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River's Edge Investments, LLC
5200 NW Mt. Washington Drive
Bend, Oregon 97701

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

OF

RIVER'S EDGE VILLAGE PHASE XVI

(Majestic Ridge)

WHEREAS, this Declaration, Covenants, Conditions and Restrictions of River's Edge Village Phase XVI (the "Declaration") is made this 23rd day of March, 2015 by River's Edge Investments, LLC, an Oregon limited liability company, as Declarant.

NOW, FURTHER THEREFORE, Declarant hereby declares that all the real property described in **Exhibit A** and any Additional Property as may by Subsequent Amendment be added to and subjected to this Declaration shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, and conditions. The purpose of this Declaration is to protect the value and desirability of the real properties subjected to this Declaration. This Declaration shall run with the land and be binding on all parties having any right, title, or interest in the described real properties or any part thereof, along with their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each Owner thereof.

The planned community established by this Declaration is a Class I Planned Community for purposes of the Oregon Planned Community Act and is subject to ORS 94.440 to 94.783.

ARTICLE I: DEFINITIONS

Section 1. "Additional Land" or "Additional Property" shall mean and refer to additional real property subject to Declarant's unilateral right of annexation as provided elsewhere in this Declaration, which real property is more particularly described and depicted in **Exhibit B**, attached hereto and incorporated throughout this Declaration by reference. Upon annexation, a particular unit of real property no longer falls within the definition of "Additional Land," but is instead included in the definition of "Community."

Section 2. "Appropriate Construction Committee" shall mean the New Construction Committee or the Modifications Committee, as further described in Article IX, Section 5, with jurisdiction for review of a given Improvement.

Section 3. "Area of Common Responsibility" shall mean any area where the Association holds a obligation of maintenance, whether or not the area is owned by the Association, and shall specifically include the Common Property and Private Ways shown on the recorded plat including landscaping strips, storm water facilities, and all other areas that are common to all Owners subject to this Declaration, together with those easement areas granted to the Association, the public right-of-way along Mt. Washington Drive abutting the Community, and the Easement over Pro Shop Drive from Mt. Washington Drive to Majestic Ridge Drive.

Section 4. "Association" shall mean the Majestic Ridge Owners' Association, Inc., an Oregon non-profit corporation.

Section 5. "Bedroom" shall mean a Habitable Room that:

- (a) Is intended to be used primarily for sleeping purposes; and
- (b) Contains at least 70 square feet.

Section 6. "Board" or "Board of Directors" shall refer to the Board of Directors of the Majestic Ridge Owners' Association, Inc.

Section 7. "Bylaws" shall refer to the Bylaws of the Majestic Ridge Owners' Association, Inc. adopted pursuant to ORS 94.625. Such Bylaws shall be recorded.

Section 8. "Common Property" shall mean all real and personal property now or hereafter owned by the Association for the common use and enjoyment of the Owners including all Areas of Common Responsibility owned by the Association.

Section 9. "Common Expenses" shall mean and include the actual and estimated expenses of operating the Association, including any reasonable reserves, all as may be found to be necessary and appropriate by the Board pursuant to the Declaration, the Bylaws, and the Articles of Incorporation of the Association.

Section 10. "Commercial Areas" means areas designed for commercial, office, retail, privately owned recreational or other non-residential uses on the Additional Land described on **Exhibit B**. When Commercial Areas are annexed into the Association, by accepting a deed or lease to a commercial area within the Association, the grantee shall be deemed to have covenanted that he will use and permit the use of the property only in accordance with, and that he will abide by and cause all those who come upon his premises to abide by the restrictions, covenants and conditions contained in this Declaration and in any rules and regulations promulgated thereunder, and that he will pay to the Declarant and/or Association all amounts provided for in this Declaration and/or in such other agreement entered into for reimbursement for consumer services. He further agrees that his property will be subject to a lien or liens provided in this instrument. The Declarant will be responsible for the enforcement of such restrictions, covenants, conditions, rules and regulations

until such time as the Declarant, at its sole discretion, turns over enforcement of Commercial Areas to the Association.

Section 11. "Community" shall mean and refer to those certain real properties and interests therein described in **Exhibit A**, attached hereto and (a) such additions thereto as may be made by Declarant (or its Mortgagee or transferee, as provided in the Declaration) by amendment or supplementary declaration; and (b) such additions thereto as may be made by the Association by amendment or supplementary declaration of other real property. All properties within the Community are within the jurisdiction of the Association and subject to the provisions of this Declaration as well as any additional property-specific provisions included as part of a Subsequent Amendment annexing Additional Property or real property into the Community.

Section 12. "Declarant" shall mean River's Edge Investments, LLC, an Oregon limited liability company, and its successors or assigns.

Section 13. "Development" shall collectively refer to those real properties comprising the Community and Additional Lands.

Section 14. "Dwelling Unit" shall mean a fully and separately enclosed living facility that includes provisions for sleeping, eating, cooking and sanitation, as required by the Uniform Building Code. A structure may contain more than one Dwelling Unit.

Section 15. "Eligible Mortgage Holder" shall mean a holder, insurer, or guarantor of a first mortgage on a Lot who has requested notice of certain matters from the Association as hereinafter and in the Association's By-laws provided.

Section 16. "Eligible Votes" shall mean those votes available to be cast on the issue at hand. A vote which is suspended for any reason is not available to be cast.

Section 17. "Habitable Room" means a space in a structure for living, sleeping, eating and cooking. Bathrooms, toilet compartments, closets, halls, storage, garages, utility spaces and similar areas are not included.

Section 18. "Improvement" shall include, but not be limited to, any buildings, outbuilding, private roads, driveways, parking areas, storm water facilities and detention ponds, sidewalks, fences, screen walls, barriers, retaining walls and stairs, decks, patios, hedges, windbreaks, plantings (including trees and shrubs), signs storage areas, hot tubs, spas, pools and all other structures or exterior landscaping, vegetation or ground cover of every type and every kind in and above the land surface.

Section 19. "Lot" shall mean any lot created by Declarant that is subject to this Declaration, other than the Common Property, intended for any type of independent Ownership and use, including condominium or other multiple family dwellings, as may be set out in this Declaration and as shall

be shown on the recorded plats or amendments thereto. Where the context indicates or requires, the term Lot includes any structure on the Lot.

Section 20. "Majority" means those eligible votes, Owners, or other groups as the context may indicate totaling more than fifty (50%) percent of the total eligible number.

Section 21. "Member" shall mean and refer to a person or entity entitled to membership in the Association, as provided herein.

Section 22. "Mortgage" means any mortgage; deed to secure debt, and any and all other similar instruments used for the purpose of conveying or encumbering real property as security for the payment or satisfaction of an obligation.

Section 23. "Mortgagee" shall include a beneficiary or holder of a deed of trust, as well as a mortgagee.

Section 24. "Mortgagor" shall include the trustor of a deed of trust, as well as a mortgagor.

Section 25. "Owner" shall mean and refer to the then record Owner, whether one or more persons or entities, of any Lot (or Dwelling Unit in the case of multiple Dwelling Units on the same Lot) which is part of the Community, but excluding any party holding fee simple title merely as security for the performance of an obligation. Owner shall include the Declarant.

Section 26. "Private Way" means any private roads, pedestrian paths, sidewalks or other area that are designated as such in the Plat of River's Edge Village Phase XVI, or any plat filed in connection with the annexation of Additional Real Property, or in any supplemental declaration submitting real property to the terms and conditions of this Declaration.

Section 27. "River's Edge Golf Course" shall mean River's Edge Investments, LLC, an Oregon limited liability company, and its successors or assigns.

Section 28. "Subsequent Amendment" shall mean an amendment to this Declaration which adds Additional Property or other real property to the Community. Such Subsequent Amendment may, but is not required, to impose, expressly or by reference, additional restrictions and obligations on the land submitted by that Subsequent Amendment to the provisions of this Declaration.

ARTICLE II: PROPERTY RIGHTS

Section 1. PRIVATE WAYS. Each Owner hereby reserves for itself and grants to each and every other Owner a non-exclusive perpetual easements for the use of Private Ways for the purposes of walking thereon or traveling thereon by appropriate means. Each Owner may permit his guests and invitees to use the Private Ways for such purposes. The easements provided for herein shall be appurtenant to and assignable with the Lot with respect to which it is granted, but shall not be

otherwise assignable. The use of Private Ways shall be subject to rules and regulations adopted by the Board of Directors. The Board of Directors shall have the right to erect gates across Private Ways and bike paths and to regulate access through such gates provided that such installations do not frustrate the rights provided to Declarant and any adjoining property owners. Declarant, its employees and invitees of its golf course, pro shop, and maintenance facilities shall at all times, have access over and across Private Ways. The Board of Directors shall be responsible for providing convenient means by which Declarant, its employees, and invitees shall have access through any gates. The Board of Directors shall grant free access on Private Ways to police, fire, and other public officials, to employees of utility companies serving the Community, and to such others to whom the Board believes access should be given for the benefit of Owners. Declarant may use Private Ways for its own purposes and for the purpose of location of utilities. There shall be no implied dedication of Private Ways. Any deed conveying a Lot within the Community may set forth the easements contained in this section.

This Section may not be amended without the written consent of Declarant.

Section 2. DELEGATION OF USE. Any Owner may delegate, in accordance with the Bylaws of the Association and subject to reasonable rules, regulations, and limitations as may be adopted in accordance therewith, his or her right of enjoyment to the Private Ways to the members of his or her family, tenants, and invitees and shall be deemed to have made a delegation of all such rights to the occupants of any leased Lot.

Section 3. OWNER'S RIGHT TO INGRESS, EGRESS, AND SUPPORT. Each Owner shall have the right to ingress and egress over, upon, and across the Private Ways and Common Property as necessary for access to his or her Lot and shall have the right to lateral support for his or her Lot, and such rights shall be appurtenant to and pass with the title to each Lot.

