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DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS FOR
PROVIDENCE SUBDIVISION

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These Covenants, Conditions and Restrictions are made this 16 day of June, 1992, by PACIFIC NORTHWEST DEVELOPMENT CORPORATION, an Oregon Corporation, hereinafter referred to as "Declarant", as owner of the real property in the City of Bend, Deschutes County, State of Oregon, described in Exhibit "A", attached hereto and incorporated by reference herein.

The property described in Exhibit "A" is hereby subject to these Covenants, Conditions and Restrictions and will be known as Providence Subdivision, hereinafter referred to as Providence Subdivision.

Providence Subdivision is being developed as a residential community. Except where this Declaration for Providence Subdivision conflicts with any applicable government municipal regulations, this Declaration shall be binding upon all property subject to this Declaration and its Owners and their successors in interest as set forth herein. In the event any of the development standards or use restrictions of this Declaration should conflict with a more restrictive standard or requirement set by an applicable zoning ordinance of the City of Bend, the more restrictive standard or requirement of the applicable City of Bend ordinance shall apply.

Section 1. DEFINITIONS

1.1 Providence Subdivision. The term "Providence Subdivision" shall mean all of the real property now or hereafter made subject to this Declaration.

1.2 Declarant. The term "Declarant" shall mean Pacific Northwest Development Corporation, an Oregon Corporation, or its successors in interest.

1.3 Block. The term "Block" shall mean those areas designated as Blocks on subdivision or partition maps according to the records of Deschutes County.

1.4 Lot. The term "Lot" shall mean each Lot described on a subdivision plat or partition map to any alteration thereof as may be made by a valid lot line adjustment.

1.5 Declaration. The term "Declaration" shall mean this

FIRST AMERICAN TITLE CO.
OF DESCHUTES COUNTY
P. O. BOX 323
BEND, OREGON 97709

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

THIS DOCUMENT IS BEING RE-RECORDED TO CORRECT GRAMMATICAL ERRORS AS OUTLINED ON ATTACHED EXHIBIT "B" MADE A PART HEREOF.

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Declaration of Covenants, Conditions and Restriction for Providence Subdivision.

1.6 Homesite. The term "Homesite" shall mean a Lot as defined herein.

1.7 Owner. The term "Owner" shall mean and refer to either all holders of fee title to any Lot, or any other person or persons entitled to possession of the Lot pursuant to a contract or lease.

1.8 Improvements. The term "Improvements" shall include, but not be limited to, any buildings, outbuildings, private roads, driveways, parking areas, fences and barriers, retaining walls and stairs, decks, hedges, windbreaks, planting, planted trees and shrubs, signs, storage areas and all other structures or exterior landscaping, vegetation or ground cover of every type and every kind above the land surface.

1.9 Streets. The term "Streets" shall mean any street, highway or other thoroughfare within or adjacent to Providence Subdivision 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.

1.10 Association. The term "Association" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the Providence Subdivision and the jurisdiction of the Association.

1.12 Common Easement Areas. The term "Common Easement Areas" shall mean that portion of the easements shown on the plat or plats of Providence Subdivision that front on Neff Road and the entrance onto Providence Avenue from Neff Road. Said Common Easement Areas shall be dedicated to the Association for common use to be used for landscaping, fencing, signage, utilities and for any other useful purposes for the conveniences of all Owners in the subdivision as determined by the Association or Declarant. The Common Easement Areas shall be and are hereby dedicated to the Association in perpetuity.

Section 2. PROPERTY SUBJECT TO THE COVENANTS, CONDITIONS, AND RESTRICTIONS FOR PROVIDENCE SUBDIVISION

2.1 General Declaration Creating Providence Subdivision. Declarant hereby declares that all of the real property located in Deschutes County, Oregon, described in Exhibit "A" is and shall be hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part subject to this Declaration. All of said Restrictions are

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declared and agreed to be established with the purpose of protecting the desirability and attractiveness of said real property and every part thereof. All of the Covenants, Conditions and Restrictions of Providence Subdivision run with all of said real property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners and their successors in interest as set forth in this Declaration.

