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Shevlin Commons, LLC  
268 NW Congress  
Bend, OR 97701

**PLANNED COMMUNITY SUBDIVISION  
DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS  
FOR  
SHEVLIN COMMONS**

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15 OREGON AVENUE, BEND

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EXHIBIT A      Property Subject to Declaration

Pages 1 and 2

**PLANNED COMMUNITY SUBDIVISION  
DECLARATION OF COVENANTS,  
CONDITIONS, AND RESTRICTIONS  
FOR  
SHEVLIN COMMONS**

THIS PLANNED COMMUNITY SUBDIVISION DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SHEVLIN COMMONS ("Declaration") is made this 27<sup>th</sup> day of November, 2002, by SHEVLIN COMMONS, LLC, a Oregon limited liability company, duly authorized to transact business in the State of Oregon ("Declarant").

A. Declarant owns or controls approximately 76 acres within the City of Bend, Deschutes County, Oregon. Declarant proposes to develop portions of this property as a planned development to be known as "Shevlin Commons," which shall be a Class I planned community pursuant to the Oregon Planned Community Act (the "Act") and shall be subject to ORS 94.550 through ORS 94.783, as amended from time to time. The metes and bounds legal description of the property owned by Declarant is attached hereto as Exhibit A and by reference incorporated herein.

B. Declarant intends to create in Shevlin Commons a carefully planned, three zone community which will provide an attractive place to live and will assure the protection of environmentally sensitive adjacent land. Declarant will provide leadership in organizing and administering the Shevlin Commons project during the development period, but expects property owners in Shevlin Commons to accept the responsibility for community administration by the time the development is complete.

C. The purpose of this Declaration is to provide for the ownership, maintenance and use of all portions of Shevlin Commons, including certain common areas which will be owned and operated by a homeowner association for the benefit of all properties now or later made subject to this Declaration and establish certain basic principles upon which the ownership, maintenance and use of Shevlin Commons shall be based. Declarant acknowledges that Shevlin Commons encompasses a very special property at the critical transition from Bend's urban area to the wild reserve lands of Shevlin Park and the foothills of the Cascade Mountains. The site of Shevlin Commons offers dramatic views of

the mountains in a setting of native grass and shrub meadows with scattered pine trees. The snags and fallen trees that dot the meadows are reminders of the site's fire history and provide important habitat for wildlife. Silence, serenity, and the dark night sky are key elements of the natural setting. The site's open character and close proximity to the wooded canyon along Tumalo Creek make it quite vulnerable to the visual impact of homes and other improvements. The Shevlin Commons site contains fragile high desert soils and native plant communities that are easily destroyed by human and animal impacts.

The Declarant by and through this Declaration shall establish Shevlin Commons as a residential neighborhood that is functionally and visually integrated within this natural setting. Shevlin Commons shall be a cohesive community that blends the very highest standards of construction quality and design with principles of conservation and sustainability. Declarant has identified those core principles that support this objective and has determined that the value of Shevlin Commons, its success as a community, and the integrity of the surrounding natural landscape depend on the extent to which its residents understand and respect these principles. The Declarant has included in the Declaration these core principles to define the focus of Shevlin Commons for the benefit of all Owners and as a basis for the integration of all use restrictions contained herein, as well as the design guidelines established for Shevlin Commons.

The core principles are intended only as important goals that solidify the vision for Shevlin Commons and give the Association and the DCRC a clear and legitimate basis for interpreting and enforcing this Declaration, the Design Guidelines and other rules and regulations adopted by the Association consistent with this vision.

D. Funds for the maintenance and operation of the common areas generally will be provided through assessments against those who purchase property within Shevlin Commons, although to assist with the development of Shevlin Commons, Declarant and Bend Metro Park and Recreation District may from time to time provide some improvements. For the protection of all owners of property in Shevlin Commons there will be a system designed to assure that each person who purchases property in Shevlin Commons will pay an equitable share of the moneys necessary for the maintenance and development of common areas.