Section 4. RULES AND REGULATIONS. The Board of Directors may establish reasonable rules and regulations concerning the use of the Community and Private Ways. Copies of such regulations and amendments thereto shall be furnished by the Association to all Owners prior to the rules' effective date. Such regulations shall be binding upon the Owners, their families, tenants, guests, invitees, and agents until and unless such regulation, rule, or requirement shall be specifically overruled, cancelled, or modified by the Board or the Association in a regular or special meeting by the vote of Class A members and Class B members, (so long as such membership shall exist) holding a majority of the total votes in the Association. Provided however, such rules may not diminish the rights and powers reserved to Declarant or River's Edge Golf Course. The Board shall have the authority to impose reasonable monetary fines and other sanctions, and monetary fines may be collected by lien and foreclosure as provided in Article X.

This Section may not be amended without the written consent of Declarant.

Section 5. DECLARANT'S RESERVED EASEMENT. Notwithstanding any provisions contained in the Declaration to the contrary, Declarant hereby expressly reserves unto itself, and its

successors and assigns, a nonexclusive, perpetual right, privilege, and easement with respect to the Community for the benefit of Declarant, its successors, and assigns over, under, in, and/or on the Common Property and Private Ways, without obligation and without charge to Declarant, for the purposes of ingress, egress, construction, installation, relocation, development, sale, maintenance, repair, replacement, use, and enjoyment, and/or otherwise dealing with the Community and any other Lots now owned or which may in the future be owned by Declarant. The reserved easement shall constitute a burden on the title to each Lot and Common Property within the Community and specifically includes, but is not limited to:

(a) The right of access, ingress, and egress for vehicular and pedestrian traffic over, under, on or in the Community; and the right to tie into any portion of the Community with driveways, parking areas, and walkways; and the right to tie into the Community and/or otherwise connect and use (without a tap-on or any other fee for so doing), replace, relocate, maintain, and repair any device which provides utility or similar services, including, without limitation, electrical, telephone, cable, natural gas, water, sewer, and drainage lines and facilities constructed or installed in, on, under, and/or over the Community; and

(b) The right to construct, install, replace, relocate, maintain, repair, use, and enjoy signs, model residences, sales offices, construction offices and business offices as, in the sole opinion of Declarant, may be required, convenient, or incidental to the construction and sale by Declarant of residences in the Community or in any portion of the Additional Property not yet annexed.

(c) Declarant hereby reserves a non-exclusive easement over the Private Ways for the maintenance, ingress, egress, irrigation system and related uses for the Development and River's Edge Golf Course.

This Section may not be amended without the written consent of Declarant.

Section 6. FUTURE COMMERCIAL DEVELOPMENT. The Declarant reserves the right to develop commercial structures and multiple family dwellings on the Additional Land. Owners agree not to oppose commercial structures or multiple family dwellings developed by the Declarant on such Additional Land.

Section 7. AERIALS AND ANTENNA. Any aerial, antenna, tower, or other transmitting or receiving structure, or support thereof, must be approved in writing by the New Construction Committee or Modification Committee, as applicable, prior to installation. Satellite dish receivers and dishes are permitted without prior approval provided:

- (a) Be placed in a reasonably inconspicuous location, and
- (b) Satellite receivers must be a non-offensive neutral color or be painted to blend in with the roof or siding to which they are attached, and
- (c) Satellite dishes shall be no greater than 18 inches in size. Larger sizes are not

permitted.

Section 8. EXTERIOR LIGHTING. No exterior lighting fixture shall be installed within or upon any Lot or Common Property without adequate and proper shielding of the fixture. No lighting fixture shall be installed that may become an annoyance or a nuisance to Owners or occupants of adjacent properties. All exterior lighting for new construction shall be approved by the New Construction Committee, as described in Article XIV. All modifications of exterior lighting, and installations of additional exterior lighting fixtures, must be approved in writing by the Modifications Committee, as described in Article XIV. No approval is required for the replacement of previously approved lighting fixtures where the fixture is the same or substantially the same as the previously approved fixture.

Section 9. USE OF LOTS. Except as may be otherwise expressly provided for in this Declaration, each Lot shall only be used for residential purposes with a maximum occupancy of two (2) persons per Bedroom as defined in Article I. Except with the consent of the Board of Directors of the Association, consistent with any rules and regulations adopted by the Board, and as allowed by applicable City of Bend ordinances, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot, nor shall any goods, equipment, vehicles, materials or supplies in connection with any trade, service or business be kept or stored on any Lot. Nothing in this paragraph shall be deemed to prohibit (a) activities relating to the rental or sale of Lots, (b) the right of Declarant or any contractor or home builder to construct structures on any Lot, to store construction materials and equipment on such Lots in the normal course of construction, and to use any structure as an office or model home for purposes of sales in the Development, or (c) the right of the Owner of a Lot to maintain his or her professional personal library, keep his or her personal business or professional records or accounts, handle his or her personal business or professional telephone calls or confer with business or professional associates, clients or customers, in his or her Dwelling Unit. The Board of Directors shall not approve commercial activities otherwise prohibited by this paragraph unless the Board of Directors determines that only normal residential activities would be observable outside of the Dwelling Unit and that the activities would not be in violation of applicable City of Bend ordinances.

Lease or rental of a Lot or any building thereon for residential purposes, and for periods of no less than thirty (30) days, shall not be considered to be a violation of this covenant, so long as the lease is in compliance with reasonable rules and regulations as the Board of Directors may promulgate from time to time. Any lessee or tenant shall in all respects be subject to the terms and conditions of this Declaration, the By-laws, and the rules and regulations adopted hereunder.

No unlawful use shall be made of a Lot nor any part thereof, and all valid laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Development, shall be observed. Without limiting the generality of the foregoing, no heat pump or other heating, ventilating or air conditioning equipment, the operation of which produces noise at a level higher than eighty (80) decibels, as measured at the lot line, shall be allowed on any Lot.

Without the prior written consent of the Association's Board of Directors, nothing shall be done or kept on any Lot or on the Common Property or any part thereof to increase the rate of insurance on the Properties or any part thereof over what the Association, but for such activity, would pay. Noxious, destructive, or offensive activity, or any activity constituting an unreasonable source of annoyance, shall not be conducted on any Lot or on the Common Property or any part thereof, and the Association shall have standing to initiate legal proceedings to abate such activity. Each Owner shall refrain from any act or use of his or her Lot which could reasonably cause embarrassment, discomfort, or annoyance to other Owners. The Board of Directors shall have the power to make and to enforce reasonable rules and regulations in furtherance of this provision.

Section 10. USE OF COMMON PROPERTY. No planting, gardening or construction of improvements shall be done, erected or maintained upon the Common Property except as approved by the Board of Directors or their designated representatives. Except for the right of ingress and egress, the Owners of Lots may use the property outside respective Lots only in accordance with reasonable regulations as may be adopted by the Board of Directors or as is expressly provided herein. It is expressly acknowledged and agreed by all parties concerned that this Section is for the mutual benefit of all Owners and is necessary for the protection of all Owners. Declarant shall not be responsible for Common Property maintenance. The Association shall maintain all Common Property, Private Ways, and Areas of Common Responsibility consistent with Article IV below.

Section 11. STORAGE AND PARKING OF VEHICLES. There shall be no outside storage or parking upon any Lot or any Common Property of any automobile, commercial vehicle, truck, tractor, mobile home or trailer (either with or without wheels), camper, camper trailer, boat or other watercraft, boat trailer, or any other transportation device of any kind, except for within an Owner's garage or, for visitors, within designated spaces in accordance with any rules and regulations adopted pursuant to Section 4 above.

No Owners or tenants shall repair or restore any vehicle of any kind upon any Lot or Common Property, unless within the confines of the Owner's or tenant's garage, except for emergency repairs, and then only to the extent necessary to enable movement thereof to a proper repair facility.

Section 12. PETS. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any Lot except that no more than a total of five (5) dogs, cats or other non-dangerous household pets may be kept provided that such pets are not kept, bred, or maintained for any commercial purpose. Birds and fish are excluded from the limitation on the number of household pets described above so long as they are kept exclusively indoors, are not bred for commercial purposes, and do not create a nuisance.

Section 13. TRANSIENT RENTAL USE. No Owner shall be permitted to rent their Lot to any person or persons for transient occupancy, which is defined as a period of thirty (30) days or less. A rental shall be defined as the use or possession or the right to use or possess, for lodging or sleeping purposes, any Lot in the Community and rent shall mean the consideration charged, whether

or not received by the Owner for the occupancy of the Lot, including, but not limited to, money, goods, labor, credits, property, or other items valued in money without any deduction. Transient use shall not include a rental of any Lot for a period in excess of thirty (30) consecutive calendar days. Owner and occupants shall be responsible for compliance with all provisions of this Declaration and any and all rules and regulations promulgated to protect the natural environment, quiet enjoyment, and quality of life of the Community.

Section 14. SIGNS. Except as otherwise provided in this Declaration or as exempted by this Section 14, no advertising signs, billboards, unsightly objects, or nuisances shall be erected, placed, or permitted to remain on any Property subject to this Declaration. Exempt signage includes one (1) "FOR RENT" or "FOR SALE" sign per Lot of not more than one foot by two feet (1' x 2') and displayed no higher than five (5) feet from the ground. Owners or their agents may only place exempt signs on a Lot owned by the Owner and such signs will be located within 40 feet of the Private Ways, shall face the Private Way, and must use colors approved by the New Construction Committee. Declarant shall be exempt from this Section 14. The Declarant and adjoining property owners are expressly granted a right to enforce this Section 14.

Section 15. TEMPORARY STRUCTURES. No structure of a temporary character including, but not limited to, trailers, sheds, lean-tos, tents, teepees, yurts, play structures, shacks, garages, barns or other outbuildings shall be used on any Lot at any time as a residence either temporarily or permanently. Any proposed structure of a similar character that is intended to be permanent, whether used for residential or other uses, must have New Construction Committee or Modification Committee approval prior to construction and be constructed in accordance with the rules and regulations.

