

176 173892-02
After recording, return to:

Desert Meadows Homeowners Association
515 NE Shoshone Drive
Redmond, OR 97756



\$176.00

00110024200200610870300304
D-PCA Cnt=1 Stn=11 BECKEY
\$150.00 \$11.00 \$10.00 \$5.00

11/01/2002 03:37:38 PM

Amended Covenants, Conditions and Restrictions

FIRST AMERICAN TITLE
INSURANCE COMPANY OF OREGON
P.O. BOX 323
REDFORD, OR 97709

Desert Meadows

A Planned Community

RECORDED BY FIRST AMERICAN TITLE
INSURANCE COMPANY OF OREGON AS AN
ACCOMMODATION ONLY. NO LIABILITY IS
ACCEPTED FOR THE CONDITION OF TITLE
OR FOR THE VALIDITY, SUFFICIENCY, OR
EFFECT OF THIS DOCUMENT.

This Declaration of Protective Covenants is applicable to the real property described in Exhibit A, hereinafter sometimes referred to as "real property". The Declarant is High Mountain Properties, LLC, an Oregon limited liability company. Desert Meadows Homeowners Association, hereinafter sometimes referred to as "Association", grants, joins in, acknowledges and agrees to be bound by these Amended Covenants, Conditions and Restrictions. These Amended Covenants, Conditions and Restrictions amend and supersede all previous declarations and/or deed covenants, including, without limitation, those certain covenants, conditions and restrictions recorded February 12, 2001 in Book 2001, Page 6486, as amended by instrument recorded October 11, 2001 in Book 2001, Page 49946.

WHEREAS, the Declarant desires to declare of Public Record its intention to create certain protective covenants, conditions and restrictions in order to effectuate a general scheme of development creating benefits and obligations for the owner or owners of the real property described in Exhibit A,

NOW, THEREFORE, Declarant hereby declares that all of the real property described in Exhibit A shall be held, sold and conveyed subject to the ordinances of City of Redmond and County of Deschutes and any other applicable governmental ordinances, the Findings and Decision of Deschutes County, File Number CU-90-196, the Development Agreement entered into between the County of Deschutes and Ni-Lah-Sha Village Inc., the Findings and Decision of the City of Redmond, File Number MC99-03, the Development Agreement entered into between the City of Redmond and High Mountain Properties, LLC, and the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of, and which shall run with, the real property described in Exhibit A and be binding on all parties having any right, title or interest in the real property described in Exhibit A or any portion thereof, their heirs, successors, and assigns, and shall inure to the benefit of each owner thereof.

- A. The name of the planned community is Desert Meadows. The Homeowners Association as provided herein, and under the Association's bylaws, shall be known as "Desert Meadows Homeowners Association".
- B. The name of the County in which all of the real property in the planned community is

located is the County of Deschutes. The name of the city in which all of the real property in the planned community is located is the City of Redmond.

- C. The legal description of the real property included in the planned community is described in Exhibit A.
- D. The number of lots in the planned community is 81.
- E. The real property that is common property is described in Exhibit D.
- F. The Declarant shall have no special rights except as provided in paragraph P, below.
- G. The allocation of votes to lots shall be one (1) vote per lot, except as provided in paragraph P, below.
- H. Covenant for Assessments

H.1 Each Owner of any Lot, by acceptance of a deed or contract of purchase therefore, whether or not it shall be so expressed in any such deed or other conveyance or agreement for conveyance, is deemed to covenant and agrees to pay to the Association:

H.1.1 Regular annual or other regular periodic assessments or charges, and

H.1.2 Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided.

H.1.3 The regular and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made.

H.2 Purpose of Assessments: The assessments levied by the Association shall be used exclusively for the following purposes:

H.2.1 Payment of the cost of maintaining the roads, signs, Common Areas, and semi-public recreational or service areas.

H.2.2 Payment of taxes and assessments levied against the platted private roads and Common Areas.

H.2.3 Payment of the cost of enforcing the provisions contained in this Declaration and the covenants and provisions contained in any future Declaration, inasmuch as such enforcement costs are not borne by the Owner(s) against which such enforcement actions are taken, according to the provisions of this Declaration.

H.2.4 Payment for other services which the Board deems to be of general benefit

to the residents of Desert Meadows, including, without limitation, water and sewer service to included lots and payments to Central Oregon Irrigation District for the Association's allotment.

H.2.5 Payment of any expense reasonably incurred by the Association Board or its delegated manager in carrying out any function for which it has been given responsibility hereunder.

H.3 Annual Assessments. After consideration of current maintenance costs and future needs of the Association, the Board may fix regular flat assessments on a monthly, quarterly or annual basis.

H.4 Other/Special Assessments. In addition to other assessments as provided for herein, the Board may at any time levy a special assessment against all Owners. Such special assessment shall be applicable within one (1) year of enactment and for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement, or a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto. Prior to becoming effective, any special assessment reflecting an expenditure in excess of \$5,000 shall be approved by the affirmative vote of at least two-thirds (2/3rds) of the votes represented in person or by proxy at a regular or special meeting of the members duly called for the purpose. Written note of such meeting shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

H.5 Uniform Rate of Assessment. Both regular periodic flat charges and any special assessments may be fixed at a uniform rate for all Lots and may be collected on an annual, quarterly or monthly basis at the discretion of the Directors.

H.6 Effect of Non-Payment of Assessments and Remedies of the Association.

H.6.1 Any assessments which are not paid when due shall be delinquent.

H.6.2 If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at an annual interest rate to be fixed by the Board annually.

H.6.3 The Secretary of the Association may, thirty (30) days after delinquency, cause a lien to be filed in the Official Records of Deschutes County.

H.6.4 Said lien shall include a statement of the amount of such charges or assessments, together with interest as aforesaid, which have become due with respect to any Lot.