2.2 Addition of Other Real Property by Grantor.

(a) Declarant may, at any time during the term of this Declaration, add all or a portion of any land now or hereafter owned by Declarant to the property which is covered by this Declaration, and upon recording of a notice of addition of real property, as set forth below, the provisions of this Declaration specified in said notice shall apply to such added land 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 Declarant and Owners of parcels within such added land shall be the same as in the case of the land described in Exhibit "A".

(b) The notice of addition of real property referred to above 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.

(3) A legal description of such added real property.

(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 real property.

2.3 Issuance of Building Permits. Upon issuance of a building permit, the Lot Owner is obligated to contribute a predetermined sum per Lot into a trust account administered by the Treasurer for Deschutes County. This contribution is toward the estimated cost of future improvement of Neff Road and for the cost of sidewalks along Neff Road where it abuts Providence Subdivision, in accordance with the Agreement dated November 27, 1992, between the Declarant and Deschutes County and the City of Bend. The total cost estimated by Deschutes County and the City of Bend is \$45,000.00 and is to be paid in full on or before five (5) years from date of said Agreement (November 27, 1997), or

Developer shall reserve the right to contract and pay for the improvements of Neff Road frontage and thus eliminate any requirement to contribute additional dollars at the time of issuance of building permits.

Section 3. ARCHITECTURAL REVIEW COMMITTEE

3.1 Responsibility. The Architectural Review Committee will be responsible for the approval of plans and specifications for the development of any building, structure or other improvements on any Lot, including landscaping.

3.2 Membership. The Architectural Review Committee shall consist of three (3) members and shall initially be composed of Pete Wilson, Herb Hatfield and Joan Crew. A majority of the committee may designate a representative to act for it. In case of death or resignation of any member of the committee, 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.

3.3 Action. Except as otherwise provided herein, a majority of the Architectural Review 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.

3.4 Failure to Act. In the event the committee, or its designated representative, fails to approve or disapprove plans and specifications within thirty (30) days after the same have been submitted to it in writing, or in any event, if no suit to enjoin the construction has been commenced before completion, approval will not be required and these provisions shall be deemed to have been fully complied with.

3.5 Nonwaiver. Consent by the Architectural Review 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.

3.6 Liability. Neither the Architectural Review Committee nor any member thereof shall be liable to any Owner for any damage, loss, prejudice suffered or claimed on account of any

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action or failure to act of the committee or any member thereof, provided that the members acted in accordance with actual knowledge possessed by them, and that they acted in good faith.

Section 4. RESTRICTIONS

4.1 Occupancy. No Owner shall occupy, use or permit his Lot or any part thereof to be used for any purpose other than a private, single family residence for the Owner, their family or their guests, except that each Owner shall be permitted to rent the unit when he is not in occupancy.

4.2 Improvements. Each Lot within Providence Subdivision shall be maintained in a clean and attractive condition, in good repair and in such a fashion as not to create a fire hazard. Yards must be improved and landscaped not later than six months from occupancy.

4.3 Approval Required. No Improvements, as defined in Section 1.8 above, shall be erected, placed, altered, maintained, or permitted to remain on any land subject to this Declaration until final plans and specifications have been submitted to and approved in writing by the Architectural Review Committee.

4.4 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 in a manner approved by Declarant.

4.5 Construction and Alteration. Nothing shall be altered or constructed in or removed from or placed on a Lot except with the prior written consent of the Architectural Review Committee.

4.6 Nuisances. No obnoxious, offensive or commercial activity or pursuit shall be carried on upon any Lot therein nor shall anything be done thereon which may be an annoyance or nuisance to the other Owners. Boundary fences, walls or hedges must be kept in good condition and repair. 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.

4.7 Vacant Lot. The Owner of a vacant Lot shall maintain the landscaping year round in a groomed and attractive manner so that the Lot does not become an eyesore and detrimental to the values of other properties. If a Lot is not properly maintained or weeds are allowed to overgrow, the Association shall notify said Lot Owner of the violation. The notice shall be sent to the Owner at the last known address and the Owner will be given fifteen (15) days from date of notice to correct the violation.