ARTICLE III. MEMBERSHIP AND VOTING RIGHTS

Section 1. MEMBERSHIP. Every Owner of a fee or undivided fee interest in any Lot that is subject to this Declaration shall be deemed to have a membership in the Association. Membership shall be appurtenant to and may not be separated from such Ownership. The foregoing is not intended to include persons who hold an interest merely as security for the performance of an obligation, and the giving of a security interest shall not terminate the Owner's membership. No Owner, whether one or more persons, shall have more than one (1) membership per Lot owned. In the event the Owner of a Lot is more than one person or entity, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership, including the right to vote, may be exercised by a Member or the Member's spouse, but in no event shall more than one (1) Class A vote be cast per Lot.

Section 2. VOTING RIGHTS. Voting rights within the Association shall be allocated as follows:

(a) Residential Lots and Commercial Lots. Lots used for residential purposes shall be allocated one vote per Lot. Lots containing multiple Dwelling Units shall be allocated one vote per Dwelling Unit to be exercised by the Owner of the Dwelling Unit. Each Lot used for any

non-residential purpose shall be entitled to the number of votes set forth in the declaration annexing such Lot into the Community.

(b) Classes of Voting Membership. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant (except that beginning on the date on which the Class B membership is converted to Class A membership and thereafter, Class A members shall all be Owners including the Declarant). Class A members shall be entitled to voting rights for each Lot owned computed in accordance with Section 1 above. When more than one person holds an interest in any Lot, all such persons shall be members. Except where interests in a Lot are specifically assigned to a particular Dwelling Unit, the vote for such Lot shall be exercised as they among themselves determine. In no event shall more votes be cast with respect to any Lot than is determined as set forth in Section 1 above.

Class B. Class B membership shall be limited to the Declarant and shall be entitled to 7 times the voting rights to that afforded an Owner based on Declarant's then current holdings within the Development. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) When ninety percent (90%) of the Lots or potential Lots identified in **Exhibit A and B** have been sold and conveyed to Owners other than Declarant; or

(ii) At such earlier time as Declarant may elect in writing to terminate Class B membership.

Section 3. **POWERS AND OBLIGATIONS.** The Association shall have, exercise, and perform all of the following powers, duties, and obligations:

(a) Declaration. The powers, duties, and obligations granted to the Association by this Declaration.

(b) Statutory Powers. The powers, duties and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon and of a homeowners association of a planned community pursuant to the Oregon Planned Community Act, as either or both may be amended from time to time.

(c) General. Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit of the Owners within the Community.

The powers and obligations of the Association may from time to time be amended, repealed, enlarged or restricted by changes in this Declaration made in accordance with the provisions herein,

accompanied by changes in the Articles of Incorporation or Bylaws of the Association made in accordance with such instruments and with the nonprofit corporation laws of the State of Oregon.

Section 4. **LIABILITY.** Neither the Association nor any officer or member of its Board of Directors shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any action or failure to act by the Association, any of its officers or any member of its Board of Directors, provided only that the officer or Board member has acted in good faith in accordance with the actual knowledge possessed by him.

Section 5. **INTERIM BOARD; TURNOVER MEETING.** Declarant shall have the right to appoint an interim board of three (3) directors or more, who shall serve as the Board of Directors of the Association until replaced by Declarant or their successors have been elected by the Owners at the turnover meeting described in this Article. Declarant shall call a meeting by giving notice to each Owner as provided in the Bylaws of the Association for the purpose of turning over administrative responsibility for the Community to the Association not later than ninety (90) days after Lots representing ninety percent (90%) of the votes in all phases of the Development computed in accordance with Section 1 above have been sold and conveyed to Owners other than the Declarant or an entity controlled by Declarant. If the Declarant does not call a meeting required by this Section within the required time, the Transitional Advisory Committee described below or any Owner may call a meeting and give notice as required in this Section. At the turnover meeting, the interim directors shall resign and their successors shall be elected by the Owners and Declarant as provided in this Declaration and the Bylaws of the Association.

Section 6. **TRANSITIONAL ADVISORY COMMITTEE.** The Declarant or Owners shall form a transitional advisory committee (the "Transitional Advisory Committee") to provide for the transition from administrative responsibility by the Declarant to administrative responsibility by the Association. Not later than the sixtieth (60th) day after the Declarant has conveyed to Owners other than Declarant, Lots representing fifty percent (50%) of the votes of all phases in the Development computed in accordance with Section 1 above, the Declarant shall call a meeting of Owners for the purpose of selecting the Transitional Advisory Committee. The Transitional Advisory Committee shall consist of three or more members. The Owners, other than the Declarant, shall select two or more members. The Transitional Advisory Committee shall have reasonable access to all information and documents which the Declarant is required to turn over to the Association pursuant to ORS 94.616.

(a) **Declarant Failure to Call Meeting.** An Owner may call a meeting of Owners to select the Transitional Advisory Committee if the Declarant fails to do so as provided above.

(b) **Owners' Failure to Select Members.** Notwithstanding the foregoing, if the Owners do not select members for the Transitional Advisory Committee as described above, Declarant shall have no further obligation to form the Transitional Advisory Committee.

(c) **Turnover Meeting.** The requirement for formation of a Transitional Advisory

Committee shall not apply once the turnover meeting specified in Section 5 above has been held.

Section 7. DECLARANT CONTROL AFTER TURNOVER. After the turnover meeting described in Section 5 above, Declarant shall continue to have the voting rights described in Section 1 and 2 above. In addition, a majority of the Board of Directors of the Association shall be elected by the Class B membership, with the balance of the Board of Directors elected by the Class A members. After termination of Class B membership, all directors shall be elected by the Class A members.

Section 8. SUB ASSOCIATIONS. Nothing in this Declaration shall be construed as prohibiting the formation of sub associations within the Development, including without limitation, condominium associations, neighborhood associations, or associations of commercial Owners.

ARTICLE IV. MAINTENANCE

Section 1. ASSOCIATION'S RESPONSIBILITY: The Association shall maintain and keep the Private Ways, Common Property, and all Areas of Common Responsibility, in good repair. Such maintenance shall be funded by assessments as provided for in this Declaration. This maintenance shall include, but not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all improvements, structures, landscaping, and other flora. It shall also include the removal of snow and other debris as necessary to provide access to the Lots and all sidewalks and walkways. Storm water facilities shall be constructed and maintained to the then current City of Bend and Central Oregon Stormwater Manual standards.

Section 2. MANAGER: The Association, by a majority vote, may appoint a manager or agent whose responsibility will be to maintain and repair the Private Ways, Common Property, and Areas of Common Responsibility. Every Owner subject to this Declaration agrees to indemnify and hold said manager or agent harmless from his activities so long as they have been performed in good faith and in a commercially reasonable manner.

Section 3. MAINTENANCE OF STRUCTURES AND GROUNDS BY OWNERS. Each Owner shall maintain such Owner's Lot or Lots and Improvements thereon in a clean and attractive condition and in good repair. Such maintenance shall include, without limitation, painting, repair, replacement, and care for roofs, downspouts, exterior building surfaces, walks, glass surfaces, and other exterior Improvements. In addition, each Owner shall keep all shrubs, trees, grass and plantings of every kind on such Owner's Lot properly cultivated and free of trash, excessive weeds and other unsightly material. Grass, weeds and other vegetation on all unimproved Lots shall be cut or mowed at sufficient intervals to prevent creation of a nuisance or fire hazard in accordance with local jurisdictions and ordinances. Damage caused by fire, flood, storm, earthquake, vandalism, or other causes shall likewise be the responsibility of each Owner and shall be repaired within a reasonable period of time.

Section 4. RUBBISH AND TRASH. No Lot or Common Property shall be used as a

dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal and out of public view. Yard rakings, dirt and other material resulting from landscaping work shall not be dumped onto any Private Ways, Common Property or Lots. There shall be no outdoor burning of rubbish, trash or yard debris in the Community.

ARTICLE V. INSURANCE

Section 1. INSURANCE: The Association's Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain insurance for all insurable Improvements on the Private Ways and Common Property within the Community against loss or damage by fire or other hazards, including extended coverage, vandalism, and malicious mischief. This insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazard.

The Board shall also obtain a public liability policy covering the Private Ways, Common Property, the Association, and its Members for all damage or injury caused by the negligence of the Association or any of its Members or agents. The public liability policy shall have at least a \$500,000.00 single person limit as respects bodily injury and property damage, a \$1,000,000.00 limit per occurrence, and a \$250,000.00 minimum property damage limit. Premiums for all insurance on the Private Ways and Common Property shall be common expenses of the Association; premiums for insurance provided to other associations or Parcels shall be charged to those associations or Parcels. The policy may contain a reasonable deductible, and the amount thereof shall be added to the face amount of the policy in determining whether the insurance at least equals the full replacement cost.

In addition to the other insurance required by this Section, the Board shall obtain, as a common expense, worker's compensation insurance, if and to the extent necessary, and a fidelity bond or bonds on directors, officers, employees, and other persons handling or responsible for the Association's funds. The amount of fidelity coverage shall be determined in the directors' best business judgment, but may not be less than three (3) months' assessments, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and may not be cancelled or substantially modified without at least ten (10) days' prior written notice to the Association.

Section 2. INDIVIDUAL INSURANCE. By virtue of taking title to a Lot subject to the terms of this Declaration, each Owner covenants and agrees to carry blanket all-risk casualty insurance on their Lot or Lots and structures constructed thereon. In the event of loss or damage to private property, the individual Owner shall proceed promptly to repair or to reconstruct the damaged Improvement or clear the Lot of all debris and return the Lot to substantially the natural state in which it existed prior to the beginning of construction. The affected Owner(s) shall promptly present a plan setting out the intentions and timeline of the Owner(s) to repair, reconstruct, or demolish the damaged structure(s) to the Modifications Committee. When approving plans for reconstruction, the

Modifications Committee shall be bound to follow the New Construction Committee's original approval for the Lot unless the New Construction Committee provides written approval of changes recommended by the Modifications Committee.