H.6.5 Upon payment in full thereof, the Secretary shall execute and file a proper release of the lien securing the same.

H.6.7 The aggregate amount of such assessments, together with interest, costs, expenses, reasonable attorney fees for filing, enforcement, arbitration and appeals, if any, shall constitute the amount of the lien on the Lot.

H.6.8 Said aggregate amount of the lien shall accrue and compound from the date the Notice of Delinquency is filed until the same has been paid or released as provided herein.

H.6.9 Such lien may be enforced by the Association in the manner provided by the laws of the state of Oregon with respect to liens upon real property.

H.6.10 The owner of said property at the time said assessment is levied shall be personally liable for the aggregate amount of said lien.

H.6.11 Such owner at the time such assessment is levied shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his dwelling unit, Lot or building site.

H.7 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be inferior, junior or subordinate to the lien of all mortgages and trust deeds now or hereafter placed upon said property or any part thereof.

H.8 Termination of Utility Services. In addition to the lien remedy provided herein, the Association may, at its option without waiver of any alternate remedy, terminate utility services to the extent the payments for such services are not received within sixty (60) days after they have become due, or the Association determines there are conditions on any Lot which subject the system as a whole to contamination or other damage.

I. The provisions for establishing a reserve account, as required by ORS 94.595, shall be as follows:

- (1) The Declarant shall establish a reserve account for replacement of all items of common property which will normally require replacement, in whole or in part, in more than three (3) and less than thirty (30) years. Said account shall be funded by assessments against the individual lots for maintenance of items for which the reserves are established. The assessments under this subsection begin accruing from the date that this document is recorded. The Declarant may defer payment of the accrued assessment for a lot under this paragraph until the date the lot is conveyed.
- (2) The reserve account shall be established in the name of the Homeowners Association. The Homeowners Association shall be responsible for administering the account, for making periodic payments into it and for adjusting the amount of the payments at regular intervals to reflect changes in current replacement costs over time.

- (3) The account may be used only for replacement of common property and is to be kept separate from assessments for maintenance. However, after the individual lot owners have assumed responsibility for administration of the planned community, the board of directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses. Funds borrowed to meet temporary expenses under this subsection must be repaid.
- (4) Following the second year after the Homeowners Association has assumed administrative responsibility for the planned community under ORS 94.616, if owners of lots representing seventy five percent (75%) of the votes of the planned community agree to the action, they may vote to increase, reduce or eliminate future assessments for the account.
- (5) Assessments paid into the reserve account are the property of the Homeowners Association and are not refundable to sellers or owners of lots. The sellers or owners of lots may treat their outstanding share of the reserve account as a separate item in the sales contract.

J. There shall be no restrictions on the alienation of lots.

K. The use for which each lot is intended is for residential manufactured homes.

L. The Homeowners Association, pursuant to ORS 94.665, may sell, convey or subject to a security interest any portion of the common property.

M. Restriction on the use, maintenance or occupancy of lots shall be as follows:

(1) LAND USE AND BUILDING TYPE

Lots shall only be used for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one manufactured home, a private garage for not less than two (2) cars, and accessory buildings. All manufactured homes, garages, and accessory buildings shall meet all applicable governmental standards and requirements and shall be approved in writing by the Architectural Review Committee as hereinafter set forth. All manufactured homes must be installed on permanent foundations.

(2) EASEMENTS

Easements for the inspection, operation and maintenance of the STEP system including the interceptor tanks and pressure lines and the landscape sprinkler system main lines on each lot are hereby granted to the Homeowners Association, said easements to be five (5) feet on each side of the center line of said tanks and lines. Within these easements, no structure, planting or materials shall be placed or permitted to remain which may damage or interfere with the installation, inspection, operation and maintenance of the STEP system, interceptor tanks and pressure lines. Local governmental standards shall control if they conflict with the above provisions.

(3) BUSINESS AND COMMERCIAL USE

No trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any lot which, in the sole discretion of the Board of Directors of the Homeowners Association, results in traffic, noise, or any other activity which adversely affects any homeowner's ability to enjoy his lot. The Declarant shall be permitted to maintain a sales office on any unsold lot until all lots have been sold.

(4) OFFENSIVE ACTIVITIES

No obnoxious or offensive activity shall be carried on upon any lot, nor shall anything be done or placed upon any lot which interferes with or jeopardizes enjoyment of other lots within this subdivision.

(5) ANIMALS

Only household pets (dogs, cats, or small strictly-indoor animals) are permitted. No other animal, livestock, or poultry of any kind shall be raised, bred or kept on any lot. The combined total of dogs and cats shall not exceed two (2). Household pets may not be bred or maintained for commercial purposes and must be reasonably controlled so as not to be a nuisance. Dogs shall be confined to a lot and on a leash when walked.

(6) SIGNS

No signs are permitted on any lot except that: (a) one (1) temporary "For Sale" sign (for home or lot) is permitted on each lot and shall not exceed six (6) square feet in area and (b) temporary "political" signs are also permitted but must be removed promptly after the election. No restrictions shall be placed on Declarant's use of signs for the sales office.

(7) PARKING

No parking of any vehicle is allowed in the street, grass, or landscaped areas. Parking of passenger vehicles, boats, motor homes, pickup campers, and travel trailers must be totally within the confines of the owner's lot and must be: (a) on a driveway, or (b) on a concrete slab or brick surface and behind a fence at least four (4) feet high, or (c) totally enclosed within a garage or accessory building; only one RV (boat, motor home, pickup camper, or travel trailer) may be parked outside of a garage or accessory building at any one time. Parking of snow mobiles, all terrain vehicles (ATV's), personal water craft (jet skis), dune buggies, trailers of any kind (except travel trailers), dirt bikes, trucks (excluding one ton pickups or smaller), and like equipment shall not be allowed on any part of the real property nor on streets adjacent thereto excepting only within the confines of a totally enclosed garage or accessory building. There is one exception to the above text in this paragraph: temporary parking on the street for less than forty-eight (48) hours is permitted if all driveway parking has been used and the vehicle parked in the street does not create

a safety hazard, as determined by the Homeowners Association Board of Directors.