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If the violation is not corrected within fifteen (15) days, the Association shall have the right to maintain the landscaping of the Lot at Owner's expense. If the funds expended by the Association are not paid within thirty (30) days from written notification to the Owner of the amount due, a lien will be filed against the Owner's Lot. Said lien shall bear interest at the rate of twelve percent (12%) per annum until paid and the lien shall be subject to foreclosure per the terms of this Declaration of Covenants, Conditions and Restrictions and the Oregon Statutes.

4.8 Signs. No sign of any kind shall be displayed to public view on or from any Lot without the Declarant's prior written consent, provided, however, that an Owner may display not more than one (1) "for sale" sign per Lot. Said sign shall be limited in size to not more than four (4) square feet.

4.9 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 Review Committee.

4.10 Antennas. No television antenna, radio antenna, satellite antenna or other device shall be placed on any Lot without the prior written consent of the Architectural Review Committee.

4.11 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.

4.12 Mobile Homes. No house trailer, mobile home, tent, shack, barn or other similar outbuilding or structure, whether permanent or temporary, shall be erected or placed on any Lot.

4.13 Utilities. No above-ground utilities, pipes or wires shall be used to connect improvements with supplying facilities.

4.14 Parking. A minimum of two (2) parking places must be provided for each Lot. No extended parking on any street shall be allowed by any house trailer, travel trailer, boat trailer, camper or incapacitated motor vehicle. No boats, trailers, buses, motor homes, commercial vehicles, trucks larger than one (1) 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 or from the homes on other Lots.

4.15 Fence, Sign and Utility Easements. Declarant hereby reserves a nonexclusive easement as shown on the official plat of Providence Subdivision for the purpose of the installation,

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maintenance and repair of a fence, entrance sign, utilities and a rock or brick sign standard. Construction will be of such material as Declarant, in its sole discretion, shall deem appropriate. No Owner shall make any repair, change or alteration of these improvements without the prior written approval of the Declarant, Architectural Review Committee or Association.

4.16 Utilities Easement. Certain Lots within Providence Subdivision are subject to a utility line easement reserved for the benefit of the City of Bend as the same is shown on the official plats of property subject to this Declaration. 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 strip shall be done only in accordance with any applicable standards established by the City of Bend. Neither the City of Bend nor Declarant shall be responsible for restoring any landscaping or fencing in the event the City of Bend is required to enter upon the easement for the purposes set forth herein.

4.17 Lot Area, Width, Setback Lines. Lot area, width and setback lines shall be in accordance with the requirements of the applicable Deschutes County Zoning and Use Regulations and as shown on the face of the Plat.

4.18 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 purposes.

4.19 Sight Distance at Intersection. On a corner Lot, 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 twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended.

The same sight line 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.

4.20 Walls and Fences. Side and rear setback spaces may have a fence constructed to a height of six (6) feet and may be a solid fence. An exception to the fencing along the side setback is noted above in paragraph 4.18 above. No boundary line hedge

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or shrubbery shall be permitted with a height of more than six (6) feet. No wall or fence of any height shall be constructed on any Lot until after the height, type, design and approximate location therefore, shall have been approved in writing by the Architectural Review Committee. The heights or elevations of any wall or fence shall be measured from the existing elevations of the property at or along the applicable points or lines.

4.21 Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently. No prefabricated or mobile home shall be permitted on any Lot unless approved in writing by the Architectural Review Committee.

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

4.23 Firearms and Related Activity. No firearm, crossbow, bow and arrow or air gun, including without limitation, BB type or pellet guns, whether for purposes of hunting or target practice, shall be used within the subdivision.

4.24 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 or adjacent house.

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

4.26 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.

Section 5. PROPERTY RIGHTS

5.1 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, subject to the following provisions:

(a) The right of the Association to charge fees for the maintenance of the Common Easement Area;

(b) The right of the Association 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 Association to dedicate or

transfer all or any part of the Common Easement Areas to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by fifty-one percent (51%) of each class of members agreeing to such dedication or transfer has been recorded.

Section 6. MEMBERSHIP AND VOTING RIGHTS

6.1 Every Owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

6.2 The Association shall have two classes of voting membership:

Class A: Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Lot.

