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AFTER RECORDING, RETURN TO:
Mike Loomis
D.R. Horton, Inc.-Portland
4386 SW Macadam Avenue, Suite 102
Portland, OR 97239

FIRST AMENDMENT TO
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR
"RIVER CANYON ESTATES"

WHEREAS, the Declaration of Protective Covenants for River Canyon Estates was recorded September 26, 2002, Document #: 2002-72315 in the records of Deschutes County, Oregon.

WHEREAS, the undersigned Declarant desires to amend said Declaration and is Owner of a majority of the lots in River Canyon Estates, described in and subject to the Declaration.

NOW THEREFORE, said Declaration is hereby amended as follows:

Article X, Section 7, Paragraph 7.1, shall be amended as follows:
Delete the entire paragraph and replace with the following: "Declarant and Builder shall establish a reserve fund in the name of the Association for replacement, in whole or in part, of any Improvements located in, on, or under the Common Areas for which the Association is responsible pursuant to this Declaration, that will normally require replacement in more than three (3) and fewer than thirty (30) years. Assessments for the reserve fund under this Section shall begin accruing from the date the first Lot assessed is conveyed by Declarant and/or Builder to an unaffiliated third-party purchaser. Declarant and/or Builder may elect to defer payment, without interest, of the reserve amounts due on finished Improvements, for Lots it owns until the date of the conveyance of the Lot to an Owner. The book and records of the Association shall reflect the amount owing from the Declarant and/or Builder for all reserve assessments. For purposes of funding the reserve fund, the Association shall impose an Assessment to be called the "Reserve Fund Assessment" against each Lot, which assessment shall be allocated equally over the Lots. The reserve fund shall be kept separate from other funds and may be used only for maintenance, repair, and replacement of Improvements for which reserves have been established as specified in this Section. However, after the turnover meeting, the Board 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 Section shall be repaid from Regular or Special Assessments. The Association shall administer the reserve fund and shall adjust, at least annually, the amount of the periodic payments into it to reflect changes in current replacement costs over time. Following the second year after the turnover meeting, future Reserve Fund Assessments may be reduced, eliminated, or increased by an affirmative vote of at least 75 percent (75%) of the Owners. Any funds established for any of the purposes mentioned in this Section shall be

deemed to be a reserve fund notwithstanding that it may not be so designated by the Board of Directors. The amount of the reserve fund shall constitute an asset of the Association and shall not be refunded or distributed to any Owner. In addition, reserve funds will be established for Common Wall Single Family Lots 41 through 54, in accordance with Article X, Section 1.1.

All other provisions of said Declaration shall remain unchanged.

IN WITNESS WHEREOF, the undersigned has hereunder set its hand and seal this 21st day of March, 2003.

RIVER CANYON ESTATES, LLC

BY: 

Jeffery D. Smith

STATE OF Oregon)
County of Multnomah) ss.

The foregoing instrument was acknowledged before me this 21st day of March, 2003, by Jeffery D. Smith, President of Oakridge Estates Development Corporation, Manager for River Canyon Estates, LLC.




Notary Public for Oregon
My commission expires Oct. 31, 2006