

After Recording Station To
Ponderosa Pines Property Owners Assoc.
5977 S. Ponderosa Way
La Jolla, Ca. 92037

Original 770 Recorded 07/09/70 Vol 170 Page 763-773
Amended 730 Recorded 11/05/80 Vol 331 Page 556
Amended 484 Recorded 04/19/84 Vol 52 Page 442
Amended 795
Amended 996

96-44094

DECLARATIONS, RESTRICTIONS,
PROTECTIVE COVENANTS AND CONDITIONS

for

THE PONDEROSA PINES
DESCHUTES COUNTY, OREGON

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

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

The East half of the Northeast quarter, the Northwest quarter
of the Northeast quarter and the Northeast quarter of the
Southeast quarter of Section 1, Township 22 South, Range 9,
EWM and the Northwest quarter and the Northwest quarter of the
Southwest quarter of Section 6, Township 22 South, Range 10, EWM.

more particularly described in the plat of The Ponderosa Pines recorded in Volume 10, Record of
Town Plats, page 11, Deschutes County, Oregon.

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

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

ARTICLE I

DEFINITIONS

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

(1) "Association" shall mean THE PONDEROSA PINES PROPERTY OWNERS
ASSOCIATION, a nonprofit corporation organized under the laws of the State of Oregon, its successors
and assigns.

(2) "Said Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may be hereafter brought within the jurisdiction of the Association by recorded declarations in the manner hereinafter set forth.

(3) "Common Area" shall mean all of the land and appurtenances thereto now or hereafter owned by the Association including roadways, and intended to be devoted for the common use and enjoyment of the members of the Association.

(4) "Lot" shall mean any numbered plot of land shown upon any recorded subdivision plat of said property.

(5) "Member" shall mean every person or entity who holds membership in the Association.

(6) "Owner" shall mean the recorded owner, whether one or more persons or entities, of fee simple title to any lot situated upon said property, or a contract purchaser if his record owner retains such title merely to secure an obligation and is registered as a purchaser in the Association records.

(7) "Roadway" means any street, highway, or other thoroughfare as shown on the recorded plat of said property.

ARTICLE II

SUBJECTING ADDITIONAL PROPERTY TO THIS DECLARATION

Section 1. At any time before January 31, 1999, Declarant, its successors and assigns, shall have the right to bring within the scheme of this declaration additional properties in future stages of development if such additions are in accord with a general plan of development prepared prior to the sale of any lot and made known to every purchaser prior to a sale to such purchaser.

Such general plan of development shall show the proposed additions to said property and contain:

- (a) The general indication of size and location of each additional development stage and proposed land uses in each;
- (b) The approximate size and location of the common area proposed for each stage;
- (c) A statement that proposed additions if made will become subject to assessment for their just share of Association expenses.

Unless otherwise stated therein such general plan shall not bind Declarant, its successors and assigns, to make the proposed additions or to adhere to the plan in any subsequent development of the land shown therein.

Section 2. Method of Making Additions. Additions authorized under this Article shall be made by filing of record a supplemental declaration of covenants and restrictions with respect to the additional property. Such supplemental declaration may contain such additions and modifications of the covenants and restrictions contained in this declaration as may be necessary to reflect the different character, if any, of the added property. In no event, however, shall such supplemental declaration revoke, modify or add to the covenants established by this declaration with respect to Said Property.

Section 3. Additions Not in Accordance With the General Plan of Development.

Additions which are not in accord with the general plan of development may be made by the Declarant or any other owner of property, who with Declarant's consent desires to add such property to the scheme of this declaration and to subject it to the jurisdiction of the Association, upon approval of the Association pursuant to a vote of its members.

ARTICLE III

MEMBERSHIP

Members of the Association shall be every Owner and shall be subject by covenants of record to assessment by the Association. There shall be no other qualification for membership except as set forth above. Membership shall terminate on transfer of fee simple title by an owner or the contract purchaser's interest by a contract purchaser who qualifies as a member. If an owner sells the Lot by contract of sale, upon written notification to the Association the owner's membership shall terminate and the contract purchaser's membership shall commence.

ARTICLE IV

VOTING RIGHTS

All members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Article III. When more than one person holds such interest in any Lot, all such persons shall be members. The vote for each Lot shall be exercised as they among themselves determine, or if unable to agree, they may cast fractional votes proportionate to their ownership interests, but in no event shall more than one vote be cast with respect to any one Lot.