Class B: Class B members shall be the Declarant and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs last:

(i) When the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(ii) When all the Lots have been sold by Declarant.

Section 7. COVENANT FOR MAINTENANCE ASSESSMENTS

7.1 Creation of the Lien and Personal Obligation of Assessment. The Declarant, for each Lot owned within the properties, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, or by being a contract purchaser, whether or not it shall be so expressed in such deed or contract, is deemed to covenant and agree to pay to the Association (only one (1) assessment per Lot shall be collected): (1) annual assessments or charges, and (2) Special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments,

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together with interest costs and reasonable attorney fees 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 interest, costs and reasonable attorney fees, shall also be the personal obligation to the person who was the Owner of such property when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them. If a Lot is being sold on contract, the personal obligation for an assessment shall be that of the contract purchaser.

7.2 Purpose of Assessment. The assessments levied by the Association shall be used exclusively for the improvement and maintenance of the Common Easement Areas. Maintenance shall include weeding, watering, mowing, edging, fertilizing, pruning and planting of landscaped areas, and repair of fencing, walls and signs.

7.3 Maximum Annual Assessment. Until January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment shall be FIFTY AND NO/100 DOLLARS (\$50.00) per Lot.

(a) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased each year not more than three percent (3%) above the maximum assessment for the previous year without any vote of the membership.

(b) From and after January 1st of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment may be increased above three percent (3%) by a vote of fifty-one percent (51%) of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

(c) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

7.4 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, reconstruction, repair or replacement of a capital improvement upon the Common Element Areas, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of fifty-one percent (51%) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

7.5 Notice and Quorum for any Action Authorized Under 7.3

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and 7.4. Written notice of any meeting called for the purpose of taking any action authorized under 7.3 and 7.4 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. 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.

7.6 Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots.

7.7 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 of the 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 shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid.

7.8 Effect of Non-Payment of Assessments; Remedies of the Association. Any assessment not paid within thirty (30) days after the due date shall bear interest from the due date at the rate of twelve percent (12%) per annum. The Association 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 waiver or otherwise escape liability for the assessment provided for herein by non-use of the Common Easement Areas or abandonment of his Lot.

7.9 Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

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Section 8. TRANSFER OF ADMINISTRATIVE RESPONSIBILITY

8.1 On June 15, 2000, or not later than one hundred twenty (120) days after Lots representing seventy-five percent (75%) of the votes 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 Association. Notice shall be as provided in the By-Laws. At the meeting, the Declarant shall turn over to the Association the responsibility for the administration of the community and the Association shall accept the administrative responsibility from the Declarant. Not later than the sixtieth (60th) day after the Declarant has conveyed the Lots representing fifty percent (50%) of the 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.

SECTION 9. MORTGAGEE RIGHTS

The following provisions are for the benefit of holders, insurers, or guarantors of first mortgages on Lots in PROVIDENCE SUBDIVISION. To the extent applicable, necessary, or proper, the provisions of this Article X apply to both this Declaration and to the By-laws of PROVIDENCE SUBDIVISION HOMEOWNERS ASSOCIATION. Where indicated, these provisions apply only to eligible holders, as hereinafter defined.

9.1 Notices of Action. An institutional holder, insurer, or guarantor of a first mortgage, who provides written request to the Association (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 Association;
- (b) Any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Lot 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 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 Association; or
- (e) Any proposed action which would require the consent

of eligible holders, as required in Section 2 and 3 of this Article.

9.2 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 Association.

(b) The consent of at least sixty-seven percent (67%) 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 to which at least fifty-one percent (51%) of the votes of Lots subject to a mortgage appertain, shall be required materially to amend any provisions of the Declaration, By-laws, or Articles of Incorporation of the Association, 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 Area;
- (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 Association;
- (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;
- (xi) Establishment of self-management by the Association where professional management has been required by an eligible holder; or

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(xii) Any provisions included in the Declaration, By-laws, or Articles of Incorporation which are for the express benefit of holders, guarantors, or insurers of first mortgages on Lots.