E. A Planned Unit Development Master Plan for Shevlin Commons, approved by the City of Bend, has been adopted effective February 27, 2002, ("Master Plan"). By adoption of the Master Plan and this Declaration, Declarant is not committing itself to take any action for which definite provision is not made in this Declaration. One who acquires property in Shevlin Commons will have the advantage of further development of Shevlin Commons, but shall not have any legal right to insist that there be development except as

provided in this instrument or in the instruments which hereafter may be recorded annexing areas to Shevlin Commons and subjecting areas to this Declaration.

F. Declarant has recorded or will record a plat entitled "Shevlin Commons P.U.D., Phases I, II and III" in the Plat Records of Deschutes County, Oregon (the "Plat"). Two tracts of the Plat which are designated as Tract C and Tract A on the Plat are owned by Declarant but are part of an area that has been preserved as natural open space (the "Conservation Area"). The Conservation Area, approximately 43 acres in total, has been subjected to an easement which insures that the Conservation Area will be permanently protected. (the "Easement"). Declarant desires to establish the property platted as Shevlin Commons P.U.D., Phases I, II and III, including portions of the Conservation Area, as the first phases of the planned community known as Shevlin Commons. For purposes of this Declaration, all references hereinafter made to "Phases I, II and III" shall mean the property as shown on the Plat Phases I, II and III as defined above, encompasses approximately 26.9 acres. Part of Phases I, II and III consists of forty-one (41) building Units, private ways or streets and Common Area, as more particularly shown in the Plat. Declarant contemplates platting additional portions of the original total acreage constituting Shevlin Commons, including the portions of the Conservation Area, (as shown in the Master Plan) in phases. However, Declarant is not committing itself to plat and/or develop any or all of the contemplated phases.

G. Declarant hereby declares that all of the property described in Exhibit A and any additional property which is hereafter subjected to this Declaration by Supplemental Declaration (as defined herein) shall be held, sold, and conveyed subject to the following easements, restrictions, covenants, conditions and charges, which are: (i) for the purpose of protecting the natural characteristics of the environment in portions of Shevlin Commons and the value and desirability of all property within Shevlin Commons; (ii) which shall run with the real property subjected to this Declaration and shall be appurtenant thereto; (iii) which shall be binding on all parties having any right, title, or interest in the described real properties or any part thereof, their heirs, successors, successors-in-title, and assigns; and (iv) shall inure to the benefit of each owner thereof.

## Article I. Definitions

1.1. "Area of Common Responsibility" shall mean and refer to the Common Area, and, Common Easement Areas, together with those areas, if any, which by the terms of this Declaration become the responsibility of the Association. The office of any property manager employed by or contracting with the Association, if located on the Properties, or any

public rights-of-way within or adjacent to the Properties, may be part of the Area of Common Responsibility.

1.2. "Articles of Incorporation" or "Articles" shall mean and refer to the Articles of Incorporation of Shevlin Commons Community Association, as filed with the Secretary of State of the State of Oregon.

1.3. "Association" shall mean and refer to Shevlin Commons Community Association, which shall be an Oregon nonprofit corporation, its successors or assigns. The use of the term "association" or "associations" in lower case shall refer to any other owners association having jurisdiction over any part of the Properties.

1.4. "Board of Directors" or "Board" shall mean and refer to the elected body of the Association having its normal meaning under Oregon corporate law.

1.5. "Building Zones" shall mean the three (3) architectural zones identified on the Site Plan of the Properties, as further described herein, for purposes of establishing building restrictions and guidelines that are appropriate for the landscape character of each Building Zone.

1.6. "Bylaws" shall mean and refer to the Bylaws of Shevlin Commons Community Association as they may be amended from time to time. The Bylaws shall be recorded in Deschutes County, Oregon.

1.7. "Class B Control Period" shall mean and refer to the period of time during which the Class B Member is entitled to appoint all or a majority of the members of the Board of Directors.