ARTICLE V

PROPERTY RIGHTS

Section 1. Members' Easements of Enjoyment. Every member of the Association shall have a right and easement of enjoyment in and to the Common Area and such easement shall be appurtenant to and shall pass with the title to every Lot, subject, however, to the following provisions:

- (a) The right of the Association to limit the number of members permitted to use the Common Area.
- (b) The right of the Association to charge reasonable admission fees for the use of any recreational facility situated upon the Common Area.
- (c) The right of the Association to suspend any member's voting rights and/or right to use of any of the recreational facilities owned by the Association, for any period during which any assessment against said member's property remains unpaid, and for a period not to exceed thirty (30) days for each infraction of its published rules and regulations.
- (d) The right of the Association to dedicate or transfer all or any part of the Common Area to any public agency, authority or utility for such purposes and subject to such considerations as may be agreed to by the members. No such condition or transfer shall be effective unless an instrument signed by members entitled to cast two-thirds of the votes of the membership has been recorded in the appropriate records of Deschutes County, Oregon, agreeing to such dedication or transfer, and unless written notice of the proposed action is sent to every member not less than thirty (30) days nor more than ninety (90) days prior to such dedication or transfer.

(e) The right of the directors of the Association to promulgate reasonable rules and regulations governing such rights of use, from time to time, in the interest of securing maximum safe usage of such Common Area of the members of the Association without unduly infringing upon the privacy or enjoyment of the owner or occupant of any part of said property.

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

Section 3. Title to the Common Area. The Declarant hereby covenants that it will convey to the Association title to the Common Area, subject to any necessary reservation of an easement or easement for utilities including but not limited to water, electricity, gas, sewage and telephone.

ARTICLE VI

COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments.

The Declarant hereby covenants for all of said Property, each Owner of any Lot by acceptance of a deed or contract of purchase therefor, whether or not is shall be so expressed in any such deed or other conveyance or agreement for conveyance, is deemed to covenant and agree to pay to the Association: (1) Regular annual or other regular periodic assessments or charges, provided, however, that Declarant is exempt from any assessment until ninety percent (90%) of the Lots have been sold, and (2) Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time such assessment was levied. The obligation shall remain a lien of the property until paid or foreclosed, but shall not be a personal obligation of successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the improvement and maintenance of the Common Area and the payment of taxes and insurance on all or any part of the Common Area.

Section 3. Annual Assessments. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix a regular flat assessment upon a monthly, quarterly, or annual basis. Any annual assessment paid within thirty (30) days of the date billed shall be entitled to a three percent (3%) discount.

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying in whole or in part the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that, except for repairs or replacements, any such assessment for structural alterations, capital additions or capital improvements reflecting an expenditure in excess of \$500 shall require the assent of a two-thirds (2/3) majority of the votes of the members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 5. Uniform Rate of Assessment. Both regular periodic flat charges and any special assessments must be fixed at a uniform rate for all Lots not exempt and may be collected on an annual, quarterly, or monthly basis in the discretion of the Directors.

Section 6. Quorum For Any Action Authorized Under Sections 3 and 4.
At the meeting called, as provided in Section 4 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice of requirement set forth in Sections 3 and 4, and the required quorum at such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the date of the meeting at which no quorum was forthcoming.

Section 7. Lots Subject to Assessments. (Amended 7/5/80).
All Lots not exempt shall be subject to the annual or monthly assessments provided for herein on the date specified by the Board of Directors. Any proposed increases in annual assessment must have the approval of not less than sixty six and two-thirds percent (66 2/3%) of the membership, voting either in person or by proxy at the annual meeting. Written notice of the assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. When Declarant has sold ninety percent (90%) of the Lots it shall advise the Association in writing.