9.3 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 Association shall not:

(a) By act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer the Common Area which the Association 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);

(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 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 payments shall be entitled to immediate reimbursement from the Association.

It is Declarant's intention that the development qualify for the possible sale of mortgages encumbering Lots to the Federal National Mortgage Association and/or the Federal Home Loan Mortgage Corporation. The requirements contained in this

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ATTORNEYS AT LAW

40 N.W. Greenwood P.O. Box 1151 Bend, Oregon 97709-1151 (503) 382-4331 Fax (503) 389-3386

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 10. DURATION AND AMENDMENT OF THIS DECLARATION

10.1 Duration. The Covenants, Conditions and Restrictions of Providence Subdivision shall continue to remain in full force and effect at all times with respect to all property, and each part thereof, nor or hereafter made subject thereto (subject however, to the right to amend and repeal as provided for herein) for a period of thirty (30) years from the date this Declaration is recorded. However, unless within one (1) 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 (10) years and thereafter for successive periods of ten (10) years unless within one (1) year prior to the expiration of such period the Covenants, Conditions and Restrictions for Providence Subdivision are terminated as set forth above in this section.

10.2 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 of fifty-one percent (51%) of the Lots subject to these Restrictions.

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

Section 11. ENFORCEMENT

11.1 Enforcement. This Association, Architectural Review 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 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.

11.2 In the event that legal suit or legal action is

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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 12. EFFECT OF DECLARATION.

The Covenants, Conditions and Restrictions of this Declaration shall run with the land included in Providence Subdivision and shall bind, benefit and burden each Lot in Providence Subdivision, 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 in Providence Subdivision, 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 Providence Subdivision. The use restrictions set forth in Section 4 of this Declaration shall be binding upon all Owners, lessees, licensees, occupants and users of the property known as Providence Subdivision 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 by foreclosure or otherwise and any other person taking title from such security holder.

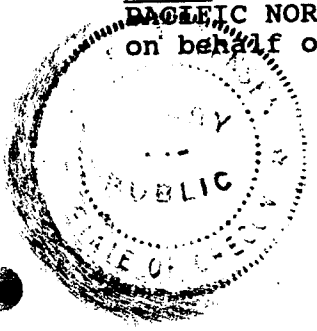
IN WITNESS WHEREOF, the Declarant has executed this Declaration this 16 day of June, 1992.

PACIFIC NORTHWEST DEVELOPMENT CORPORATION

By [Signature]
O. M. PETE WILSON, President

STATE OF OREGON, County of Multnomah, ss:

The foregoing instrument was acknowledged before me this 16 day of June, 1992, by O. M. PETE WILSON, President of PACIFIC NORTHWEST DEVELOPMENT CORPORATION, an Oregon Corporation, on behalf of said corporation.



[Signature]
Notary Public for Oregon
My Commission Expires 2/7/92

EXHIBIT 'A' to DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

of
PROVIDENCE SUBDIVISION

268 - 2096

299 - 2876

PHASE 1 Lots 1-28, Block 1; Lots 1-6, Block 5; Lots 1-2, Block 6, recorded plat of Providence Subdivision

A tract of land located in the East One Half of the Northwest One Quarter of Section 35, T17S, R12E, Willamette Meridian, City of Bend, Deschutes County, Oregon, being a portion of that tract of land recorded in Volume 197, Page 2865 of the Deschutes County Deed Records, being the object of an agreement of sale between King Cole Homes, Inc., a California corporation, and Pacific Northwest Development Corporation, an Oregon corporation, dated July 26, 1991, and being more particularly described as follows: Commencing at a 3 inch aluminum cap at the North One Quarter corner of said Section 35; thence along the Northerly boundary of said Section 35, North 89°55'00" West 1316.38 feet to a 1/2 inch iron rod at the West One Sixteenth corner between said Section 35 and Section 26; thence South 00°13'38" East 40.00 feet, to a 5/8 inch iron rod on the Southerly right of way of Neff Road and the Point of Beginning of this description; thence along the boundary of that tract recorded in Volume 197, Page 2865 of the Deschutes County Deed Records, South 00°13'38" East 518.00 feet to a 5/8 inch iron rod, thence leaving said boundary South 89°55'00" East 504.30 feet to a 5/8 inch iron rod, thence South 49°50'02" East 62.99 feet to a 5/8 inch iron rod; thence South 67°20'18" East 133.59 feet to a 5/8 inch iron rod; thence North 5°00'01" East 337.45 feet to a 5/8 inch iron rod; thence South 84°59'06" East 31.37 feet to a 5/8 inch iron rod; thence North 00°05'00" East 106.33 feet to a 5/8 inch iron rod; thence North 11°45'33" East 61.26 feet to a 5/8 inch iron rod; thence North 00°05'00" East 110.00 feet to a 5/8 inch iron rod on the Southerly right of way of Neff Road; thence along the Southerly right of way of Neff Road North 89°55'00" West 751.23 feet to the Point of Beginning and Terminus of this description.