Section 3. DISBURSEMENT OF PROCEEDS: Proceeds of insurance policies shall be disbursed as follows:

(a) If the damage or destruction for which the proceeds are paid is to be repaired or reconstructed, the proceeds, or such portion thereof as may be required for such purpose, shall be disbursed in payment of such repairs or reconstruction as hereinafter provided. Any proceeds remaining after defraying such costs of repairs or reconstruction to the Common Property or, in the event no repair or reconstruction is made, after making such settlement as is necessary and appropriate with the affected Owner or Owners and their mortgagee(s) as their interests may appear, shall be retained by and for the benefit of the Association and placed in a capital improvement account. This is a covenant for the benefit of any mortgagee of a Lot and may be enforced by such mortgagee.

(b) If it is determined, that the damage or destruction to the Common Property for which the proceeds are paid shall not be repaired or reconstructed, such proceeds shall be disbursed in the manner as provided for in this Section 3.

(c) Whenever possible and appropriate, the insurance policy of an Owner shall be primary and the Association shall be secondary.

ARTICLE VI. NO PARTITION

Section 1. PRIVATE WAYS. Except as is permitted in the Declaration or amendments thereto, there shall be no physical partition of the Private Ways or Common Property or any part thereof, nor shall any Owner seek a judicial partition unless the Private Way or Common Property has been withdrawn from the Community. This Article shall not be construed to prohibit the Board of Directors from acquiring and disposing of tangible personal property nor from acquiring title to real property which may or may not be subject to this Declaration.

Section 2. LOTS. No Lot within the Community shall be partitioned, subdivided, or adjusted without the Consent of the Declarant.

ARTICLE VII. CONDEMNATION

Whenever all or any part of the Private Ways or Common Property shall be taken (or conveyed in lieu of and under threat of condemnation of the Board acting on the written direction of all Owners) by any authority having the power of condemnation or eminent domain, each Owner shall be entitled to notice thereof. The award made for such taking shall be payable to the Association as Trustee for all Owners to be disbursed as follows:

If the taking involves a portion of the Private Ways or Common Property on which Improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant and at least seventy-five (75%) percent of the Class A Members of the Association shall otherwise agree, the Association shall restore or replace such Improvements so taken on the remaining land included in the Private Ways to the extent lands are available therefore, in accordance with plans approved by the Board of Directors of the Association. If the taking does not involve any Improvements on the Private Ways, or if there is a decision made not to repair or restore, or if there are net funds remaining after any such restoration or replacement is completed, then such award or net funds shall be disbursed to the Association and used for such purposes as the Board of Directors of the Association shall determine.

ARTICLE VIII. ANNEXATION OF ADDITIONAL PROPERTY

Section 1. ANNEXATION WITHOUT APPROVAL OF CLASS A MEMBERSHIP. As the Owner thereof or, if not the Owner, with the consent of the Owner thereof, Declarant shall have the unilateral right, privilege, and option, from time to time, and at any time to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the improved and unimproved real property described in **Exhibit B** attached hereto and by reference made a part hereof by filing in the Official Records of Deschutes County, Oregon, records, an amendment annexing such property. There is no limit to the number of Lots that Declarant may create from the Additional Property and annex into the Community. There is no limitation on the right of Declarant to establish Common Property from the Additional Property nor any limitation on Declarant's right to annex such Common Property into the Community.

Any annexation shall be effective upon the recording of such amendment unless otherwise provided therein. Such amendment to this Declaration shall not require the vote of Class A members.

Declarant shall have the unilateral right to transfer to any other person or entity, including an affiliate of the Declarant, the right, privilege, and option to annex Additional Property that is herein reserved to Declarant.

Section 2. RESTRICTIONS ON ADDITIONAL LANDS. The rights reserved unto Declarant to subject Additional Land to the Declaration shall not be implied or construed so as to impose any obligation upon Declarant to subject any Additional Lands to this Declaration or to the jurisdiction of the Association nor any obligation, if subjected, to build housing of the same type, design, or materials. If such Additional Land is not subjected to this Declaration, Declarant's reserved rights shall not impose any obligation on Declarant to impose any covenants and restrictions similar to those contained herein upon such Additional Land, nor shall such rights in any manner limit or restrict the use to which such Additional Land may be put by Declarant or any subsequent Owner thereof, whether such uses are consistent with the covenants and restrictions imposed hereby or not.

Section 3. ANNEXATION WITH APPROVAL OF CLASS A MEMBERSHIP. Subject to the consent of the Owner thereof, upon the written consent or affirmative vote of a majority of the Class A Members of the Association, other than Declarant, present or represented by proxy at a meeting duly called for such purpose and of the Declarant, so long as Declarant owns property subject to this Declaration or which may become subject in accordance with Section 1 of this Article, the Association may annex real property other than that shown on **Exhibit B**, and following the expiration of the right in Section 1, the properties shown on **Exhibit B** to the provisions of this Declaration and the jurisdiction of the Association by filing of record in the Official Records of the County of Deschutes, Oregon, a Subsequent Amendment in respect to the Properties being annexed.

Any such Subsequent Amendment shall be signed by the President and the Secretary of the Association, and the Owner of the properties being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The time within which and the manner in which notice of any such meeting of the Class A Members of the Association, called for the purpose of determining whether additional property shall be annexed, and the quorum required for the transaction of business at any such meeting, shall be as specified in the By-laws of the Association for regular or special meetings, as the case may be.

Section 4. ACQUISITION OF ADDITIONAL PRIVATE WAYS AND COMMON PROPERTY. Declarant may convey to the Association additional real estate, improved or unimproved, located within the properties described in **Exhibits A or B** which upon conveyance or dedication shall be accepted by the Association and thereafter shall be maintained by the Association at its expense for the benefit of all its Members. Declarant shall have an unlimited right to add Improvements not described in this Declaration.

Section 5. AMENDMENT. This Article shall not be amended without the written consent of Declarant, so long as the Declarant owns any property described in **Exhibits A or B**.

ARTICLE IX. PRIVATE WAYS AND COMMON PROPERTY

Section 1. The Association, subject to the rights of the Owners set forth in this Declaration, shall be responsible for the exclusive management and control of the Private Ways, Common Property, Areas of Common Responsibility, and all Improvements therein, and shall keep such facilities and Improvements in good, clean, attractive, sanitary condition, order, and repair, pursuant to the terms and conditions of this Declaration and the Bylaws.

Section 2. Pursuant to ORS 94.665, the Association may not sell, convey, or subject to a security interest any portion of the Common Property without first obtaining approval by more than 80% of the Class A membership and, as long as Declarant holds a right to annex Additional Property, the consent of the Declarant.

Section 3. Declarant shall deliver the deeds to Common Property to the Association at or

before the turnover meeting described in Article III.

ARTICLE X. ASSESSMENTS

Section 1. PURPOSE OF ASSESSMENT. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Owners and occupants of Lots or other residential units, including the maintenance Private Ways and Common Property, Areas of Common Responsibility, and any Improvements thereon, all as may be more specifically authorized from time to time by the Board of Directors.

Section 2. CREATION OF ASSESSMENTS. Each Owner of any Lot or other residential unit, by acceptance of a deed therefore, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association;

- (a) Annual assessments or charges;
- (b) Special assessments, such assessments to be established and collected as hereinafter provided; and
- (c) Specific assessments against any particular Lot or Owner which are established pursuant to the terms of this Declaration, including, but not limited to, reasonable fines as may be imposed in accordance with the terms of this Declaration.

All such assessments, together with late charges, interest, not to exceed the maximum legal rate, costs, and reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made.

Section 3. COMPUTATION OF ASSESSMENT. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which shall include a capital contribution or reserve in accordance with a capital budget separately prepared. The Board shall cause the budget and the assessments to be levied against each Lot for the following year to be delivered to each member at least thirty (30) days prior to the end of the current fiscal year or at such other time as determined by the Board. The budget and the assessment shall become effective unless disapproved at a meeting by a Majority of the Owners. Notwithstanding the foregoing, however, in the event the membership disapproved the proposed budget or the Board fails for any reason so to determine the budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

Each Lot shall be liable for the common expenses in equal shares based on the number of

Lots in the Community. For purposes of allocating expenses, multifamily dwellings shall constitute one (1) Lot per Dwelling Unit and commercial development shall constitute one (1) Lot per 3,000 square feet of enclosed space including accessory structures for purposes of assessments. Assessments shall be the obligation of the Owner of the Lot. All golf course property shown in **Exhibit B** shall be exempt from assessment.

Section 4. SPECIAL ASSESSMENTS. In addition to the other assessments authorized herein, the Association may levy special assessments in any year. So long as the total amount of special assessments allocable to each Lot does not exceed Five Hundred Dollars (\$500.00) in any one fiscal year, the Board may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if approved by a Majority of the Class A members. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed. No special assessment may be imposed that does not reasonably distribute the expenses to the responsible/benefiting Lots, or that is imposed solely on Declarant.

Section 5. LIEN FOR ASSESSMENTS. All sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for:

- (a) Liens for ad valorem taxes; or
- (b) Liens for all sums unpaid on a first Mortgage or on any Mortgage to Declarant duly recorded in the land records of Deschutes County, Oregon, and all amounts advanced pursuant to such Mortgage and secured thereby in accordance with the terms of such instrument.

All other persons acquiring liens or encumbrances on any Lot after this Declaration shall have been recorded in such records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

Section 6. EFFECT OF NONPAYMENT OF ASSESSMENTS; REMEDIES OF THE ASSOCIATION. Any assessments which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than thirty (30) days shall incur a late charge in an amount as the Board may from time to time determine. The Association shall cause a notice of delinquency to be given to any member who has not paid within sixty (60) days following the due date. If the assessment is not paid within thirty (30) days from notice of delinquency, a lien, as herein provided, shall attach and, in addition, the lien shall include the late charge, interest, not to exceed the maximum legal rate, on the principal amount due, and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after sixty

(60) days from notice of delinquency, the Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien. Each Owner, by acceptance of a deed or as a party to any other type of a conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other Owners. The Association, acting on behalf of the Owners, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold, lease, mortgage, or convey the Lot. No Owner may waive or otherwise except liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot.