(8) REPAIR OF VEHICLES

The repair of vehicles on a lot shall be permitted only within the confines of an enclosed garage.

(9) VEHICLES IN DISREPAIR

No owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any lot or on the open space or on any street for a period in excess of forty eight (48) hours. A vehicle shall be deemed to be in an "extreme state of disrepair" when due to its continued in-operability or significant damage it offends the occupants of the neighborhood.

(10) RUBBISH AND TRASH

No lot, street, or part of the open space shall be used as a dumping ground for trash, yard debris from raking, dirt resulting from landscape work, or any rubbish. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal and kept out of view from the street. There shall be no storage of any materials on any vacant lot, except for Declarant's use of an onsite construction storage area.

(11) MAINTENANCE OF LOT AND IMPROVEMENTS

The exterior of all improvements on each lot and the lot itself shall be maintained in a good state of repair and in a clean, neat and attractive manner. All grass shall be properly cut, all shrubbery properly pruned and any and all dead trees, shrubbery and plants immediately removed.

(12) TEMPORARY STRUCTURES

No trailer, basement, tent, shack, garage, structure of a temporary character, barn, or other outbuilding shall be used on any lot at any time as a residence whether temporarily or permanently.

(13) COMPLETION OF CONSTRUCTION

Construction for all homes, as shown on plans approved in writing by the Architectural Review Committee, shall be completed within six (6) months from the time that the plans were approved, unless an extension is given in writing by the Desert Meadows Homeowners Association Board of Directors. Homes will include: (a) concrete runners, (b) split faced block skirting or concrete stem wall for home and garage, (c) underground, timed, sprinkler system for entire yard and interchangeable between city and irrigation water, (d) 2-car garage or larger with a minimum of 400 square feet, (e) swale along roadway for drainage, (f) yard light approved in writing by the Architectural Review Committee, (g) driveways of concrete or brick (no

asphalt), and (h) gutters on home and garage.

(14) LANDSCAPE COMPLETION

All landscaping must be completed, pursuant to a master plan adopted and approved in writing by the Architectural Review Committee, within eight (8) months from the date that the plans were approved, unless an extension is given in writing by the Desert Meadows Homeowners Association Board of Directors

Scheduling and delivery of irrigation water via the landscape sprinkler system shall be automatic and under the control of the Homeowners Association.

(15) FENCES AND HEDGES

All fences shall be constructed of wood, masonry, metal with a green or earth tone colored plastic coating, or a wood-like appearing material. Any fence or hedge erected shall not be (a) closer to the road than the house, garage, or accessory building constituting the side yard where the fence is placed, or (b) within a direct line of site between the road bordering the lot and any face of the home or garage which faces that road. See Exhibit B for pictures exemplifying this section. No fence, hedge or wall shall be erected without prior written approval of the Architectural Review Committee. This paragraph only applies to fences or hedges which are greater than twenty-four (24) inches in height.

(16) ANTENNAS AND SERVICE FACILITIES

Any antenna which extends more than ten (10) feet above the maximum peak of the roofline must be approved by the Architectural Review Committee.

Clothes lines shall be placed within an area that could be enclosed by a six foot fence, although the fencing is not required.

(17) MAIL AND PAPER DELIVERY BOXES

The location, color, size, design, lettering and other particulars of mail or paper delivery boxes shall be subject to written approval from the Architectural Review Committee. Such prior written approval must be obtained before erecting any delivery box.

(18) AIR CONDITIONING UNITS

There shall be no roof top air conditioning units. The location of all ground level air conditioning units must be approved in writing by the Architectural Review Committee.

(19) EXTERIOR LIGHTING

Each owner shall properly maintain any outdoor lighting which has been installed on

the owner's lot by the Declarant, the Declarant's successor and assigns. Any exterior light, motion detector light, or spotlight must be angled in such a way, or covered with a shroud, to prevent annoyance to neighbors.

(20) ACCESSORY BUILDINGS

All accessory buildings shall closely compliment the home in materials and color and must be approved by the Architectural Review Committee. Accessory buildings shall not exceed the home in height and shall not be larger than 500 square feet. Accessory buildings include but are not limited to: sheds, storage buildings, animal shelters, carports, tank covers, and vehicle covers.

(21) UTILITY BOXES AND TRANSFORMERS

The Declarant and/or the Homeowners Association shall have the right to screen any utility boxes and transformers which are within the utility easements, said screenings to be subject to the prior written approval of the Architectural Review Committee and to be maintained by the owners of lots upon which they are placed.

(22) UTILITY HOOKUPS AND BACKFLOW REPORTS

When a lot owner first taps into the water, sewer, and irrigation, it is his responsibility to leave stub outs for water, sewer, and irrigation hookups for an adjacent vacant lot. Each owner shall provide to the Homeowners Association a copy of a backflow inspection report indicating that his backflow valve, which protects the community water delivery system, is in proper working order; this report shall be provided upon completion of the water hookups to his home and each year thereafter.

(23) STORAGE AND SERVICE TANKS

For all heat pumps, air conditioners, and storage tanks (including but not limited to tanks for gasoline, oil, and propane), the lot owner shall implement a screening plan approved by the Architectural Review Committee.

