is clearly the fault of any owner, The Greens at Redmond Owners Association Inc. may assess the expense exclusively against the Lot/Residential Facilities of such owner.

10.2 Purpose of Assessment. The assessments levied by The Greens at Redmond Owners Association Inc. shall be used exclusively for the improvement and maintenance of the Common Property Areas. This shall include the regulation, use, care, construction, operation, repair, and maintenance (weeding, watering, mowing, edging, fertilizing, pruning, and planting of landscaped areas, and repair of fencing, walls and signs) and preservation thereof and the facilities, thereon, and such other facilities, equipment, activities, objects and purposes pertaining to the welfare, enjoyment, social well-being and protection and benefit of the members and their property in said lands, including but not limited to the operation and maintenance of the private roadways, private water lines and facilities, private sewer lines, pump stations and facilities, drainage facilities and drainage equipment and use of property held by or controlled by The Greens at Redmond Owners Association Inc., including right of way areas adjoining the Pilot Butte Canal, easement areas, dedicated parks, fencing, signs, berms and landscaping (except the tract designated as golf course).

10.3 Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Lot/Residential Facility to an Owner, the annual assessment shall be FIFTY AND NO/100 DOLLARS (\$50.00) per platted and developed Lot or Residential Living Unit. Beginning January 1st of the year immediately following conveyance of the first Lot or unit to an Owner, the assessment shall be established annually by the Board of Directors of the Greens at Redmond Owners Association Inc. as outlined in Paragraph 10.6.

10.4 Special Assessments for Capital Improvements. In addition to the annual assessments, The Greens at Redmond Owners Association Inc. may make special assessments for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of Improvements upon the Common Easement Areas, including fixtures and personal property related thereto, as approved by the Board of Directors of The Greens at Redmond Owners Association Inc.

10.5 Notice and Quorum for any Action Authorized Under 10.3 and 10.4. Written notice of any meeting called for the purpose of taking any action authorized under 10.3 and 10.4 shall be sent to all members not less than thirty (30) days or more than sixty (60) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. A sixty percent (60%) vote of all Owners, including Declarant, shall be required to approve all assessments. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the 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.

10.6 Rate of Assessment. Both annual and special assessments must be fixed at a rate for all Lots, based on the number of residential facilities located on said Lot. Said assessments shall be based upon the following formula:

Lots with one single family residential facility shall pay an annual assessment of \$240.00.

Lots with patio homes, wall houses, condominiums, plexes and/or apartments or other types of living units shall pay an annual assessment of \$120.00 per unit.

All future annual and special assessments, whether increases or decreases, will be based on the above formula. The percentage of increase or decrease shall be based on the number of recorded lots and family residential facilities on said lot in the entire Greens at Redmond P.U.D. subdivision, excluding the golf course lots.

10.7 Date of Commencement of Annual Assessments: Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first (1st) day of the month following the conveyance and/or plat recording showing the lots and/or Common Easement Areas. The first (1st) annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors of The Greens at Redmond Owners Association Inc. shall fix the amount of the annual assessment against each Lot/Residential Facility at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to each Owner. The due dates shall be established by the Board of Directors. The Greens at Redmond Owners Association Inc. shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of The Greens at Redmond Owners Association Inc. setting forth whether the assessments on a specified Lot have been paid.

(a) Reallocation upon Annexation, Reconfiguration, Alteration or Withdrawal of Property. When additional real estate or phases are annexed to the Real Property or a part of the Real Property is reconfigured or altered, or any property is withdrawn from The Greens at Redmond, the Association shall, within sixty (60) days of the annexation, reconfiguration, alteration, or withdrawal, re-compute the budget in accordance with this Section 10 based upon the additional lots or withdrawn lots and common property and re-compute assessments for each lot based upon the formula set forth in this Section 10. Newly annexed, or altered lots shall be subject to assessment from the time of annexation, reconfiguration or alteration of such lots to The Greens at Redmond, in accordance with the provisions of this Section 10. The Association shall send notice of the assessment to the Owners of newly annexed lots or altered or reconfigured lots not later than sixty (60) days after the annexation, reconfiguration or alteration or with the next occurring annual assessment, whichever is sooner. Assessments shall be deemed payable on or before the date set forth in the notice which shall not be less than thirty (30) days from the date the notice is mailed or such other time or times set in accordance with this Declaration or the Bylaws of the Association specified in the notice. If additional property or phases are annexed or lots are altered or reconfigured, to The Greens at Redmond during the Association's fiscal year, the Association shall send notice of and shall collect adjustments to assessments for the lots which were within The Greens at Redmond prior to the annexation or

alteration in the manner specified in this Section 10 above, except that notice of the adjustment of the assessment shall be sent to Owners not later than sixty (60) days after the annexation, alternation or reconfiguration or with the next occurring annual assessments, whichever is sooner. To the extent that any adjustment results to a credit for any Owner, such credit shall be applied towards the next occurring payment or payments on the annual assessment.