All payments shall be applied first to costs and attorneys' fees, then to late charges, then to interest, then to delinquent assessments, then to any unpaid installments of the annual assessment or special assessments which are not the subject matter of the suit in the order of their coming due, and then to any unpaid installments of the annual assessment or special assessments which are the subject matter of the suit in the order of their coming due.

Section 7. SUBORDINATION OF THE LIEN TO FIRST DEEDS OF TRUST AND FIRST MORTGAGES. The lien of the assessments, including interest, late charges, costs (including attorneys' fees) provided for herein shall be subordinate to the lien of any first Mortgage upon any Lot. The sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to judicial or non-judicial foreclosure of a first Mortgage 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 lien rights for any assessment thereafter becoming due. Where the Mortgagee of a first Mortgage of record or other purchaser of a Lot obtains title, his or her successors and assigns shall not be liable for the share of the common expenses or assessments by the Association chargeable to such Lot which became due prior to the acquisition of title to such Lot by such acquirer. Such unpaid share of common expenses or assessments shall be deemed to be common expenses collectible from all the Lots, including such acquirer, his or her successors and assigns.

Section 8. DATE OF COMMENCEMENT OF ASSESSMENTS. Assessments provided for herein shall commence as to all Lots or other residential units or commercial areas then existing and subject to assessment under the Declaration on the first day of the month following the conveyance of the first Lot by the Declarant to a Class A member and shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The date any Lot or other residential or commercial area becomes subject to assessment hereunder shall be the date on which the later of the following occurs:

- (a) The Property becomes subject to the Declaration; or
- (b) Conveyance of the Lot, residential unit or commercial area from Declarant to a Class A member.

Section 9. ASSESSMENTS BY DECLARANT.

(a) After the commencement of assessment payments as to any Lot, Declarant may defer the payment of accrued assessments for reserves for a particular Lot subject to assessment until the date the Lot is conveyed. However, the Declarant may not defer payment of accrued assessments for reserves beyond the date of the turnover meeting or, if a turnover meeting is not held, the date the Owners assume administrative control of the association.

(b) Notwithstanding anything to the contrary herein, the Declarant may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money, (herein collectively called in-kind contribution). The amount by which monetary assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution. If the Declarant and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Declarant cannot agree as to the value of any contribution, the Declarant shall supply the Association with a detailed explanation of the service performed and material furnished, the Association shall acquire bids for performing like services and furnishing like materials from three (3) independent contractors approved by the Declarant who are in the business of providing such services and materials. If the Association and the Declarant are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

ARTICLE XII. GOLF COURSE

Section 1. NO RIGHTS TO GOLF COURSE. The Community is constructed near a privately owned golf course opened for public play. No Owner within the Community shall have any rights or privileges to use the golf course property for any purpose, except as may be extended by membership privileges granted to such Owners. The golf course is not part of the Community, is not intended to be part of the Community, but does hold certain easements to permit the continued operation and maintenance of the golf course in harmony with the Community.

Section 2. GOLF COURSE RISK. Each Owner acknowledges that he/she is purchasing a Lot adjacent to and near a golf course and agrees that River's Edge Property Development, L.L.C., River's Edge Investments, LLC, River's Edge, LLC, River's Edge Golf Course, and the LLC members, owners, employees, agents, successors, and assigns of each entity are not responsible for any injury or damages to persons or property that may be caused by golf balls or golfers. Although there are lot lines and building setback lines, it is not a guarantee that Owner's property will not be damaged by golfing activities. Owner does hereby release, and hold harmless, River's Edge Property Development, L.L.C., River's Edge Investments, LLC, River's Edge, LLC, River's Edge Golf Course, and the LLC members, owners, employees, agents, successors, and assigns of each entity from all liability for any injury or damage as a result of golfing activities. Owner shall have no cause of action against the River's Edge Golf Course or its owners, employees, agents, successors, or assigns for nuisance, including but not limited to nuisance caused by golf course maintenance, golf

balls, golfers, early or late starting times, or noise of golfers. It is the Owner's responsibility to design, place and maintain a dwelling and improvements on the Lot to minimize the risk that may be caused by golfing activities.

Owners acknowledge that existing mature trees located along the River's Edge Golf Course and on Owner's lots that abut the golf course are a valuable and important aesthetic element for Owner's property and the adjoining golf course, that trees help frame the boundaries of the golf course and that they provide some protection and screening from errant golf shots. Declarant reserves the right to remove trees within the golf course for any reason.

Removal or pruning of existing trees on the golf course or within the golf course easement areas, by anyone other than the management of the golf course, is strictly prohibited. Violations will be prosecuted to the maximum extent allowed by law and in accordance with established fine schedules for the Association. The Declarant and the New Construction Committee shall have the sole responsible for approving tree removals and or pruning of existing mature trees requested on Lots that abut the River's Edge Golf Course and in accordance with all other requirements of Article XIV.

This Article cannot be amended without the prior written approval of the Declarant.

ARTICLE XIII. RECORDS, AUDITS, ACCOUNTS

Section 1. GENERAL RECORDS. The Board and the managing agent or manager, if any, shall preserve and maintain minutes of the meetings of the Association, the Board, and any Board committees as required by ORS 94.670. The Board shall maintain a list of Owners entitled to vote at meetings of the Association. The minutes of the Association, the Board, and Board committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies. Proxies and ballots must be retained by the Association for one year from the date of determination of the vote.

Section 2. ASSESSMENT ROLL. The Board and the managing agent or manager, if any, shall maintain the assessment roll in a set of accounting books in which there shall be an account for each Lot. Such account shall designate the name and address of the Owner or Owners, the amount of each assessment against the Owner, the dates on which and the amounts in which the assessment comes due, the amount paid upon the account and the balance due on the assessments.

Section 3. ACCOUNTS. Assessments collected by the Association shall be deposited into at least two separate accounts with a bank, which accounts shall be clearly designated as:

- (a) The Current Operating Account, and
- (b) The Reserve Account.

The Board of Directors shall deposit those portions of the assessments collected for current maintenance and operation into the Current Operating Accounting and shall deposit those portions of the assessments collected as reserves for replacement and deferred maintenance of capital improvements into the Reserve Account. Withdrawal of funds for the Association's Reserve Account shall require the signatures of either two Directors or one Director and an officer of the Association who is not a Director.

Section 4. RESERVE ACCOUNT. Declarant shall establish a Reserve Account in the name of the Association, which shall be kept separate from all other funds held by the Association. The Association shall payout of the Reserve Account only those costs that are attributable to the maintenance, repair, or replacement of Common Property and the Private Ways that normally requires replacement, in whole or in part, at intervals between one (1) to thirty (30) years and not for regular or periodic maintenance and expenses. No funds collected for the Reserve Account may be used for ordinary current maintenance and operation purposes. Loans from the Reserve Account may only be approved as allowed by law.

Declarant shall conduct an initial reserve study and the Board of Directors shall annually conduct a reserve study or review and update an existing study, of Common Property including the Private Ways to determine the reserve account requirements. A reserve account shall be established for those items of the Private Ways and Common Property, all or part of which will normally require replacement at intervals between one (1) and thirty (30) years, and for the maintenance, repair, or replacement of other items as may be required under the Declaration or Bylaws or that the Board, in its discretion, may deem appropriate. The reserve account need not include items that could reasonably be funded from operating assessments.

A reserve study shall include:

- (a) Identification of all items for which reserves are required to be established;
- (b) The estimated remaining useful life of each item as of the date of the reserve study;
- (c) The estimated cost of maintenance, repair, or replacement of each item at the end of its useful life; and

The board of directors shall prepare a maintenance plan for the maintenance, repair and replacement of all property for which the association has maintenance, repair or replacement responsibility under the declaration or bylaws or ORS 94.550 to 94.783. The maintenance plan shall:

- (a) Describe the maintenance, repair and replacement to be conducted;
- (b) Include a schedule for the maintenance, repair and replacement;

(c) Be appropriate for the size and complexity of the maintenance, repair and replacement responsibility of the association; and

(d) Address issues that include but are not limited to warranties and the useful life of the items for which the association has maintenance, repair and replacement responsibility.

(e) The board of directors shall review and update the maintenance plan described under this subsection as necessary.

ARTICLE XIV. ARCHITECTURAL CONTROL

Section 1. APPROVAL REQUIRED. No Improvements 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 Appropriate Construction Committee. All approvals shall be in conformance with the building site established on each lot by the Declarant and the New Construction Committee.

Section 2. PROCEDURE. Any Owner proposing to construct any improvements within the Development (including any exterior alteration, addition, destructions, or modification to any such improvements) shall follow the procedures and shall be subject to the approvals required by Section 3 below and failure to do so shall be deemed a breach of this Declaration.

Section 3. REQUIRED DOCUMENTS. Any Owner proposing to utilize, improve, or develop real property within the Development shall submit a professionally prepared site plan, architectural plans and drawings, and landscape plans (where applicable) for review and approval. The New Construction Committee shall adopt and promulgate a list of required drawings, submittal details, material samples and specifications and make them available to Owners, builders, and developers who seek to engage in any construction or other development within the Community.

Section 4. REVIEW. All plans and drawings identified in Section 3 above, shall be submitted to the Appropriate Construction Committee, as described in Section 5 below, for review prior to the performance of any proposed work. Such plans and drawings shall be accompanied with a check payable to the Appropriate Construction Committee in an amount to be determined from time to time by the Appropriate Construction Committee. No plans shall be reviewed until the architectural review fee is paid in full and all items specified in Section 3 are submitted. Within 30 days following receipt of such plans and drawings, and the full amount of the architectural fee, the Appropriate Construction Committee shall review the plans and shall inform the Owner in writing whether the plans are appropriate for the Development. The Owner shall re-submit those non-conforming portions of the plans for review in accordance with the procedures outlined in Section 3 above and this Section. No work may be performed relating to any Improvement unless and until all aspects of all plans required under Section 3 above have been approved by the Appropriate Construction Committee. Any site plans, construction plans or similar plans and drawings submitted

to the City of Bend in connection with the construction of any Improvement in the Development prior to receiving the written approval of the Appropriate Construction Committee, shall be at the sole risk and expense of the Owner.