N. Any amendment of this Declaration, in accordance with ORS 94.590, shall be by vote or agreement of the owners representing seventy five (75) percent of the total votes in the planned community. In no event shall an amendment under this section create, limit or diminish any special Declarant rights, increase the number of lots or units or change the boundaries of any lot or any uses to which any lot or unit is restricted unless the owners of the affected lots unanimously consent to the amendment. Any amendment of this Declaration shall be effective only upon recordation. Amendments to this Declaration under this section shall be executed, recorded and certified on behalf of the Homeowners Association by any officer of the Homeowners Association designated for that purpose or, in the absence of such designation, by the President or the Board of Directors of the Homeowners Association.

O. The Declarant does not agree to build any improvement with the exception of:

- (1) All private roads as shown on the final Plat of Ni-Lah-Sha, Phases 2 and 3.
- (2) The main line STEP system in Ni-Lah-Sha, Phases 2 and 3.
- (3) The main line water distribution system in Ni-Lah-Sha, Phases 2 and 3.
- (4) The main line irrigation system in Ni-Lah-Sha, Phases 2 and 3.
- (5) The building of the improvements set forth in items(2), (3), and (4) of this paragraph is limited to bringing the improvement to the lot line of each lot in Ni-Lah-Sha, Phases 2 and 3. Each lot owner is responsible for the installation and maintenance of all lines on said owner's lot.

- P. The individual owners will assume control of the Homeowners Association as provided under ORS 94.609, at such time as lots, representing seventy five percent (75%) of the votes, have been sold by Declarant. Until such time, Declarant shall have four (4) votes for each lot that it owns instead of one (1) vote, pursuant to paragraph G, above. The Declarant shall call a meeting for the purpose of turning over the administrative responsibility for the planned community to the Homeowners Association not more than 120 days after such time. The Declarant shall give notice of the meeting to each owner as provided in the bylaws.

Following said turnover meeting Declarant shall continue to have the right to use all of the private roads within the planned community, the STEP system and pressure sewer lines, the landscape sprinkler system and the water system in connection with the development and for the use of the adjoining property described in Exhibit C attached hereto and incorporated herein by reference and each owner of a lot agrees that he or she will not object to such use.

- Q. The deed to the common property shall be delivered to the Homeowners Association at such time as lots, representing seventy five percent (75%) of the votes, have been sold by Declarant.
- R. The rights of the Homeowners Association with respect to the common property or the rights of an individual lot owner with respect to the lot or improvements on the lot, shall be restricted as follows:

(1) ARCHITECTURAL REVIEW

No manufactured home or any other structure shall be commenced, erected, placed, or altered on any lot until construction plans and specifications and a plat showing the nature, shape, heights, material, colors and proposed location of the structure or change have been submitted to and approved in writing by the Architectural Review Committee (hereinafter sometimes referred to as "Committee" or "ARC"). It is the intention and purpose of this covenant to assure compliance with governmental requirements, quality of workmanship and materials and harmony of external design with the existing structures as to location and topography and finished grade elevations. In all cases, the Architectural Review Committee's written consent is

required.

(2) ARCHITECTURAL REVIEW COMMITTEE DECISION

The Architectural Review Committee may, at its sole discretion, withhold consent to any proposed work if it finds that the proposed work would be inappropriate for the particular lot or incompatible with the design standards that Declarant intends for Ni-Lah-Sha, Phases 2 and 3. Considerations such as siting, shape, size, color, design, height, impairment of the view from other lots within Ni-Lah-Sha, Phases 2 and 3, or other effects on the enjoyment of other factors which the Architectural Review Committee reasonably believes to be relevant, may be taken into account by the Committee in determining whether or not to consent to any proposed work.

(3) PROCEDURE

In the event the Architectural Review Committee fails to render its approval or disapproval within fifteen (15) working days after plans and specifications have been submitted to it, approval will not be required and the related covenants shall be deemed to have been fully complied with.

(4) MEMBERSHIP: APPOINTMENT AND REMOVAL

The Architectural Review Committee shall consist of as many persons, but not less than two (2), as the Declarant may from time to time appoint. The Declarant shall keep on file at its principal office a list of names and addresses of the members of the Committee. A member of the Committee shall not be entitled to any compensation for services performed pursuant to this Declaration. The powers and duties of such Committee shall cease on July 1, 2004. Thereafter, any duties of the Architectural Review Committee shall be performed by the Homeowners Association. The Architectural Review Committee shall have the right to appoint an Advisory Committee.

(5) LIABILITY

Neither the Architectural Review Committee or any member thereof shall be liable to any owner, occupant, builder or developer for any damage, loss or prejudice suffered or claimed on account of any action or failure to act by the Committee or a member thereof, provided that the member has, in accordance with actual knowledge possessed by him, acted in good faith.

(6) ACTION

Except as otherwise provided herein, any two members of the Architectural Review Committee shall have power to act on behalf of the Committee. The Committee may render its decisions only by written instrument setting forth the action taken by members consenting thereto.

(7) NONWAIVER

Consent by the Architectural Review Committee to any matter proposed to it and within its jurisdiction under these covenants shall not be deemed to constitute a precedent or waiver impairing its rights to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

(8) EFFECTIVE PERIOD OF CONSENT

The Committee's consent to any proposed work shall automatically be revoked one year after issuance unless construction of the work has been commenced or the owner has applied for and received an extension of time from the Committee.

(9) OTHER RESTRICTIONS

An individual lot owner shall not have the right to divide a lot, but shall have the right to combine one lot with another.

- S. Desert Meadows Homeowners Association grants an easement to Mountain Brook Development LLC, shown in Exhibit E, for purposes of water delivery and maintenance.

Also, Desert Meadows Homeowners Association conveys all streets and common areas within the property described in Exhibit C to High Mountain Properties, LLC and will present High Mountain Properties, LLC with a recordable deed for said conveyance.

Also, until NE 5th Street is completed and signed off by the City, owners of Lots 45 through 104, Lots 108 through 123, and Lots 159 through 180, of Ni-Lah-Sha, Phases 2 & 3 will be allowed use of NE 6th Street and Shoshone Drive west of NE 6th Street.