10.8 Effect of Non-Payment of Assessments: Remedies of The Greens at Redmond Owners Association Inc. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of 1.25% per month. The Greens at Redmond Owners Association Inc. may bring an action at law against the Owner personally obligated to pay the same, or foreclose the lien against the property. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Easement Areas or abandonment of his Lot/Residential Facilities.

10.9 Lien for Unpaid Assessments. In accordance with ORS 94.709, The Greens at Redmond Owners Association Inc. shall have a lien on a lot/residential facility for any assessment levied against the Lot or any fines imposed under the Declaration or Bylaws against the owner of the Lot/Residential Facility from the date on which the assessment or fine is due. If an assessment is payable in installments, the full amount of the assessment is a lien from the date the first installment of the assessment becomes due. A lien created under this section 10.9 is prior to a homestead exemption and all other liens and encumbrances on a Lot/Residential Facility, except:

- (a) A first mortgage or trust deed;
- (b) A lien for real estate taxes and other governmental assessment or charges; and
- (c) Liens and encumbrances recorded before the recordation of the Declaration.

Section 11. TRANSFER OF ADMINISTRATIVE RESPONSIBILITY.

On June 15, 2005, or not later than one hundred twenty (120) days after Lots representing ninety-five percent (95%) of the votes or Declarant's potential votes of the proposed lots in the original approved P.U.D. plan have been conveyed, whichever shall first occur, Declarant shall call a meeting for the purpose of turning over administrative responsibility for the community to The Greens at Redmond Owners Association Inc. Notice shall be as provided in the By-Laws. At the meeting, the Declarant shall turn over to The Greens at Redmond Owners Association Inc. the responsibility for the administration of the community and The Greens at Redmond Owners Association Inc. shall accept the administrative responsibility from the Declarant. Not later than the sixtieth (60th) day after the Declarant has conveyed the Lots representing seventy percent (70%) of the proposed votes in the community, the Declarant shall call a meeting of Owners for the purpose of selecting a transitional advisory committee to assist in the transfer of administrative authority.

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Section 12. MORTGAGEE RIGHTS.

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages on Lots/Residential Facilities in The Greens at Redmond. To the extent applicable, necessary, or proper, the provisions of Section 9. apply to both this Declaration and to the Bylaws of The Greens at Redmond Owners Association Inc. Where indicated, these provisions apply only to eligible holders, as hereinafter defined.

12.1 Notices of Action. An institutional holder, insurer, or guarantor of a first mortgage, who provides written request to The Greens at Redmond Owners Association Inc. (such request to state the name and address of such holder, insurer, or guarantor and the unit number), (therefore becoming an eligible holder), will be entitled to timely written notice of:

(a) Any proposed termination of The Greens at Redmond Owners Association Inc.;

(b) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot/ Residential Facility on which there is a first mortgage held, insured, or guaranteed by such eligible holder;

(c) Any delinquency in the payment of assessments or charges owed by an Owner of a Lot/Residential Facility, subject to the mortgage of such eligible holder, insurer, or guarantor, where such delinquency has continued for a period of sixty (60) days;

(d) Any lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by The Greens at Redmond Owners Association Inc.; or

(e) Any proposed action which would require the consent of eligible holders, as required in Section 12.2 of this Article.

12.2 Amendments to Documents.

(a) The consent of at least seventy-five percent (75%) of members and of the Declarant so long as it owns any land subject to this Declaration and the approval of the eligible holders of first mortgages on Lots to which at least seventy-five percent (75%) of the votes of units subject to a mortgage appertain, shall be required to terminate The Greens at Redmond Owners Association Inc.