Section 8. Effect of Nonpayment of Assessments: Remedies of the Association. (Amended 8/95)
Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eighteen percent (18%) per annum. The Secretary of the said Association shall file in the office of the Director of Records, County Clerk or appropriate recorder of conveyances of Deschutes County, State of Oregon, within thirty (30) days after delinquency, a statement of the amount of any such charges or assessments, together with interest as aforesaid, which have become delinquent with respect to any Lot on said property, and upon payment in full thereof, shall execute and file a proper release of the lien securing the same. The aggregate amount of such assessments, together with interest, costs and expenses and a reasonable attorney's fee for the filing and enforcement thereof, shall constitute a lien on the Lot, with respect to which it is fixed from the date the note of delinquency thereof is filed in the office of said Director of Records or County Clerk, or other appropriate recording office, until the same has been paid or released as herein provided. Such lien may be enforced by said Association in the manner provided by law with respect to liens upon real property. The owner of Said Property at the time said assessment is levied shall be personally liable for the expenses, costs and disbursements, including reasonable attorney's fees of the Declarant or of the Association, as the case may be, of processing and, if necessary, enforcing such liens, all of which expense, costs and disbursements and attorney's fees shall be secured by said lien, including fees on appeal, and such Owner at the time such assessment is levied, shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Area or abandonment of his dwelling unit, Lot or building site.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be inferior, junior and subordinate to the lien of all mortgages and trust deeds now or hereafter placed upon Said Property or any part thereof. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or trust deed, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to amounts thereof which became due prior to such sale or transfer; and such lien shall attach to the net proceeds of sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VII

RESTRICTIONS ON USE OF PROPERTY

Section 1. (Amended 9/96). Each Lot shall be used for residential purposes only, nor shall more than one (1) detached single dwelling not to exceed two (2) stories in height and not more than one (1) garage or carport and two (2) accessory buildings, such as workshops or stables be constructed or placed upon each Lot in the subdivision.

Section 2. No Lot shall be resubdivided into building Lots of less than 1.0 acre.

Section 3. (Amended 9/96). The floor area of constructed residences shall be not less than 1,000 square feet exclusive of one story porches and garages; provided, however, that any residences existing on June 30, 1996 shall be exempt from the 1,000 square feet minimum and subject only to a 500 square feet minimum. Such exemption applies to existing constructed residences only, such that any exempted residence that is destroyed or removed after June 30, 1996, must be replaced with a constructed residence of at least 1,000 square feet.

Section 4. (Amended 4/84). Buildings must be suitable for year around use and must be placed on permanent foundations, consisting of concrete, brick, pumice blocks or stone masonry. Pitch of the roof and size and spacing and ceiling joists must be adequate to withstand heavy snow packs. Roofs must be of composition or wood shingle, enamel, metal, aluminum or tile. All buildings, fences, and improvements must be constructed in a workmanlike manner and kept in a condition of good repair.

Section 5. Setback line shall be at least forty (40) feet back from the front lot line and twenty (20) feet from side and back lot lines to any structure upon the lot with the exception of a fence, not to exceed sixty (60) inches in height. Fences must be constructed of properly finished material and shall harmonize with the surroundings.

Section 6. All land Owners must comply with the laws and regulations of the State of Oregon, County of Deschutes and any municipality applicable to fire protection, building construction, water, sanitation and public health.

Section 7. (Amended 9/96). Mobile or manufactured homes of 24' x 40' or larger may be used as permanent installations; provided, however, that any mobile or manufactured home installed on or before June 30, 1996, shall be exempt from such requirement and subject only to a minimum size of 12' x 40'. Such exemption applies to existing mobile or manufactured homes only, such that if any exempted mobile or manufactured home is destroyed or replaced after June 30, 1996, it must be replaced with a mobile or manufactured home at least 24' x 40'.

Section 8. (Amended 9/96). No more than eighteen (18) months' construction time shall elapse for the completion of a permanent dwelling nor shall a temporary structure be used as living quarters except during the construction of a permanent dwelling. An exterior self-contained latrine shall be allowed only during the construction of a permanent residence.

Section 9. No commercial, professional, noxious or offensive trade or activity shall be carried on upon any Lot, nor shall anything be done thereon which may become an annoyance or nuisance to the neighborhood.

Section 10. (Amended 7/80). The cutting or removal of living trees will be permitted where necessary for the construction or buildings or thinning for the beautification of the property or for safety reasons.

Section 11. (Amended 7/84). No animals other than household pets or horses shall be kept on any part of Said Property.

Section 12. (Amended 7/80). One personalized Lot sign of natural wood or painted in the colors of the natural surroundings, which does not obstruct the view of neighbors or traffic, may be used to identify the Lot name, if any, the owner and his address. Realtor's signs advertising lots for sale shall be limited to one 18" x 24" olive green wooden sign with black lettering.

Section 13. (Amended 9/96). All garbage, trash, cuttings, refuse, garbage and refuse containers, fuel tanks and other service facilities shall be screened from view from neighboring units and Common Areas.