Section 5. CONSTRUCTION COMMITTEES.

(a) The New Construction Committee shall have exclusive jurisdiction over all original construction, or reconstruction of any Improvement that is a total loss as a result of a casualty event, on any Lot within the Community. However, the New Construction Committee may delegate review authority over any architectural review application to the Modifications Committee at its discretion. The New Construction Committee shall prepare design rules, regulations, and guidelines and additional application procedures, including a fine schedule for the violation of any such rules and regulations and the right to establish deposits to insure all construction complies with such rules and regulations. The New Construction Committee shall adopt and promulgate such rules, procedures and make them available to Owners, builders, and developers who seek to engage in any construction or other development within the Community and who shall conduct their operations strictly in accordance therewith. It shall be the responsibility of each Owner to obtain the current rules and regulations. Neither the Declarant nor the New Construction Committee shall be liable for any Owner relying upon any rule or regulation that is not currently in effect. The Declarant retains the right to appoint all members of the New Construction Committee, which shall consist of at least three (3), but no more than five (5), persons until Declarant elects to surrender that right to the Board of Directors. There shall be no surrender of this right prior to that time, except in a written instrument in recordable form executed by Declarant. Upon the surrender of such right, the Board of Directors shall appoint the members in the same manner as provided for the Modifications Committee.

(b) The Modifications Committee shall consist of at least three (3) and no more than five (5) members, all of whom shall be appointed by the Board of Directors. At the time of turnover meeting as described in Article III, Section 5 above, the Modifications Committee shall be turned over to the Association. The Modifications Committee shall have exclusive jurisdiction over modifications, additions, or alterations made to Lots containing approved existing structures/Improvements as well as the repair or reconstruction of any structure/Improvement that is a partial loss as a result of a casualty event.

The Modifications Committee shall promulgate detailed Standards and Procedures governing its area of responsibility and practice; provided, however, that no such Standards or Procedures shall be deemed to amend, modify or conflict with any existing New Construction Committee Rules and Regulations. In addition thereto, plans and specifications shall be submitted showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, alterations, repairs, or applicable reconstructions shall be submitted to the Modifications Committee for approval as to quality of workmanship and design and harmony external design with existing structures, and as to location in relation to surrounding structures, topography, and finish grade elevation. No permission or approval shall be required to repaint in accordance with an originally

approved color scheme, or to rebuild in accordance with originally approved plans and specifications. Nothing contained herein shall be construed to limit the right of an Owner to remodel the interior of his or her residence, or to paint the interior of his or her residence any color desired. In the event the Modification Committee fails to approve or to disapprove such plans or to request additional information reasonably required within forty-five (45) days after submission, the plans shall be deemed approved. The Modifications Committee shall not have responsibility or authority for any application where an Owner seeks alterations or modifications to modify NCC established building setbacks, existing easements, use approvals, or a non-conforming conditional use approval. Jurisdiction for these types of applications remain the sole responsibility of the New Construction Committee.

Section 6. LIABILITY. The scope of the New Construction Committee and Modifications Committee review is not intended to include any review or analysis of structural, geophysical, engineering, or other similar considerations. Neither the Declarant, the Association, the New Construction Committee, the Modifications Committee, nor 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 New Construction Committee, Modifications Committee or any member thereof, provided only that the New Construction Committee or Modification Committee has, or the member has, in accordance with the actual knowledge possessed by the New Construction Committee or Modification Committee, or by such member, acted in good faith.

Section 7. ARCHITECTURAL GUIDELINES. The architectural guidelines for determining the appropriateness of a proposed improvement shall be determined by the New Construction Committee in accordance with applicable statutes, ordinances, regulations, zoning, and other governmental land use controls. Architectural guidelines may be published from time to time by the New Construction Committee, but the New Construction Committee shall not be required to do so. The New Construction Committee shall have the right to alter, rescind, or amend any published guidelines without prior notice to any part; provided, however, that once approval has been given pursuant to Section 4 above, work may proceed in accordance with the approved plans and drawings notwithstanding any changes in the architectural guidelines. All such guidelines shall be in general conformity with this Declaration.

Section 8. SETBACK, MAXIMUM HEIGHT AND MINIMUM LANDSCAPE YARD REQUIREMENTS. Each Lot shall be subject to the setback, maximum height, minimum living area square footage, minimum garage area square footage and minimum landscape requirements as established by the New Construction Committee in its rules and regulations, as well as any applicable approval criteria established by the City of Bend and/or any other governmental entity with jurisdiction over the Lot. Every Owner shall comply with all applicable land use review procedures established by the City of Bend and/or any other government entity with jurisdiction over such Lot.

Setbacks may vary from one Lot to the next, depending upon location, view and established

building envelopes. All new construction shall be subject to more restrictive view easements, setbacks, maximum heights and minimum yard requirements as may be established by the New Construction Committee. The City of Bend may establish certain maximum height, solar setback standards and minimum yard requirements as a condition of approval of the Development. No Improvement shall be constructed or maintained that does not comply with any setback, maximum height or minimum yard setback requirement, except as allowed with the written consent of the New Construction Committee and in accordance with applicable City of Bend approvals.

Section 9. COMPLETION OF CONSTRUCTION. The construction of any Improvement on any Lot, including painting and all exterior finish, shall be completed within the time established by the New Construction Committee. In the event of undue hardship due to circumstances beyond the reasonable control of an Owner, the New Construction Committee may extend the construction completion date in a given approval for a reasonable length of time upon application by the affected Owner. The building area shall be kept reasonably clean and in workmanlike order during the construction period. The New Construction Committee may enact restrictions and procedures to control access, parking and disruption of the Development and its environment during Lot construction, including but not limited to restrictions on access, parking, pets, and noise and restriction of individuals working on construction from access to or use of other Lots or Common Property of the Development, except for purposes directly related to construction, as permitted in writing by the New Construction Committee on that Lot.

Section 10. LANDSCAPE COMPLETION. All landscaping must be completed within the time established by the New Construction Committee and shall be from the date of the City's final inspection, or occupancy, whichever first occurs, of the Dwelling Unit constructed thereon. In the event of undue hardship due to circumstances beyond the reasonable control of an Owner, the New Construction Committee may extend the construction completion date for a given approval for a reasonable length of time upon application by the affected Owner.

Section 11. EFFECTIVE PERIOD OF CONSENT. Any approval by the New Construction Committee or Modifications Committee for any proposed Improvement shall expire one (1) year after issuance of the approval unless substantial construction of the Improvement has occurred or the Owner has applied for and received an extension of time from the Appropriate Construction Committee. For the purposes of this Section, substantial construction has occurred when the holder of an approval has physically altered the land or structure or changed the use thereof and such alteration or change is directed toward the completion and is sufficient in terms of time, labor, or money spent to demonstrate a good faith effort to complete the Improvement.

Section 12. INSPECTION. All work related to any building, structure, or Improvement or any landscaping, vegetation, ground cover, or other Improvements within the Community shall be performed in strict conformity with the plans and drawings approved under Section 4 above. The New Construction Committee or Modifications Committee shall have the right, but not a requirement or an obligation, to inspect any such work to determine its conformity with the approved plans and drawings, and reserves the right to order a stop to all work, if, in good faith, it believes that

any such work is non-conforming. In the event that it is determined in good faith by the New Construction Committee or Modifications Committee that certain work is non-conforming, a stop work notice may be issued, without necessity of court order, which shall require the owner to correct all non-conforming work specified in the notice before the remainder of the proposed work may be complete. Continued work without correction of any such non-conforming item shall be deemed a breach of the Declaration. The New Construction Committee or Modifications Committee shall not be responsible for any damages, loss, delay, cost, or legal expenses occasion through a stop work notice given in good faith even if it is ultimately determined that such work was in conformance with the approved plans and drawings.

Section 13. **WAIVER.** Any condition or provision of Sections 7 through 12 may be waived by the New Construction Committee in its sole discretion. Any waiver shall be in general conformity with the architectural guidelines for the Development. Any such waiver shall not be deemed a general waiver of any other aspect of the architectural guidelines of the Development or required procedures and approvals. The granting of a waiver as to one Owner shall not automatically entitle any other Owner to the waiver of the same or similar conditions or provision. No waiver shall be valid unless it is in writing, signed by an authorized representative of New Construction Committee or by the New Construction Committee on behalf of the Modifications Committee (where the waiver applies to a modification application).

Section 14. **APPLICABILITY.** The provision of this Article XIV shall not apply to Lots owned by or Improvements constructed by Declarant.

Section 15. **ENFORCEMENT PROCEDURES.** In the event that any Owner constructs or permits to be constructed on said Owner's Lot, an improvement contrary to the provisions of this Declaration, or of the New Construction Committee's rules and regulations, or in the event that an Owner maintains or permits any Improvement, item, condition, or any other occurrence on his or her Lot contrary to the provisions of this Declaration, New Construction Committee's rules and regulations, the Association may, no sooner than fifteen (15) days after mailing or personal delivery of written notice of the violation to such Owner, order the Owner to cease and desist all work, construction, repair, alteration, landscaping and excavation of any kind, until such breach is remedied or resolved, and certified in writing by the New Construction Committee or Modifications Committee as appropriate. The stop work order shall continue until the violation has been corrected as authorized by the Appropriate Construction Committee, as certified in writing by the Appropriate Construction Committee. If the Owner or/their contractor/subcontractors refuses to stop work, a certified letter shall be sent to the property Owner who is in violation. The letter shall describe what the violation is and require that all work be discontinued until the problem is rectified or resolved. A limit shall be placed on the amount of time allowed to correct the problem or reach resolution. In most cases, the time limit will be set at either twenty-four (24) or forty-eight (48) hours. In the event the written notice is ineffective or is breached, the Association may seek an injunction to force compliance. A fine may also be levied in conjunction with the stop work order, in accordance with a schedule of fines reviewed and approved by the Association.