(b) The consent of at least seventy-five percent (75%) of the members and of the Declarant so long as it owns any land subject to this Declaration and the approval of eligible holders of first mortgages on Lots/Residential Facilities to which at least fifty-one percent (51%) of the votes of Lots/Residential Facilities subject to a mortgage appertain, shall be required materially to amend any provisions of the Declaration, Bylaws, or Articles of Incorporation of The Greens at Redmond Owners Association Inc., or to add any material provisions thereto, which establish, provide for, govern, or regulate any of the following:

- (i) Voting;
- (ii) Assessments, assessment liens, or subordination of such liens;
- (iii) Reserves for maintenance, repair, and replacement of the Common Property;
- (iv) Insurance or fidelity bonds;
- (v) Rights to use of the Common Area;
- (vi) Responsibility for maintenance and repair of the Properties;
- (vii) Expansion or contraction of the Properties or the addition, annexation, or withdrawal of Properties to or from The Greens at Redmond Owners Association Inc.;
- (viii) Boundaries of any Lot;
- (ix) Leasing of Lots;
- (x) Imposition of any right of first refusal or similar restriction of the right of any Owner to sell, transfer, or otherwise convey his or her Lot/Residential Facility;
- (xi) Establishment of self-management by The Greens at Redmond Owners Association Inc. where professional management has been required by an eligible holder; or
- (xii) Any provisions included in the Declaration, Bylaws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first mortgages on Lots/Residential Facilities.

12.3 Special FHLMC Provision. So long as required by the mortgage corporation, the following provisions apply in addition to and not in lieu of the foregoing two Sections of this Article. Unless seventy-five percent (75%) of the first mortgagees or Owners give their consent, The Greens at Redmond Owners Association Inc. shall not:

- (a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area which The Greens at Redmond Owners Association Inc. owns, directly or indirectly (the granting of easements for public utilities or for other public purposes consistent with the intended use of the Properties shall not be deemed a transfer);

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(b) Change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner;

(c) By act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Lots and of the Common Area;

(d) Fail to maintain fire and extended coverage insurance, as required by this Declaration; or

(e) Use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such Properties.

The provisions of this Section 12.3 shall not be construed to reduce the percentage vote that must be obtained from mortgagees or Owners where a larger percentage vote is otherwise required for any of the actions contained in this Section.

First mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies, or secure new casualty insurance coverage upon the lapse of a policy, for the Common Area, and first mortgagees making such payment shall be entitled to immediate reimbursement from The Greens at Redmond Owners Association Inc.

It is Declarant's intention that the development qualify for the possible sale of mortgages encumbering Lots/Residential Facilities to the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation. The requirements contained in this Section are to effectuate that purpose. Should either the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association subsequently delete any of their respective requirements which necessitate the provisions of this Section or make any such requirements less stringent, this Section shall automatically be amended to reflect such changes.

Section 13. DURATION AND AMENDMENT OF THIS DECLARATION.

13.1 Duration. The Covenants, Conditions, and Restrictions of The Greens at Redmond shall continue to remain in full force and effect at all times with respect to all property, and each part thereof, now or hereafter made subject thereto (subject however, to the right to amend and repeal as provided for herein) for a period of thirty years from the date this Declaration is recorded. However, unless within one year from the date of said termination, there shall be recorded an instrument directing the termination of this Declaration signed by Owners of not less than fifty-one percent (51%) of the Lots then subject to this Declaration, this Declaration, as in effect immediately prior to the expiration date, shall be continued automatically without further notice for an additional period of ten years and thereafter for successive periods of ten years unless within one year prior to the expiration of such period the Covenants, Conditions and Restrictions for The Greens at Redmond are terminated as set forth above in this section.

13.2 Amendment. This Declaration or any provision thereof, or any Covenant, Condition or Restriction contained herein, may be terminated, extended, modified or amended, as to the whole of said property or any part thereof with a written consent of the Owners representing seventy five percent (75%) of the total votes, provided that only fifty-one percent (51%) of the total votes shall be required to amend the Declaration regarding limitations on occupancy or limitations on rental or leasing of Owners' residences. All amendments shall be recorded in Deschutes County, Oregon.

13.3 Recordation. Any amendment, deletion, or repeal of this Declaration shall not become effective until recorded in the Official Records of Deschutes County, Oregon.

Section 14. ENFORCEMENT

14.1 Enforcement. The Greens at Redmond Owners Association Inc., Architectural Design Control Committee, or any Owner, 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 Greens at Redmond Owners Association Inc. 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.

14.2 In the event that legal suit or legal action is instituted for the enforcement of this Declaration or for any remedy for the breach of this Declaration, the prevailing party shall recover that party's reasonable attorney fees incurred in such suit or action (or any appeal therefrom) as adjudged by the trial or appellate court.