Said tract containing 8.79 acres more or less.

PHASE 2 Lots 29-45, Block 1; Lots 1-6, Block 2; Lots 7-11, Block 5, recorded plat of Providence Subdivision

A tract of land located in the East One Half of the Northwest One Quarter of Section 35, T17S, R12E, Willamette Meridian, City of Bend, Deschutes County, Oregon, being a portion of that tract of land recorded in Volume 197, Page 2865 of the Deschutes County Deed Records, and also being the object of an agreement of sale between King Cole Homes, Inc., a California corporation, and Pacific Northwest Development Corporation, an Oregon corporation, dated July 26, 1991, and being more particularly described as follows: Commencing at a 3 inch aluminum cap at the North One Quarter corner of said Section 35; thence along the Northerly boundary of said Section 35, North 89°55'00" West 1316.38 feet to a 1/2 inch iron rod at the West One Sixteenth corner between said Section 35 and Section 26; thence South 00°13'38" East 40.00 feet, to a 5/8 inch iron rod on the Southerly right of way of Neff Road; thence along the Westerly boundary of that said tract recorded in Volume 197, Page 2865 of the Deschutes County Deed Records; South 00°13'38" East 518.00 feet to a 5/8 inch iron rod, at the Point of Beginning of this description; thence continuing along said Westerly boundary, South 00°13'38" East 504.00 feet to a 5/8 inch iron rod; thence leaving said boundary South 89°55'00" East 451.76 feet to a 5/8 inch iron rod; thence South 78°41'43" East 62.98 feet to a 5/8 inch iron rod; thence North 83°36'10" East 110.00 feet to a 5/8 inch iron rod; thence North 6°23'50" West 237.20 feet to a 5/8 inch iron rod; thence North 45°33'08" East 94.83 feet to a 5/8 inch iron rod; thence North 5°00'01" East 110.20 feet to a 5/8 inch iron rod; thence North 67°20'18" West 133.59 feet to a 5/8 inch iron rod; thence North 49°50'02" West 62.99 feet to a 5/8 inch iron rod; thence North 89°55'00" West 504.30 feet to a Point of Beginning and Terminus of this description.

Said tract containing 7.20 acres more or less.

EXHIBIT "A" to DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

of

PROVIDENCE SUBDIVISION

268 - 2097
299 - 2877

PHASE 3 Lots 7-29, Block 2; Lots 5-9, Block 4; Lots 12-18, Block 5, recorded plat of Providence Subdivision