1.8. "Common Area" shall mean all real and personal property which the Association now or hereafter owns or otherwise holds for the common use and enjoyment of all Owners, including Common Easement Areas.

1.9. "Common Assessments" shall mean and refer to assessments levied against all Units in the Properties to fund Common Expenses.

1.10. "Common Easement Areas" shall mean those easements on any Unit established for the benefit of all Owners pursuant to a plat or declaration.

1.11. "Common Expenses" shall mean and include the actual and estimated expenses incurred by the Association for the general benefit of all Unit Owners, including the

Reserve Fund, all as may be found to be necessary and appropriate by the Board pursuant to this Declaration, the Bylaws, and the Articles of Incorporation of the Association, but shall not include any expenses incurred during the Class B Control Period for initial development, original construction or installation of infrastructure, original capital improvements, or other original construction costs unless approved by Members representing a majority of the total Class A vote of the Association.

1.12. "Community Wide Standard" shall mean the standard of conduct, maintenance, or other activity generally prevailing throughout the Properties. Such standard may be more specifically determined by the Board of Directors and the Design/Construction Review Committee (as hereinafter defined). In no event, however, shall such standard be reduced below that standard established by the Declarant as of the termination of the Class B Control Period.

1.13. "Conservation Agreement" shall mean that certain Conservation Easement Agreement dated July 10,2001, by and between Andrew B. Crosby as Grantor and Bend Metro Park and Recreation District as Grantee concerning the Conservation Area, and recorded on October 22,2002 in Volume 2002, Page 58545 of the Deschutes County Oregon Official Records.

1.14. "Conservation Area" shall mean the portion of the Properties consisting of approximately 43 acres that is subject to the Conservation Agreement over the real property described on Exhibit B, attached hereto.

1.15. "Core Principles" shall mean those basic principles upon which the ownership, construction, maintenance and use of Shevlin Commons shall be based, as follows:

- a. The preservation of the intrinsic qualities of the Properties including the rural high desert character, native soils and plant communities, wildlife habitat, view corridors, solar access, peace and quiet, and nighttime darkness;
- b. The careful integration of residences and other improvements into existing landforms, vegetation and recreational patterns and facilities;
- c. The maintenance and enhancement of the flow of open space and native plant communities throughout the Properties for wildlife corridors and visual connectivity to the surrounding parklands;

d. Ensuring that residences and other improvements create and maintain long-term value by incorporating the highest quality design, construction and materials;

e. The establishment of the Properties as a successful long-term interface between Bend's urban edge and the surrounding wild reserve areas;

f. Assuming that the Properties function as a cohesive neighborhood within the context of this rural setting and non-traditional site design.

g. The promotion of local and regional conservation by establishing Shevlin Commons as a model for conservation development where sustainable practices are encouraged;

h. The fostering among residents of a sense of stewardship for the natural values of the Properties, individual Units, common areas and adjacent parklands;

i. The protection of the natural values of the Properties and quiet enjoyment of residents during the residential construction process.

1.16. "Declarant" shall mean and refer to Shevlin Commons, LLC, an Oregon limited liability company, or its successors, successors-in-title or assigns who take title to any portion of the property described on Exhibit A for the purpose of development and/or sale and are designated as the Declarant hereunder in a recorded instrument executed by the immediately preceding Declarant.

1.17. "Design/Construction Review Committee" (the "DCRC") shall mean the committee established and empowered by the Declarant or Board to establish, implement and enforce Design Guidelines for all Improvements on or in respect to the Properties.

1.18. "Design Guidelines" shall mean those guidelines established and adopted by Declarant and/or the Board governing all matters pertaining to the planning or construction of any Improvement on or in respect to the Properties.

1.19. "Emergency Assessment" shall have the meaning given in Section 10.4.