Section 15. ARBITRATION

15.1 In the event of any dispute arising under the provisions of these covenants, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator and the dispute shall be arbitrated by the arbitrators so designated in accordance with the rules of the American Arbitration Association. The decision shall be by a majority of all the arbitrators and shall be binding on all parties thereto, their heirs and assigns. The prevailing party shall be entitled to such arbitration fees from the losing party, including reasonable attorneys' fees. The arbitration award may provide for injunctive relief, damages or combination thereof.

Any owner shall have the right to apply to a court of competent jurisdiction for enforcement of the arbitration clause for temporary relief pending the outcome of arbitration. If an Owner fails to appoint an arbitrator within twenty one (21) days of receipt of notice of arbitration, an arbitrator may be appointed by the Court. Failure of any Owner to enforce any covenants or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

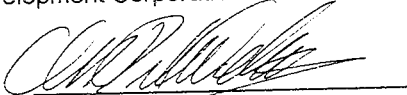
Section 16. EFFECT OF DECLARATION.

The Covenants, Conditions, and Restrictions of this declaration shall run with the land included in The Greens at Redmond and shall bind, benefit, and burden each Lot/Residential Facility in The Greens at Redmond, including any additions thereto. The terms of this Declaration shall inure to the benefit and shall bind Declarant, all successors and assigns of Declarant and all Owners of any Lot/Residential Facility in The Greens at Redmond, their successors, assigns, heirs, administrators, executors, mortgagees, lessees, invitees or any other party claiming or deriving any right, title, or interest or use in or to any real property in The Greens at Redmond. The use restrictions set forth in Section 6 of this declaration shall be binding upon all Owners, lessees, licensees, occupants and users of the property known as The Greens at Redmond and their successors in interest as set forth in this declaration, including any person who holds such interests as security for the payment of any obligation including any mortgagee or other security holder in actual possession of any Lot/Residential Facility by foreclosure or otherwise and any other person taking title from such security holder.

IN WITNESS WHEREOF, the Declarant has executed this Declaration this 29th day of April, 1996.

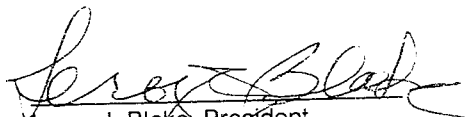
THE GREENS AT REDMOND, an Oregon partnership, consisting of Pacific Northwest Development Corporation and L.J. Blake, Inc.

By:



O. M. "Pete" Wilson, President
Pacific Northwest Development Corp.

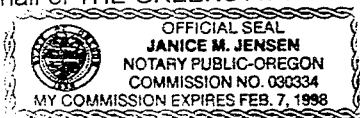
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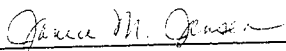


Leroy J. Blake, President
L.J. Blake, Inc.

STATE OF OREGON, County of Washington, ss: April 29, 1996

The foregoing instrument was acknowledged before me by O. M. "Pete" Wilson, President of Pacific Northwest Development Corporation, an Oregon Corporation, on behalf of THE GREENS AT REDMOND.

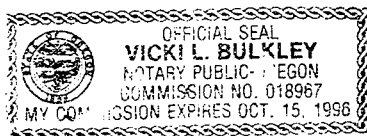


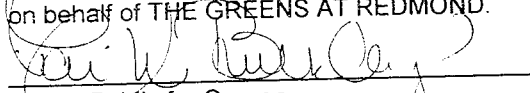

Notary Public for Oregon

My Commission Expires: 2/7/98

STATE OF OREGON, County of Deschutes, ss: May 2, 1996

The foregoing instrument was acknowledged before me by Leroy J. Blake, President of L.J. Blake, Inc., an Oregon Corporation, on behalf of THE GREENS AT REDMOND.




Notary Public for Oregon

My Commission Expires: 10.15.96

EXHIBIT "A"
to
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
of
THE GREENS AT REDMOND

Property owned by The Greens at Redmond, an Oregon Partnership, consisting of Pacific Northwest Development Corporation, an Oregon Corporation, and L. J. Blake, Inc., an Oregon Corporation

Page 1 of 2

Two parcels of land located in Section 29, Township 15 South, Range 13 East, Willamette Meridian, Deschutes County, Oregon, being more particularly described as follows:

PARCEL 1:

Beginning at the center 1/4 corner of said Section 29; thence South 00° 25' 47" West, 1142.75 feet; thence South 56° 56' 54" East, 118.80 feet to the northwesterly right-of-way line of U.S. Highway 97; thence along said northwesterly right-of-way line South 37° 36' 53" West, 142.47 feet; thence leaving said northwesterly right-of-way line North 89° 58' 35" West, 14.02 feet to a PK nail in a rock being the center South 1/16 corner of Section 29; thence North 89° 47' 39" West, 2082.25 feet to the easterly line of a parcel of land to be dedicated to the City of Redmond Parks Department also being the easterly line of the Central Oregon Irrigation District easement for Pilot Butte canal; thence along said easterly line the following 17 courses, North 24° 20' 28" West, 102.42 feet to a point of non-tangent curvature; thence along the arc of a 65.00 foot radius non-tangent curve to the right, through a central angle of 88° 05' 06", an arc distance of 99.93 feet (the long chord of which bears North 19° 32' 35" East, 90.38 feet) to a point of non-tangency; thence North 63° 35' 36" East, 201.60 feet to a point of non-tangent curvature; thence along the arc of a 220.00 foot radius non-tangent curve to the left, through a central angle of 54° 31' 14", an arc distance of 209.34 feet (the long chord of which bears North 36° 21' 35" East, 201.54 feet) to a point of non-tangency; thence North 09° 05' 22" East, 196.35 feet to a point of non-tangent curvature; thence along the arc of a 350.00 foot radius non-tangent curve to the right, through a central angle of 67° 17' 45", an arc distance of 411.09 feet (the long chord of which bears North 42° 45' 24" East, 387.86 feet) to a point of non-tangency; thence North 77° 13' 40" East, 330.98 feet to a point of non-tangent curvature; thence along the arc of a 500.00 foot radius non-tangent curve to the left, through a central angle of 53° 32' 44", an arc distance of 467.27 feet (the long chord of which bears North 50° 06' 05" East, 450.45 feet) to a point of non-tangency; thence North 23° 19' 36" East, 235.04 feet; thence North 25° 03' 43" East, 139.08 feet; thence North 21° 24' 16" East, 196.07 feet; thence North 22° 07' 49" East, 254.13 feet to a point of non-tangent curvature; thence along the arc of a 190.00 foot radius non-tangent curve to the right, through a central angle of 64° 39' 54", an arc distance of 214.44 feet (the long chord of which bears North 54° 31' 40" East, 203.24 feet) to a point of non-tangency; thence North 86° 48' 52" East, 134.35 feet to a point of non-tangent curvature; thence along the arc of a 350.00 foot radius non-tangent curve to the left, through a central angle of 14° 31' 40", an arc distance of 88.74 feet (the long chord of which bears North 79° 32' 45" East, 88.51 feet) to a point of non-tangency; thence North 72° 45' 29" East, 306.19 feet; thence North 76° 25' 13" East, 929.85 feet to the southwesterly right-of-way line of Yew Avenue; thence along said southwesterly right-of-way line South 47° 00' 09" East, 74.00 feet to a point on the northwesterly right-of-way line of The Greens Boulevard; thence along said northwesterly right-of-way line, South 35° 32' 43" West, 91.25 feet; thence South 23° 00' 50" West, 255.96 feet; thence South 33° 49' 10" West, 175.07 feet; thence leaving said northwesterly right-of-way line South 05° 33' 26" West, 670.01 feet; thence North 89° 41' 54" West, 649.80 feet; thence North 89° 47' 29" West, 149.70 feet to the point of beginning.

PARCEL 2:

Commencing at the center 1/4 corner of Section 29, Township 15 South, Range 13 East, Willamette Meridian, Deschutes County, Oregon; thence North 42°13'51" East, 1578.31 feet to a point on the northeasterly boundary of Lot 186 of the plat of The Greens at Redmond Phases 1 & 2 as recorded in Deschutes County clerk's office in plat files D-136 through D-139, also being the easterly line of the Central Oregon Irrigation District easement for Pilot Butte canal and the TRUE POINT OF BEGINNING; thence along said easterly line of the Pilot Butte canal easement, the following 17 courses, South 76°25'13" East, 929.85 feet; thence South 72°45'29" East, 306.19 feet to a point of non-tangent curvature; thence along the arc of a 350.00 foot radius non-tangent curve to the right, through a central angle of 14°31'40", an arc distance of 88.74 feet (the long chord of which bears South 79°32'45" West, 88.51 feet) to a point of non-tangency; thence South 86°48'52" West, 134.35 feet to a point of non-tangency; thence along the arc of a 190.00 foot radius non-tangent curve to the left, through a central angle of 64°39'54", an arc distance of 214.44 feet (the long chord of which bears South 54°31'40" West, 203.24 feet) to a point of non-tangency; thence South 22°07'49" West, 254.13 feet; thence South 21°24'16" West, 196.07 feet; thence South 25°03'43" East, 139.08 feet; thence South 23°19'36" West, 235.04 feet to a point of non-tangent curvature; thence along the arc of a 500.00 foot radius non-tangent curve to the right, through a central angle of 53°32'44", an arc distance of 467.27 feet (the long chord of which bears South 50°06'05" West, 450.45 feet) to a point of non-tangency; thence South 77°13'40" West, 330.98 feet to a point of non-tangent curvature; thence along the arc of a 350.00 foot radius non-tangent curve to the left, through a central angle of 67°17'45", an arc distance of 411.09 feet (the long chord of which bears South 42°45'24" West, 387.86 feet) to a point of non-tangency; thence South 09°05'22" West, 196.35 feet to a point of non-tangency; thence along the arc of a 220.00 foot radius non-tangent curve to the right, through a central angle of 54°31'14", an arc distance of 209.34 feet (the long chord of which bears South 36°21'35" West, 201.54 feet) to a point of non-tangency; thence South 63°35'36" West, 201.60 feet to a point of non-tangency; thence along the arc of a 65.00 foot radius non-tangent curve to the left, through a central angle of 88°05'06", an arc distance of 99.93 feet (the long chord of which bears South 19°32'35" West, 90.38 feet) to a point of non-tangency; thence South 24°20'28" East, 102.42 feet to a point on the South boundary line of Lot 8 of said plat of The Greens at Redmond Phases 1 and 2; thence along said South boundary line of Lot 8, North 89°47'39" West, 19.56 feet to a point on the westerly boundary of said Lot 8 also being the East bank of the Pilot Butte canal; thence along said East bank the following six courses, North 27°00'27" West, 84.29 feet to a point of non-tangent curvature; thence along the arc of an 85.00 foot radius non-tangent curve to the right, through a central angle of 111°17'00", an arc distance of 165.09 feet (the long chord of which bears North 23°57'21" East, 140.34 feet) to a point of reverse curvature; thence along the arc of a 340.00 foot radius curve to the left, through a central angle of 70°52'29", an arc distance of 420.58 feet (the long chord of which bears North 44°09'37" East, 394.27 feet); thence North 08°43'22" East, 165.20 feet to a point of curvature; thence along the arc of a 330.00 foot radius curve to the right, through a central angle of 66°38'22", an arc distance of 383.81 feet (the long chord of which bears North 42°02'33" East, 362.54 feet); thence North 75°21'44" East, 217.55 feet; thence leaving said East bank, North 00°29'14" East, 20.72 feet to a point on the centerline of the Pilot Butte canal; thence along said centerline the following ten courses, North 74°50'54" East, 178.21 feet to a point of non-tangent curvature; thence along the arc of a 447.50 foot radius non-tangent curve to the left, through a central angle of 50°57'19", an arc distance of 397.98 feet (the long chord of which bears North 48°34'21" East, 384.99 feet) to a point of non-tangency; thence North 23°46'16" East, 678.61 feet; thence North 19°32'33" East, 177.62 feet to a point of curvature; thence along the arc of a 150.00 foot radius curve to the right, through a central angle of 63°46'51", an arc distance of 166.98 feet (the long chord of which bears North 51°25'58" East, 158.49 feet); thence North 83°19'23" East, 147.53 feet to a point of curvature; thence along the arc of a 100.00 foot radius curve to the left, through a central angle of 06°43'46", an arc distance of 11.74 feet (the long chord of which bears North 79°57'31" East, 11.75 feet); thence North 76°35'38" East, 315.97 feet; thence North 74°44'38" East, 118.48 feet; thence North 76°32'22" East, 892.59 feet; thence leaving said centerline of Pilot Butte canal South 47°00'09" East, 48.27 feet to the TRUE POINT OF BEGINNING.

411 - 0106

STATE OF OREGON) ss.
COUNTY OF DESCHUTES)

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AND FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

96 MAY 29 PM 3:43

MARY SUE PENHOLLOW
COUNTY CLERK

BY T. Moore DEPUTY
NO. 96-19450 FEE 55.00
DESCHUTES COUNTY OFFICIAL RECORDS