- T. Except for the property described in Exhibit C, the Declarant may not withdraw property from the planned community.
- U. These covenants and restrictions shall run with and bind all the real property within the planned community.
- V. In the event of any violation of any of the provisions of this Declaration, the Declarant or any other person or persons owning real property within Ni-Lah-Sha, Phases 2 and 3 may, at their option, exercise the right to enforce these covenants by prosecuting any proceeding at law or in equity necessary to prevent the violation or to recover damages sustained by reason of such violation. Failure by any party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any action successfully prosecuted to abate or recover damages for a violation of the provisions of this Declaration, the prevailing party shall be entitled to recover all costs, including reasonable attorney fees, incurred in such enforcement.
- W. Invalidation of any one of these covenants by judgement or court order shall in no way affect any of the other provisions which shall remain in full force and effect.
- X. Declarant shall not be liable to any owner on account of action or failure to act by

Declarant in performing its duties or rights hereunder, provided that Declarant has, in accordance with actual knowledge possessed by Declarant, acted in good faith.

- Y. To the extent the "Declaration of Reservations, Restrictions and Covenants" for Ni-Lah-Sha Village, Phase I as amended apply to the real property described in Exhibits A and C, said Declaration of Reservations, Restrictions and Covenants is hereby amended so that it does not apply to the real property described in Exhibits A and C. The parties signing this document constitute owners representing more than seventy-five (75) per cent of the total combined votes.
- Z. Any reference to bylaws, or other governing documents, shall mean the bylaws of the Desert Meadows Homeowners Association as they may be duly amended from time to time. Current amended bylaws, as of the date of this recording, are attached hereto, labeled, and incorporated by this reference.

IN WITNESS WHEREOF, the undersigned, as President of Desert Meadows Homeowners Association, hereby certifies the foregoing Amended Covenants, Conditions and Restrictions were duly adopted by the owners of the subject real property (as described in Exhibit A) by the required 75% consensus at a duly-noticed meeting of the owners held September 13, 2002.


Jon Clark, President
Desert Meadows Homeowners Association

State of Oregon)
) ss.
County of Deschutes)

Before me appeared Jon Clark, President of Desert Meadows Homeowners Association, and acknowledged the foregoing instrument to be his voluntary act and deed.




Kathie L. Morris
Notary Public for Oregon
My Commission Expires: 4-1-2006

AMENDED COVENANTS, CONDITIONS AND RESTRICTIONS

DESERT MEADOWS

EXHIBIT A

Description
portion of **NI-LAH-SHA PHASES 2 AND 3** (SP 1999-70)
in NE1/4 SW1/4 Section 3, T.15S., R.13E., W.M.
DESERT MEADOWS

Description of a parcel of land situate in a portion of Plat No. "SP 1999-70", also known as "**NI-LAH-SHA PHASES 2 AND 3**", located in the NE1/4 SW1/4 Section 3, Township 15 South, Range 13 East of the Willamette Meridian, being Lots 1 through 44, Lots 105 through 107, Lots 124 through 158, Common Areas "A" and "B" and the adjacent private roadways as per said Plat, more particularly described as follows:

Commencing at a 5/8" Rebar monumenting the South 1/4 corner of Section 3, T.15S., R.13E., W.M., the Initial Point; thence N00°33'10"E partially along the East line of said Plat - 2635.68 feet to the Center of said Section; thence S89°47'56"W along the North line of said Plat - 30.00 feet to the NE corner of Common Area "A" and the true **POINT OF BEGINNING**; thence S89°47'56"W along said North line - 214.63 feet; thence along the boundary of Phases 2 and 3 of said Plat as follows:

S00°12'03"E - 172.16 feet; thence S23°15'45"W - 157.29 feet;
thence S45°19'30"W - 32.37 feet; thence S16°14'04"W - 85.01 feet;
thence S00°33'24"W - 180.97 feet; thence S77°46'02"W - 187.53 feet;
thence S27°24'36"W - 40.67 feet; thence S43°40'27"W - 75.93 feet;
thence S57°49'15"W - 88.79 feet; thence S76°26'35"W - 122.86 feet;
thence S00°35'28"W - 46.66 feet; thence S43°56'03"W - 103.65 feet;
thence S59°05'09"W - 32.63 feet to the NE corner of Lot 124;
thence N66°10'25"W - 99.43 feet to the NW corner of Lot 124;
thence N79°27'55"W - 25.94 feet to the boundary of Lot 107;
thence N65°27'05"W along said boundary - 128.25 feet;
thence S51°53'46"W along said boundary - 49.07 feet;
thence S18°52'30"E along said boundary - 24.26 feet;
thence S11°03'42"W - 22.06 feet to the NE corner of Lot 104;
thence S23°49'33"W along Lot 104 boundary - 79.09 feet;
thence 56.98 feet along the arc of a 215 foot radius curve (concave South) of said Lot 104 boundary forming a central angle of 15°11'05" and a long chord bearing N78°04'56"W - 56.81 feet; thence 56.46 feet along the arc of a 37.50 foot radius curve (concave Northeast) of said Lot 104 boundary forming a central angle of 86°15'55" and a long chord bearing N42°32'31"W - 51.28 feet to the East right-of-way (R/W) of NE 5th Street; thence S00°35'26"W along said R/W - 375.07 feet to the boundary of said Plat; thence N89°47'48"E along said boundary - 1255.60 feet to the West R/W of NE 9th Street; thence N00°33'10"E along a common line with said West R/W and Common Area "A" - 1317.85 feet to the true **POINT OF BEGINNING**.

The same containing approximately 19.81 land acres, subject to all existing easements and rights-of-way over and across the above described parcel of land.