1.20. "Improvements" means every structure or improvement of any kind, including but not limited to all buildings, structures, streets, street improvements, sanitary services, storm sewers, water services, lighting, other improvements for utilities, entry monuments, signage, walks, trails, parks, open space amenities, fences, gates walls,

driveways, swimming pools, storage shelters, landscaping or other product of construction efforts on or in respect to the Properties.

1.21. "Master Plan" shall mean the tentative plan for Shevlin Commons, entitled "Tentative Plan as a Master Plan for Shevlin Commons P.U.D.", approved by the City of Bend, Oregon on November 21, 2001, as modified by Final Decision of City Council for City of Bend, Oregon, dated February 27, 2002.

1.22. "Member" shall mean and refer to a Person entitled to membership in the Association, as provided herein and in the Bylaws.

1.23. "Metro" shall mean and refer to the Bend Metropolitan Park and Recreation District and its duly appointed officers.

1.24. "Mortgage" shall mean and refer to a mortgage, a deed of trust, a contract of sale (i.e. land sale contract), a deed to secure debt, or any other form of security deed.

1.25. "Mortgagee" shall mean and refer to a mortgagee, beneficiary, vendor or other holder of a Mortgage.

1.26. "Mortgagor" shall mean and refer to any Person who gives a Mortgage, including a mortgagor, grantor, and vendee.

1.27. "Owner" shall mean and refer to one (1) or more Persons who hold the record title to any Unit which is part of the Properties, but excluding in all cases any party holding an interest merely as security for the performance of an obligation. If a Unit is sold under a recorded contract of sale, then the purchaser (rather than the fee owner) will be considered the Owner. If a Unit is subject to a written lease with a term of one (1) year or longer and the lease specifically so provides, then upon filing a copy of the lease with the Board of Directors the lessee (rather than the fee owner) will be considered the Owner for the purpose of exercising all privileges of membership in the Association.

1.28. "Person" means a natural person, a corporation, a partnership, a trustee, or any other legal entity.

1.29. "Properties" shall mean and refer to the real property described in Exhibit A attached hereto, together with such additional property as is hereafter subjected to this Declaration by Supplemental Declaration.

1.30. "Reserve Fund" shall have the meaning given in Section 10.11.

1.31. "Reserve Study" shall have the meaning given in Section 10.12.

1.32. "Site Plan" shall mean the site plan attached hereto as Exhibit C and incorporated herein by reference.

1.33. "Special Assessment" shall mean and refer to assessments levied in accordance with Section 10.3 of this Declaration.

1.34. "Supplemental Declaration" shall mean an amendment or supplement to this Declaration executed by or consented to by Declarant which subjects additional property to this Declaration and/or imposes, expressly or by reference, additional restrictions and obligations on the land described therein. The term shall also refer to the instrument recorded by the Association pursuant to Section 2.2 of this Declaration to subject additional property to this Declaration. The term shall also refer to any instrument recorded pursuant to Section 2.1(f) of this Declaration.

1.35. "Turnover Meeting" shall have the meaning given in Section 5.8.

1.36. "Unit" shall mean a platted or partitioned Unit or tract within the Properties, whether developed or undeveloped, intended for development, use, and occupancy as a residence(s) for a single family, on separately platted Units, as well as vacant land intended for development as such, all as may be developed, used, and defined as herein provided or as provided in Supplemental Declarations covering all or a part of the Properties. The term shall include all portions of the Unit owned as well as any structure thereon. The term shall not include Common Area.

## Article II.

### Property Subject to Declaration

2.1. Phases I, II and III. All of the property described in Exhibit A is subject to this Declaration. However, the initial development in Shevlin Commons shall be the real property within the plat entitled "Shevlin Commons PUD, Phases I, II and III" and filed in the Plat Records of Deschutes County, Oregon. The initial development in Phases I, II and III will consist of approximately forty-one (41) Units.