A tract of land located in the East One Half of the Northwest One Quarter of Section 35, T17S, R12E, Willamette Meridian, City of Bend, Deschutes County, Oregon, being a portion of that tract of land recorded in Volume 197, Page 2865 of the Deschutes County Deed Records, and also being the object of an agreement of sale between King Cole Homes, Inc., a California corporation, and Pacific Northwest Development Corporation, an Oregon corporation, dated July 26, 1991, and being more particularly described as follows: Commencing at a 3 inch aluminum cap at the North One Quarter corner of said Section 35; thence along the Northerly boundary of said Section 35, North 89°55'00" West 1316.38 feet to a 1/2 inch iron rod at the West One Sixteenth corner between said Section 35 and Section 26; thence South 00°13'38" East 40.00 feet, to a 5/8 inch iron rod on the Southerly right of way of Neff Road; thence along the Westerly boundary of that said tract recorded in Volume 197, Page 2865 of the Deschutes County Deed Records, South 00°13'38" East 1022.00 feet to a 5/8 inch iron rod, at the Point of Beginning of this description; thence continuing on said Westerly boundary South 00°13'38" East 254.82 feet to the Northwest One Sixteenth corner of said Section 36; thence continuing on said Westerly boundary South 00°13'55" East 249.18 feet to a 5/8 inch iron rod; thence leaving said boundary South 89°55'00" East 389.30 feet to a 5/8 inch iron rod; thence South 16°43'37" West 15.11 feet to a 5/8 inch iron rod; thence along the arc of a 630 foot radius curve to the left 50.16 feet; the chord of which bears South 14°26'45" West 50.15 feet to a 5/8 inch iron rod; thence South 77°50'07" East 142.50 feet to a 5/8 inch iron rod; thence North 39°12'24" East 114.38 feet to a 5/8 inch iron rod; thence South 89°55'00" East 251.00 feet to a 5/8 inch iron rod; thence North 3°39'58" West 107.04 feet to a 5/8 inch iron rod; thence North 23°28'07" West 63.77 feet to a 5/8 inch iron rod; thence North 03°39'58" West 100.08 feet to a 5/8 inch iron rod; thence North 89°55'00" West 180.89 feet to a 5/8 inch iron rod; thence North 1°15'00" East 243.20 feet to a 5/8 inch iron rod; thence South 83°36'10" West 110.00 feet to a 5/8 inch iron rod; thence North 78°41'34" West 62.98 feet to a 5/8 inch iron rod; thence North 89°55'00" West 451.76 feet to the Point of Beginning and Terminus of this description.

Said tract containing 8.67 acres more or less.

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:

92 JUN 18 AM 11:16

MARY SUE PENHOLLOW
COUNTY CLERK

BY: Wallace DEPUTY
NO. 92-19736 FEE 90.00
DESCHUTES COUNTY OFFICIAL RECORDS

EXHIBIT 'B' TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
OF
PROVIDENCE SUBDIVISION

This Exhibit 'B' makes the following corrections to the Declaration of Covenants, Conditions and Restrictions of Providence Subdivision dated June 16, 1993, recorded on June 18, 1992 in Deschutes County Official Records, Book 268, Page 2080.

A. Correct page 2, paragraphs 1.10 and 1.11 to read:

1.10 Association. The term "Association" shall mean and refer to Providence Subdivision Homeowners' Association, Inc. its successors and assigns.

1.11 Properties. The term "Properties" shall mean and refer to that certain real property hereinbefore described and such additions thereto as may hereafter be brought within the Providence Subdivision and the jurisdiction of the Association.

B. Correct page 7, paragraph 4.17 as follows:

The sixth word in the third line of paragraph 4.17 should be "Land", i.e. "...applicable Deschutes County Zoning and Land Use Regulations..."

C. Correct page 15, paragraph 10.1 as follows:

The third word in the fourth line of paragraph 10.1 should be "now", i.e. "...part thereof, now or hereafter..."

PACIFIC NORTHWEST DEVELOPMENT CORPORATION

Date: May 21, 1993

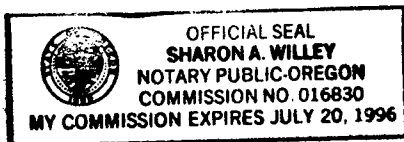
By:




O. M. PETE WILSON, President

STATE OF OREGON, County of Washington, ss:

The foregoing instrument was acknowledged before me this 21st day of May, 19 93, O. M. PETE WILSON, President of PACIFIC NORTHWEST DEVELOPMENT CORPORATION, an Oregon Corporation, on behalf of the corporation.




NOTARY PUBLIC FOR OREGON
My Commission Expires: July 20, 1996

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:

93 MAY 25 AM 11:36

MARY SUE PENHOLLOW
COUNTY CLERK

BY: *Wallace* DEPUTY

NO. 93-16737 FEE 100

DESCHUTES COUNTY OFFICIAL RECORDS