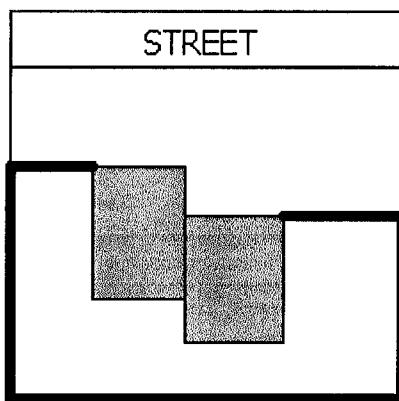
AMENDED COVENANTS, CONDITIONS AND RESTRICTIONS

DESERT MEADOWS

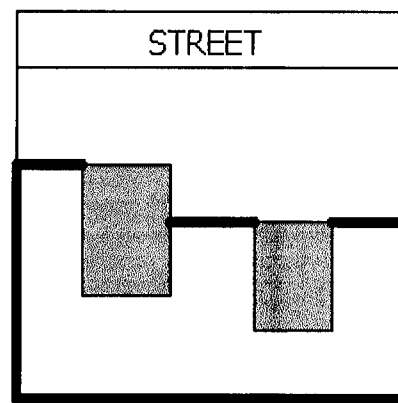
EXHIBIT B

Dark lines show where fences and hedges can be placed.

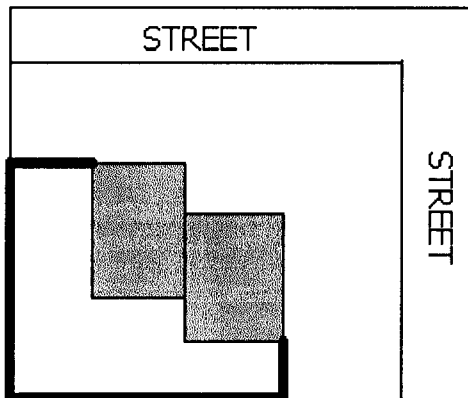
Interior Lot
Attached Garage



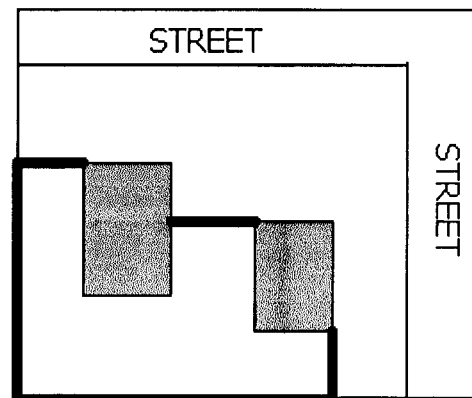
Interior Lot
Detached Garage



Corner Lot
Attached Garage



Corner Lot
Detached Garage



AMENDED COVENANTS, CONDITIONS AND RESTRICTIONS

DESERT MEADOWS

EXHIBIT C

Description
portion of **NI-LAH-SHA PHASES 2 AND 3** (SP 1999-70)
in NE1/4 SW1/4 Section 3, T.15S., R.13E., W.M.
MOUNTAIN BROOK

Description of a parcel of land situate in a portion of Plat No. "SP 1999-70", also known as "**NI-LAH-SHA PHASES 2 AND 3**", located in the NE1/4 SW1/4 Section 3, Township 15 South, Range 13 East of the Willamette Meridian, being Lots 45 through 104, Lots 108 through 123, Lots 159 through 180 and the adjacent private roadways as per said Plat, more particularly described as follows:

Commencing at a 5/8" Rebar monumenting the South 1/4 corner of Section 3, T.15S., R.13E., W.M., the Initial Point; thence N00°33'10"E partially along the East line of said Plat - 2635.68 feet to the Center of said Section; thence S89°47'56"W along the North line of said Plat - 244.63 feet to the NE corner of Lot 51 and the true **POINT OF BEGINNING**; thence along the boundary of Phases 2 and 3 of said Plat as follows:
S00°12'03"E - 172.16 feet; thence S23°15'45"W - 157.29 feet;
thence S45°19'30"W - 32.37 feet; thence S16°14'04"W - 85.01 feet;
thence S00°33'24"W - 180.97 feet; thence S77°46'02"W - 187.53 feet;
thence S27°24'36"W - 40.67 feet; thence S43°40'27"W - 75.93 feet;
thence S57°49'15"W - 88.79 feet; thence S76°26'35"W - 122.86 feet;
thence S00°35'28"W - 46.66 feet; thence S43°56'03"W - 103.65 feet;
thence S59°05'09"W - 32.63 feet to the NE corner of Lot 124;
thence N66°10'25"W - 99.43 feet to the NW corner of Lot 124;
thence N79°27'55"W - 25.94 feet to the boundary of Lot 107;
thence N65°27'05"W along said boundary - 128.25 feet;
thence S51°53'46"W along said boundary - 49.07 feet;
thence S18°52'30"E along said boundary - 24.26 feet;
thence S11°03'42"W - 22.06 feet to the NE corner of Lot 104;
thence S23°49'33"W along Lot 104 boundary - 79.09 feet;
thence 56.98 feet along the arc of a 215 foot radius curve (concave South) of said Lot 104 boundary forming a central angle of 15°11'05" and a long chord bearing N78°04'56"W - 56.81 feet; thence 56.46 feet along the arc of a 37.50 foot radius curve (concave Northeast) of said Lot 104 boundary forming a central angle of 86°15'55" and a long chord bearing N42°32'31"W - 51.28 feet to the East right-of-way (R/W) of NE 5th Street; thence N00°35'26"E along said East R/W - 942.84 feet to the North line of said Plat; thence N89°47'56"E along said North line - 1040.08 feet to the true **POINT OF BEGINNING**.

The same containing approximately 18.17 land acres, subject to all existing easements and rights-of-way over and across the above described parcel of land.