Declarant agrees as part of the initial development in Phase I, II and III that Declarant shall construct and install the following contemplated Improvements: sanitary sewers, drainage facilities, and water services; street improvements; entry monument;

landscaping on portions of the Areas of Common Responsibility; and a portion of the soft (i.e., woodchips, gravel or similar) landscape trail system as required by the Master Plan. Notwithstanding the foregoing, Declarant may elect to add other Improvements not listed herein at Declarant's sole discretion. Developer contemplates platting additional phases within Shevlin Commons, from time to time, in Declarant's sole discretion. With respect to each additional phase platted within the property described in Exhibit A:

(a) The procedure for expansion will be the platting of another phase. Declarant contemplates that the Improvements to be constructed in such phase will be substantially the same as those to be constructed in Phases I, II and III, as modified by the nature of the residences contemplated for such phase.

(b) There shall be no limitation on the right of Declarant to create Common Area or additional Common Area in such phase.

(c) The Owner of a Unit within such phase shall have the same voting rights as an Owner of a Unit within Phases I, II and III, as more particularly set forth in Section 5.3 of this Declaration.

(d) The Owner of a Unit within such phase shall be assessed Common Expenses in the same manner as the Owner of Unit within Phases I, II and III, as more particularly set forth in Article X of this Declaration.

(e) As additional phases of the property described in Exhibit A are platted, the Board of Directors may, but shall not be required to, record a Supplemental Declaration describing the property as platted for ease of identification and reference.

2.2. Annexation Without Approval of Class A Membership. Subject to Section 14.3 below, Declarant shall have the unilateral right, privilege, and option, from time to time at any time, until the expiration of the Class B Control Period, to subject to the provisions of this Declaration and the jurisdiction of the Association all or any portion of the real property adjacent to the Properties owned by Declarant. Such annexation shall be accomplished by filing in the Recorder's Office of Deschutes County, Oregon, a Supplemental Declaration annexing such property. Such Supplemental Declaration shall not require the consent of the Members. Any such annexation shall be effective upon the filing for record of such Supplemental Declaration unless otherwise provided therein.

2.3. Annexation With Approval of Class A Membership. Subject to Section 14.3, and subject to the consent of the owner thereof, the Association may annex real property other than that described in Section 2.2, and following the expiration of the right of Declarant

in Section 2.2, any adjacent property described in Section 2.2, to the provisions of this Declaration and the jurisdiction of the Association. Such annexation shall require the affirmative vote of Members representing a majority of the Class A votes of the Association present at a meeting duly called for such purpose and the consent of Declarant so long as Declarant owns property subject to this Declaration or which may become subject to this Declaration in accordance with Section 2.2.

2.4. Annexation Procedures. Annexation shall be accomplished by filing of record in the Recorder's Office of Deschutes County, Oregon, a Supplemental Declaration. Any such Supplemental Declaration shall be signed by the President and the Secretary of the Association, and by the owner of the property being annexed, and any such annexation shall be effective upon filing unless otherwise provided therein. The relevant provisions of the Bylaws dealing with regular or special meetings, as the case may be, shall apply to determine the time required for and the proper form of notice of any meeting called for the purpose of considering annexation of property pursuant to this Section 2 and to ascertain the presence of a quorum at such meeting. The Supplemental Declaration shall, among other things, describe the additional property to be annexed, may establish land classifications for the property to be annexed, may establish any additional limitations, uses, restrictions, covenants and conditions which are intended to be applicable to such property, and shall declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration. There shall be no limitation on the number of Units which Declarant may create or annex to the Shevlin Commons planned community.

2.5. Acquisition of Additional Common Area. Subject to Section 14.3, Declarant may convey to the Association additional real property, improved or unimproved, located within the Properties which, upon conveyance or dedication to the Association and acceptance by the Association, shall be maintained by the Association at its expense for the benefit of all its Members. There shall be no limitation on the right of Declarant to create or annex additional real property to the Common Area.