ARTICLE XV. GENERAL PROVISIONS

Section 1. DURATION. The covenants and restrictions of this Declaration shall run with and bind all of the real properties within the Community, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns. This Declaration may not be amended, or repealed in a way that affects the rights and privileges of Declarant or Declarant's Successors and Assigns, or River's Edge Golf Course without their consent.

Section 2. AMENDMENT. This Declaration may be amended unilaterally at any time and from time to time by Declarant if:

(a) Such amendment is necessary to bring any provision hereof into compliance with any applicable governmental statute, rule, or regulation or judicial determination which shall be in conflict therewith;

(b) If such amendment is reasonably necessary to enable any reputable title insurance company to issue title insurance coverage with respect to the Lots subject to this Declaration;

(c) If such amendment is required by an institutional or governmental lender or purchaser of mortgage loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable such lender or purchaser to make or purchase mortgage loans on the Lots subject to this Declaration;

(d) If such amendment is needed to protect the safety and use of Owner's Lots and/or Declarant's properties; or

(e) If such amendment is necessary to enable any governmental agency or reputable private insurance company to insure mortgage loans on Lots subject to this Declaration.

No amendment shall limit the Declarant's rights or increase Declarant's obligations under this Declaration without the written consent of Declarant. No amendment shall adversely affect the title to any Owner's Lot unless the affected Owner consents thereto in writing. Further, so long as the Class B membership exists, Declarant may unilaterally amend this Declaration for any other purposes; provided, however, any such amendment shall not materially adversely affect the substantive rights of any Lot Owner hereunder, nor shall it adversely affect title to any Lot without the consent of the affected Lot Owner.

In addition to the above, this Declaration may be amended upon the affirmative vote or written consent, or any combination thereof, of at least a majority of the Class A members and the consent of the Declarant, so long as Declarant owns lots subject to this Declaration or has an unexpired option to subject property to this Declaration. Amendments to this Declaration shall

become effective upon recordation in the Deschutes County, Oregon records, unless a later effective date is specified therein.

Section 3. INDEMNIFICATION. The Association shall indemnify every officer and director against any and all expenses, including attorney fees and other legal costs, reasonably incurred by or imposed upon any officer or director in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the then Board of Directors) to which he or she may be a party by reason of being or having been an officer or director. The officers and directors shall not be liable for any mistake of judgment, negligent or otherwise, except for their own individual willful misfeasance, malfeasance, misconduct, or bad faith. The officers and directors shall have no personal liability with respect to any contract or other commitment made by them, in good faith, on behalf of the Association (except to the extent that such officers or directors may also be Members of the Association), and the Association shall indemnify and forever hold each such officer and director free and harmless against any and all liability to others on account of any such contract or commitment. Any right to indemnification provided for herein shall not be exclusive of any other rights to which any officer or director, or former officer or directors, may be entitled. The Association shall, as a common expense, maintain adequate general liability and officers' and directors' liability insurance to fund this obligation, if such insurance is reasonably available.

Section 4. EASEMENTS FOR UTILITIES. There is hereby reserved to the Association non-exclusive perpetual blanket easements upon, across, above, and under all property within the Community for access, ingress, egress, installation, repairing, replacing, and maintaining all utilities serving the Community or any portion thereof, including, but not limited to, gas, water sanitary sewer, telephone, and electricity, as well as storm drainage and any other service such as, but not limited to, a master television antenna system, cable television system, or security system which the Association might decide to have installed to serve the Community. It shall be expressly permissible for the Association or its designee, as the case may be, to install, repair, replace, and maintain or to authorize the installation, repairing, replacing, and maintaining of such wire, conduits, cables, and other equipment related to the providing of any such utility or service. Should any party furnishing any such utility or service request a specific license or easement by separate recordable document, the Board shall have the right to grant such easement. In the event of a conflict with other easements, this reservation of easement shall be subordinate.

Section 5. CONSTRUCTION AND SALE. Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Lots shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Private Ways such facilities and activities as, in the sole opinion of Declarant, may be reasonably required, convenient, or incidental to the construction or sale of such Lots, including, but not limited to, business offices, signs, model units, and sale offices, and the Declarant shall have an easement for access to such facilities. The right to maintain and carry on such facilities and activities shall include specifically the right to use Lots owned by the Declarant. This Section may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Section 5 shall terminate upon Declarant's recording a written statement that all sales activity has ceased.

Section 6. ENFORCEMENT; ATTORNEYS' FEES. The Association, the Owners, the Declarant, and the mortgagee on any Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or hereinafter imposed by any of the provisions of this Declaration as may pertain specifically to such parties or Owners by any proceeding at law or in equity. Failure by the Association, Declarant, or any Owner or mortgagee to enforce any covenant, condition or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter.

In the event any suit or action is commenced to enforce the terms and provisions of this Declaration, the Bylaws, or any Rule or Regulation, the prevailing party shall be entitled to its attorney fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal or review, the cost of the appeal or review, together with reasonable attorney fees, to be set by the appellate court. In addition thereto, the Association shall be entitled to its reasonable attorney fees incurred in any enforcement activity taken to collect delinquent assessments, whether or not suit or action is filed.

Section 7. GENDER AND GRAMMAR. The singular, wherever used herein, shall be construed to mean the plural, when applicable, and the use of the masculine pronoun shall include the neuter and feminine.

Section 8. SEVERABILITY. Whenever possible, each provision of this Declaration shall be interpreted in such manner as to be effective and valid. If the application of any provision of this Declaration to any person or to any property shall be prohibited or held invalid in any respect, such prohibition or invalidity shall not affect the provision in any other respect nor shall such prohibition or invalidity affect the application of any other provision that can be given effect without the invalid provision or application, and, to this end, the provisions of this Declaration are declared to be severable.

Section 9. CAPTIONS. The captions of each Article and Section hereof, as to the contents of each Article and Section are inserted only for convenience and are in no way to be construed as defining, limiting, extending, or otherwise modifying or adding to the particular Article or Section to which they refer.

[Signatures on Next Page]

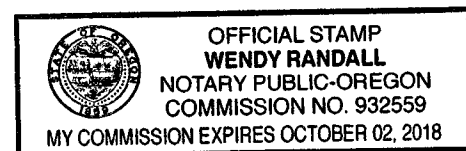
IN WITNESS WHEREOF, the undersigned Declaration has been executed this 23rd day of March, 2015.

RIVER'S EDGE INVESTMENTS, LLC, an Oregon
Limited liability company

By: Wayne Purcell
Wayne Purcell, Operating Manager, Member

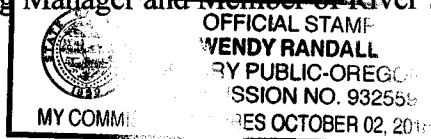
By: Clyde W. Purcell
Clyde W. Purcell, Member

By: Clyde W. Purcell
Clyde W. Purcell, as Successor Trustee
of the Mary Lou Purcell Trust U/T/A
dated December 3, 1992, as amended, its Member



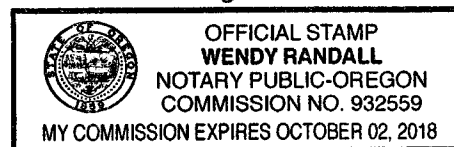
STATE OF OREGON
COUNTY OF DESCHUTES

This instrument was acknowledged before me on March 23rd, 2015 by Wayne Purcell as Operating Manager and Member of River's Edge Investments, LLC.

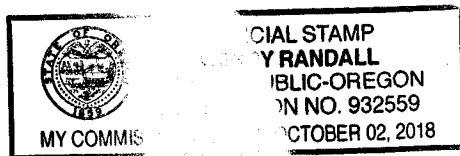


Wendy Randall
Notary Public for Oregon

STATE OF OREGON
COUNTY OF DESCHUTES



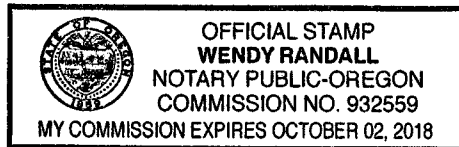
This instrument was acknowledged before me on March 23rd, 2015 by Clyde W. Purcell as Member of River's Edge Investments, LLC.



Wendy Randall
Notary Public for Oregon

STATE OF OREGON
COUNTY OF DESCHUTES

This instrument was acknowledged before me on March 23rd, 2015 by Clyde W. Purcell, as Successor Trustee of the Mary Lou Purcell Trust U/T/A dated December 3, 1992, as amended, Member of River's Edge Investments, LLC.