AMENDED COVENANTS, CONDITIONS AND RESTRICTIONS

DESERT MEADOWS

EXHIBIT D

Common Property for Desert Meadows:

That portion of the property described in Exhibit A which is private roads and common areas.

AMENDED COVENANTS, CONDITIONS AND RESTRICTIONS

DESERT MEADOWS

EXHIBIT E

EASEMENT IRRIGATION LINE EASEMENT

THIS AGREEMENT is made this _____ day of _____, 2002 by **High Mountain Properties LLC**, ("High Mountain") and **Desert Meadows Homeowners Association**, ("Desert Meadows"), collectively referred to as "Grantor", and **Mountain Brook Development LLC**, Grantee.

Recitals:

WHEREAS, Grantor owns and/or has an interest in the real property described on Exhibit "Irrigation Line Easement, Exhibit A", attached and incorporated, said real property including an existing pond; and

WHEREAS, Grantee owns the real property described on Exhibit "Irrigation Line Easement, Exhibit B", attached and incorporated; and

WHEREAS, the parties wish to provide for and memorialize Grantee's rights and obligations concerning the presence of Grantee's pump and associated equipment and distribution system from the pump across Grantor's property.

NOW, THEREFORE, in consideration of the terms and conditions set forth below, including the payment of valuable consideration, the receipt of which is hereby acknowledged, it is mutually understood and agreed as follows:

1. Grantee shall be allowed to place pumps and related equipment in the existing pond for purposes of providing Central Oregon Irrigation District water to all parcels and common areas located within Grantee's property, Exhibit "Irrigation Line Easement, Exhibit B".
2. Grantor further grants Grantee an easement for purposes of water delivery and maintenance of Grantee's water delivery system from and including the pump to the parties' adjoining line at the point of Grantee's choosing. The easement shall encompass a twenty (20) foot wide strip of land running generally south to north across and from the pond to Grantee's property. Once constructed, the area subject to the easement will be defined by its physical location.
3. Grantee shall indemnify and hold Grantor harmless from and against any claims for damages and other liability associated with the presence and maintenance of Grantee's pump

and line.

4. The rights granted herein shall be perpetual, non-exclusive and appurtenant to the described properties, shall run with the land and shall inure to the benefit and otherwise bind and obligate the parties' heirs, successors and assigns.

5. If any suit or action is filed by any party to enforce this Agreement, the prevailing party shall be entitled to recover reasonable attorney fees incurred in preparation or in prosecution or defense of such suit or action as fixed by the trial court, and if any appeal is taken from the decision of the trial court, reasonable attorney fees as fixed by the appellate court.

DATED this _____ day of _____, 2002.

Grantor:

High Mountain Properties, LLC

By: _____

Its: _____

Grantor:

Desert Meadows Homeowners Association

By: _____

Its: _____

Grantee:

Mountain Brook Development LLC

By: _____

Its: _____

STATE OF OREGON)
) ss.
County of Deschutes)

On _____, 2002, personally appeared before me the above-named _____, and acknowledged the foregoing instrument to be his voluntary act and deed.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
) ss.
County of Deschutes)

On _____, 2002, personally appeared before me the
above-named _____, and acknowledged the foregoing instrument to
be his voluntary act and deed.

Notary Public for Oregon
My Commission Expires: _____

STATE OF OREGON)
) ss.
County of Deschutes)

On _____, 2002, personally appeared before me the
above-named _____, and acknowledged the foregoing instrument to
be his voluntary act and deed.

Notary Public for Oregon
My Commission Expires: _____

IRRIGATION LINE EASEMENT

EXHIBIT A

Common Area A and Common Area B of Ni-Lah-Sha, Phases 2 and 3, as described in Plat No. 1999-70, Deschutes County, Oregon.

IRRIGATION LINE EASEMENT

EXHIBIT B

Description
portion of NI-LAH-SHA PHASES 2 AND 3 (SP 1999-70)
in NE1/4 SW1/4 Section 3, T.15S., R.13E., W.M.
MOUNTAIN BROOK

Description of a parcel of land situate in a portion of Plat No. "SP 1999-70", also known as "NI-LAH-SHA PHASES 2 AND 3", located in the NE1/4 SW1/4 Section 3, Township 15 South, Range 13 East of the Willamette Meridian, being Lots 45 through 104, Lots 108 through 123, Lots 159 through 180 and the adjacent private roadways as per said Plat, more particularly described as follows:

Commencing at a 5/8" Rebar monumenting the South 1/4 corner of Section 3, T.15S., R.13E., W.M., the Initial Point; thence N00°33'10"E partially along the East line of said Plat - 2635.68 feet to the Center of said Section; thence S89°47'56"W along the North line of said Plat - 244.63 feet to the NE corner of Lot 51 and the true **POINT OF BEGINNING**; thence along the boundary of Phases 2 and 3 of said Plat as follows:
S00°12'03"E - 172.16 feet; thence S23°15'45"W - 157.29 feet;
thence S45°19'30"W - 32.37 feet; thence S16°14'04"W - 85.01 feet;
thence S00°33'24"W - 180.97 feet; thence S77°46'02"W - 187.53 feet;
thence S27°24'36"W - 40.67 feet; thence S43°40'27"W - 75.93 feet;
thence S57°49'15"W - 88.79 feet; thence S76°26'35"W - 122.86 feet;
thence S00°35'28"W - 46.66 feet; thence S43°56'03"W - 103.65 feet;
thence S59°05'09"W - 32.63 feet to the NE corner of Lot 124;
thence N66°10'25"W - 99.43 feet to the NW corner of Lot 124;
thence N79°27'55"W - 25.94 feet to the boundary of Lot 107;
thence N65°27'05"W along said boundary - 128.25 feet;
thence S51°53'46"W along said boundary - 49.07 feet;
thence S18°52'30"E along said boundary - 24.26 feet;
thence S11°03'42"W - 22.06 feet to the NE corner of Lot 104;
thence S23°49'33"W along Lot 104 boundary - 79.09 feet;
thence 56.98 feet along the arc of a 215 foot radius curve (concave South) of said Lot 104 boundary forming a central angle of 15°11'05" and a long chord bearing N78°04'56"W - 56.81 feet; thence 56.46 feet along the arc of a 37.50 foot radius curve (concave Northeast) of said Lot 104 boundary forming a central angle of 86°15'55" and a long chord bearing N42°32'31"W - 51.28 feet to the East right-of-way (R/W) of NE 5th Street; thence N00°35'26"E along said East R/W - 942.84 feet to the North line of said Plat; thence N89°47'56"E along said North line - 1040.08 feet to the true **POINT OF BEGINNING**.