Section 14. Each Lot and its improvements shall be maintained in a clean and attractive condition in good repair and in such fashion as not to create a fire hazard.

Section 15. (Amended by Inclusion 9/96). The discharge of firearms anywhere on Said Property, whether in Common Areas or on private Lots, is prohibited.

ARTICLE VIII

GENERAL PROVISIONS

Section 1. Enforcement. The Association, or any Owner, or the Owner of any recorded mortgage upon any part of Said Property, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, or by any Owner, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. If any Owner constructs or permits to be constructed on his property any improvement or allows the condition of his property to violate any provision of this Declaration, The Association may no sooner than sixty (60) days after delivery to such owner of written notice of the violation enter upon the offending property and remove the cause of such violation, or alter, repair or change the item which is in violation of such Declaration in such manner as to make it conform thereto with the reasonable cost of such action to be a charge against the Owner's land.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.

Section 3. Amendment. (Amended by petition and recorded 4/18/84). The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. Any of the covenants and restrictions of this Declaration except the easements herein granted may be amended during the first twenty five (25) year period by an instrument signed by members entitled to cast votes of each class of membership. A majority of the votes cast will determine all such amendments. All such amendments must be recorded in the appropriate Deed Records of Deschutes County, Oregon, to be effective.

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

Section 5. Books and Records. The books and records of the Association, upon demand in writing, stating the purpose thereof, may be inspected by any member, or his attorney or agent, for any proper purpose, at any reasonable time.

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

IN WITNESS WHEREOF, the undersigned, the Owner of all Said Property, has hereunto caused these presents to be executed this 4th day of July 1970.

BROOKS RESOURCES CORPORATION

By _____
President

By _____
Secretary

STATE OF OREGON, County of Deschutes, ss. July 9, 1970.

Personally appeared ROBERT L. HARRISON and MICHAEL P. HOLLERN, who being sworn, stated that they are respectively the President and Secretary of BROOKS RESOURCES CORPORATION and that this instrument was voluntarily signed in behalf of the corporation by authority of its Board of Directors.

Before me:

Notary Public for Oregon
My Commission Expires:

AFTER RECORDING
RETURN TO:

Ponderosa Pines
Property Owners Association
53275 Ponderosa Way
LaPine, Or. 97739

IN WITNESS WHEREOF, the undersigned elected officers of the Ponderosa Pines Property Owners Association, declare this document to be a true and conformed copy of the DECLARATIONS, RESTRICTIONS, PROTECTIVE COVENANTS AND CONDITIONS FOR THE PONDEROSA PINES, DESCHUTES COUNTY, OREGON as recorded July 9, 1970 at Vol. 170 pages 763 of Deschutes County Real Property Records, as Amended November 5, 1980 at Vol. 331 page 556, as further amended April 19, 1984 at Vol. 52 page 442 and further amended on July 10, 1995 and on September 25, 1996 by the majority of the Owners voting in person or by proxy at a duly noticed and held meeting of the Owners with a quorum being represented. This true and conformed copy incorporates all amendments approved by vote of the Owners as of the date of recording this instrument.

Dated this 25 day of November, 1996

PONDEROSA PINES PROPERTY
OWNERS ASSOCIATION

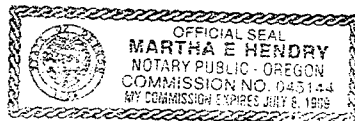
BY Sally Olson
Sally Olson, Chairperson

BY Theresa H. Heitzman
Theresa H. Heitzman, Secretary

SUBSCRIBED AND SWORN TO before me this 25th day of November, 1996

Personally appeared Sally Olson and Theresa H. Heitzman, who being sworn, stated that they are respectively the Chairperson and the Secretary of the Ponderosa Pines Property Owners Association and that this instrument was voluntarily signed in behalf of the corporation by authority of it's Board of Directors.

Martina E. Hendry
Notary Public for Oregon
My Commission Expires: 7-8-99



STATE OF OREGON)
COUNTY OF DESCHUTES) SS.

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 DEC -2 AM 11:52
MARY SUE PENHOLLOW
COUNTY CLERK

Declarations, Restriction,
Protective Covenants and Conditions

BY T. Warren DEPUTY
NO. 96-43094 FEE 45

DESCHUTES COUNTY OFFICIAL RECORDS