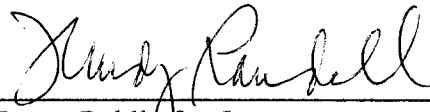

Notary Public for Oregon

EXHIBIT A

**River's Edge Village, Phase XVI, Recorded as plat number ²⁰¹⁵⁻~~09890~~, Deschutes County
Majestic Ridge Subdivision**

Exhibit A

{16982003-00520389;8}

EXHIBIT B

Additional Lands

{16982003-00520389;8}
{16982003-00520389;8}

{16982003-00520389;8}

Exhibit B

EXHIBIT B

A parcel of land containing 157.67 acres, more or less, located in a portion of the South One-Half of Section and in a portion of the North One-Half (N1/2) of Section 29, Township 17 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, being more particularly described as follows:

Beginning at the Initial Point of River's Edge Village, Phase V, on the northerly right of way line of Mt. Washington Drive; thence along the boundary of said River's Edge Village, Phase V, and said right of way the following three (3) courses a three (3) curves:

North 63°59'13" West a distance of 261.85 feet;
333.49 feet along the arc of a tangent curve to the left with a radius of 652.42 feet, the chord of which bears North 78°37'50" West for a distance of 329.87 feet;
South 86°43'32" West a distance of 123.82 feet;
37.69 feet along the arc of a tangent curve to the right with a radius of 655.34 feet, the chord of which bears South 88°22'23" West for a distance of 37.68 feet;
North 89°58'45" West a distance of 54.43 feet;
49.77 feet along the arc of a tangent curve to the right with a radius of 635.71 feet, the chord of which bears North 87°44'11" West for a distance of 49.76 feet;

thence leaving said right of way line, continuing along said boundary the following fourteen (14) courses and two (2) curves:

North 06°15'05" East a distance of 75.64 feet;
North 83°43'55" West a distance of 19.34 feet;
335.82 feet along the arc of a tangent curve to the right with a radius of 560.00 feet, the chord of which bears North 66°33'08" West for a distance of 330.81 feet;
North 49°22'21" West a distance of 149.60 feet;
76.93 feet along the arc of a tangent curve to the right with a radius of 534.00 feet, the chord of which bears North 45°14'43" West for a distance of 76.86 feet;
North 65°02'42" East a distance of 89.64 feet;
North 01°05'21" West a distance of 100.00 feet;
North 21°23'23" East a distance of 54.84 feet;
North 24°35'11" East a distance of 189.87 feet;
North 35°35'35" East a distance of 231.98 feet;
North 27°27'51" East a distance of 281.72 feet;
North 64°00'34" East a distance of 507.24 feet;
North 24°30'32" East a distance of 93.40 feet;
North 00°24'13" West a distance of 89.42 feet;
North 08°21'01" West a distance of 189.64 feet;
North 15°13'29" West a distance of 227.15 feet to the boundary of River's Edge Village, Phase VI; thence along the boundary of said River's Edge Village, Phase VI the following two (2) courses:

North 15°13'29" West a distance of 229.45 feet;
North 37°18'20" West a distance of 599.96 feet; feet to the boundary of River's Edge Village, Phase VII; thence along the boundary of said River's Edge Village, Phase VII the following eight (8) courses:

North 19°29'50" West a distance of 373.00 feet;
North 24°30'58" West a distance of 171.91 feet;
North 01°47'04" West a distance of 54.56 feet;
North 09°20'24" West a distance of 228.64 feet;
North 07°00'10" West a distance of 55.85 feet;
North 11°05'16" West a distance of 32.20 feet;
North 41°03'08" West a distance of 65.26 feet;
North 79°45'16" West a distance of 97.51 feet to the boundary of River's Edge Village, Phase VIII; thence along the boundary of said River's Edge Village, Phase VIII the following six (6) courses:

North 03°37'17" West a distance of 45.11 feet;
North 59°33'28" East a distance of 333.92 feet;
North 70°10'26" East a distance of 181.49 feet;
North 79°12'06" East a distance of 105.65 feet;
South 40°39'42" East a distance of 116.99 feet;
North 41°00'34" East a distance of 174.59 feet to the boundary of River's Edge Village, Phase IX; thence along the boundary of said River's Edge Village, Phase IX the following eight (8) courses and two (2) curves:

South 48°59'26" East a distance of 30.00 feet;
South 41°00'34" West a distance of 149.42 feet;
South 35°30'47" East a distance of 103.33 feet;
South 46°39'51" East a distance of 100.54 feet;
South 43°46'53" East a distance of 415.89 feet;
South 50°32'25" East a distance of 215.22 feet;
North 10°26'59" East a distance of 204.66 feet;
41.59 feet along a non-tangent curve to the left with a radius of 195.00 feet, the chord of which bears North 81°29'53" East a distance of 41.51 feet;
North 75°23'16" East a distance of 49.92 feet;
170.66 feet along the arc of a tangent curve to the right with a radius of 257.78 feet, the chord of which bears South 85°38'49" East for a distance of 167.56 feet to the boundary of River's Edge Village, Phase X; thence along the boundary of said River's Edge Village, Phase X the following one (1) curve and five (5) courses:

110.12 feet along the arc of a compound curve to the right with a radius of 257.78 feet, the chord of which bears South 54°26'38" East for a distance of 109.28 feet;
South 42°12'35" East a distance of 70.41 feet;
South 10°01'50" West a distance of 106.00 feet;
South 32°01'44" East a distance of 397.74 feet;

South 09°16'19" East a distance of 295.36 feet;
South 00°05'17" East a distance of 90.00 feet to the boundary of River's Edge Village, Phase XI;
thence along the boundary of said River's Edge Village, Phase XI the following seven (7) courses:

South 74°07'17" West a distance of 3.49 feet;
South 00°59'39" West a distance of 189.66 feet;
South 12°21'30" West a distance of 104.71 feet;
South 15°51'58" West a distance of 106.48 feet;
South 07°04'16" West a distance of 124.34 feet;
South 13°21'29" West a distance of 146.27 feet;
South 00°36'38" East a distance of 341.98 feet to the boundary of River's Edge Village, Phase XII; thence along the boundary of said River's Edge Village, Phase XII the following nine (9) courses and two (2) curves:

South 09°36'13" East a distance of 106.35 feet;
South 13°48'44" East a distance of 230.17 feet;
South 12°52'21" East a distance of 103.33 feet;
South 08°02'39" East a distance of 118.44 feet;
55.85 feet along a non-tangent curve to the left with a radius of 230.00 feet, the chord of which bears South 41°01'13" West a distance of 55.71 feet;
29.47 feet along the arc of a reverse curve to the right with a radius of 165.00 feet, the chord of which bears South 39°10'54" West for a distance of 29.44 feet;
South 50°53'47" East a distance of 116.27 feet;
North 64°22'22" East a distance of 103.95 feet;
North 69°41'45" East a distance of 182.86 feet;
North 52°44'19" East a distance of 340.27 feet;
North 26°24'35" West a distance of 541.01 feet to the boundary of River's Edge Village, Phase XI; thence along the boundary of said River's Edge Village, Phase XI the following five (5) courses:

North 26°24'35" West a distance of 394.41 feet;
North 03°40'07" East a distance of 85.97 feet;
North 26°17'26" East a distance of 112.59 feet;
North 10°26'03" East a distance of 221.53 feet;
North 03°38'35" East a distance of 137.00 feet to the boundary of River's Edge Village, Phase X;
thence along the boundary of said River's Edge Village, Phase X the following two (2) courses:

North 03°38'35" East a distance of 258.00 feet;
North 21°47'42" West a distance of 538.89 feet to the north line of the Southwest One-Quarter of the Southeast One-Quarter (SW1/4 SE1/4) of said Section 20;

thence along said north line, South 89°26'37" East a distance of 147.74 feet to the northwest corner of that property described in Statutory Warranty deed recorded May 10, 1999 in Volume 1999 Page 23016 Deschutes County official records; thence leaving said north line, along the boundary of said Volume 1999 Page 23016 the following two (2) courses:

South 24°15'29" East a distance of 85.88 feet;
North 84°56'02" East a distance of 139.05 feet to the boundary of River's Edge Village, Phase II;
thence along the boundary of said River's Edge Village, Phase II the following three (3) courses:

South 25°51'50" East a distance of 451.59 feet;
South 02°41'09" East a distance of 266.86 feet;
South 28°31'17" West a distance of 110.14 feet to the boundary of River's Edge Village, Phase XV;
thence along the boundary of said River's Edge Village, Phase XV the following eleven (11) courses:

South 28°31'17" West a distance of 136.79 feet;
South 61°10'42" West a distance of 31.65 feet;
South 01°47'22" East a distance of 375.84 feet;
South 25°52'27" East a distance of 75.96 feet;
South 37°45'11" East a distance of 76.43 feet;
South 35°46'50" East a distance of 90.93 feet;
South 23°16'27" East a distance of 228.12 feet;
South 27°47'47" East a distance of 131.62 feet;
North 56°39'10" East a distance of 64.86 feet;
North 33°20'50" West a distance of 11.00 feet;
North 56°39'10" East a distance of 156.16 feet to the boundary of River's Edge Village, Phase XIV;
thence along the boundary of said River's Edge Village, Phase XIV the following two (2) courses:

South 33°27'01" East a distance of 10.18 feet;
North 56°32'59" East a distance of 100.00 feet to the boundary of said River's Edge Village, Phase II;
thence along the boundary of said River's Edge Village, Phase II the following one (1) course and one (1) curve:

South 33°27'01" East a distance of 112.42 feet to said northerly right of way line of Mt. Washington Drive;
continuing along said Phase II boundary and along said right of way line, 92.83 feet along a non-tangent curve to the left with a radius of 487.54 feet, the chord of which bears South 45°52'11" West a distance of 92.69 feet to the boundary of River's Edge Village, Phase IV;
thence along the boundary of said River's Edge Village, Phase IV and said right of way line the following five (5) courses and four (4) curves:

South 40°43'31" West a distance of 364.94 feet;
335.41 feet along a non-tangent curve to the left with a radius of 331.58 feet, the chord of which bears South 11°53'46" West a distance of 321.29 feet;
South 17°04'57" East a distance of 272.49 feet;
393.71 feet along the arc of a tangent curve to the right with a radius of 344.78 feet, the chord of which bears South 15°37'52" West for a distance of 372.67 feet;
South 48°20'41" West a distance of 401.14 feet;
272.24 feet along the arc of a tangent curve to the right with a radius of 520.00 feet, the chord of which bears South 63°20'35" West for a distance of 269.14 feet;

South 78°20'29" West a distance of 406.04 feet;
282.09 feet along the arc of a tangent curve to the right with a radius of 429.04 feet, the chord of which bears North 82°49'22" West for a distance of 277.04 feet;
North 63°59'13" West a distance of 174.26 feet to the point of beginning, the terminus of this description.

Subject to: All easements, restrictions and right-of-ways of record and those common and apparent on the land.