The same containing approximately 18.17 land acres, subject to all existing easements and rights-of-way over and across the above described parcel of land.

AMENDED BYLAWS
OF
DESERT MEADOWS HOMEOWNERS ASSOCIATION

ARTICLE I
NAME AND LOCATION

1.1 The name of this corporation is Desert Meadows Homeowners Association, an Oregon nonprofit corporation, hereinafter referred to as the "Association." The principal office of the Association shall be located at 533 NE Shoshone Drive, Redmond, Oregon, but meetings of members and directors may be held at such places as may be designated by the Board of Directors.

ARTICLE II
DEFINITIONS

2.1 "Association" shall mean and refer to Desert Meadows Homeowners Association, its successors and assigns.

2.2 "Properties" shall mean and refer to that certain real property described in the Amended Covenants, Conditions and Restrictions, Desert Meadows, A Planned Community, and such additions thereto as may hereafter be brought within the power and jurisdiction of the Association in accordance with the provisions of the Amended Covenants, Conditions and Restrictions, Desert Meadows, A Planned Community.

2.3 "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners.

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

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

2.6 "Declarant" shall mean and refer to High Mountain Properties, LLC, an Oregon limited liability company.

2.7 "Declaration" shall mean and refer to the Amended Covenants, Conditions and Restrictions, Desert Meadows, A Planned Community, recorded in the office of the County Clerk, Deschutes County, Oregon.

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

ARTICLE III MEETING OF MEMBERS

3.1 Annual Meetings. Annual meetings of the members shall be held in February, at a place, time, and date as selected by the board of directors.

3.2 Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of members who are entitled to vote one-fourth (1/4) of all votes of the Association.

3.3 Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least fifteen (15) days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in the case of a special meeting, the purpose of the meeting.

3.4 Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-fifth (1/5) of the votes of the Association shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

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

3.6 Voting Rights of Members. Each lot owner shall be entitled to one vote; provided, however, that until such time as lots representing 75 percent of the votes of the Association have been sold by Declarant, Declarant shall have four (4) votes for each lot that it owns.

**ARTICLE IV
BOARD OF DIRECTORS
SELECTION, TERM OFFICE**

4.1 Number. The affairs of this Association shall be managed by a Board of three (3) or more Directors, who shall be members of the Association.

4.2 Term of Office. At the first annual meeting and at each subsequent annual meeting, the members shall elect three (3) or more directors for a term of one (1) year.

4.3 Removal. Any director may be removed from the Board, with or without cause, by a majority of all of the votes of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

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

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

**ARTICLE V
NOMINATION AND ELECTION OF DIRECTORS**

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

5.2 Election. Election to the Board of Directors shall be by secret written ballot if requested by any member present. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes

shall be elected. Cumulative voting is not permitted.

ARTICLE VI MEETINGS OF DIRECTORS

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

6.2 Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

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

ARTICLE VII POWERS AND DUTIES OF THE BOARD OF DIRECTORS

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

(A) Adopt and publish rules and regulations governing the use of the common area and facilities, and the personal conduct of the members and their guests thereon, and to establish fines and penalties for the violation thereof;

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

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

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

(E) Employ a manager, an independent contractor, or such other employees as

they deem necessary, and to prescribe their duties.

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

(A) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by members possessing one fourth (1/4) of the total votes of the Association;

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

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

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

(1.1) Establish the Annual Operational and Maintenance Budget.

(1.2) Fix the amount of any special assessments against each lot provided that any special assessment that exceeds fifty (50) percent of the Annual Operational and Maintenance Budget must be approved by a majority vote of the members representing the total votes in the Association.

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

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

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

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

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

(G) Provide for the maintenance, repair and replacement of the common areas

including, but not limited to, (a) maintaining all private roads within the development, (b) performing STEP System maintenance and monitoring activities; and (c) operating and maintaining the Landscape Irrigation System including the holding ponds, the main lines bringing water to each lot, and the zone valving and timing system controlling delivery of water to each watering zone, excluding the sprinkler system on each individual lot.

(H) Administer the reserve account which shall be established by the Declarant in accordance with the provisions of the Declaration.

ARTICLE VIII OFFICERS AND THEIR DUTIES

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

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

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

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

8.5 Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time giving written notice to the Board, the president or the secretary. Such resignations shall take effect on the date of receipt of such notice or at any later time specified therein, and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

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

8.7 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one (1) of any of the other offices except in the case of special offices created pursuant to Section 8.4 of this Article.

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

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

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

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

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

**ARTICLE IX
BOOKS AND RECORDS**

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

**ARTICLE X
ASSESSMENTS**

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the due date at the rate of 12

percent per annum, and the Association may bring an action at law against the owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs and reasonable attorney's fees of any such action and any appeal thereof shall be added to the amount of such assessment. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the common area or abandonment of his lot.

ARTICLE XI AMENDMENTS

11.1 These Bylaws may be amended, at a regular or special meeting of the members, by a vote of members representing 50 percent of the total votes in the Association.

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

ARTICLE XII

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

ARTICLE XIII

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