2.6. Withdrawal of Property. Declarant may withdraw property from Shevlin Commons only by a duly adopted amendment to this Declaration except as otherwise set forth in this Section 2.6. Declarant may withdraw all or any portion of the unplatted property subject to this Declaration prior to platting, or may withdraw all or any portion of any property annexed pursuant to Sections 2.2 or 2.3, by Supplemental Declaration at any time prior to the sale of the first Unit in the property annexed by such Supplemental Declaration. Any such withdrawal shall be by a Supplemental Declaration executed by Declarant and recorded in Deschutes County, Oregon. In the event of such withdrawal, all voting rights otherwise allocated to Units being withdrawn shall be eliminated, and Common Expenses shall be reallocated, to the extent necessary, as provided in Section 2.7. Provided, however,

subject to Section 14.3, Declarant reserves the right to amend this Declaration unilaterally at any time during the Class B Control Period, without prior notice and without the consent of any Person, for the purpose of removing certain portions of the Properties then owned by the Declarant or its affiliates or the Association from the provisions of this Declaration to the extent originally included in error or as a result of any changes whatsoever in the plans for the Properties desired to be effected by the Declarant, provided, such withdrawal(s) not unequivocally contrary to the overall, uniform scheme of development for the Properties. Except as expressly set forth in this Section 2.6, the right to withdraw property from Shevlin Commons shall not expire.

2.7. Reallocation and Reapportionment of Common Area Expenses. In the event additional Units are annexed to or withdrawn from the Properties, commencing on the effective date of such annexation or withdrawal ("Change Date") and continuing thereafter, all Common Assessments shall be allocated based on the number of Units, including the annexed Units but excluding any withdrawn Units then existing and subject to the terms of this Declaration, and all Units shall be assessed a prorata share of all Common Expenses commencing with any Change Date. In the event prior to any Change Date, Common Assessments have been paid for Common Expenses which are, in Declarant's reasonable judgment, properly chargeable to the period prior to a Change Date but for which benefits will accrue to Owners after that Change Date, each Owner of any annexed Unit shall pay its prorata share to the Association for such amounts within thirty (30) days after receipt of written demand therefore, which demand shall be accompanied by reasonable supporting documentation. Adjustments to Common Expenses paid by all other Owners of Units prior to that Change Date shall be adjusted for the next calendar year for which billings of Common Expenses are rendered by the Association. In no event shall any refund be made to any Owner of a withdrawn Unit.

2.8. Voting Rights. An Owner of a Unit within property annexed pursuant to this Article shall have the same voting rights as an Owner of a Unit within the Properties described in Exhibit A.

2.9. Amendment. This Article shall not be amended without the prior written consent of Declarant so long as Declarant owns real property subject to this Declaration or which may become subject to this Declaration in accordance with Section 2.2. Any amendment is also subject to Section 13.2 and Section 14.3.

2.10. Assumption of Conservation Agreement. The Association shall assume all rights and obligations of the Grantor under the Conservation Agreement and agrees to indemnify, defend and hold harmless Andrew B. Crosby and Declarant as the original Grantor, his heirs, personal representatives, successors and assigns, its successors and assigns

from and against any and all liabilities, penalties, fines, charges, costs, losses, damages, expenses, causes of action, claims, demands, orders, judgments or administrative actions, including without limitation, reasonable attorney's fees, arising from or in any way connected with the performance of the obligation of Grantor and/or Declarant under the Conservation Agreement or the violation or alleged violation of the terms, obligations or performances required of the Grantor and/or Declarant under the Conservation Agreement after the date hereof.

### Article III.

#### Property Rights; Common Area

3.1. Conveyance of Common Area. The Common Area within Phases I, II and III, shall be conveyed to the Association prior to the Turnover Meeting. If, as and when each subsequent phase is platted, the Common Area within that phase shall be conveyed to the Association as soon after such platting is reasonably possible but in any event, in accordance with the Act. The deed or deeds conveying Common Area shall be delivered to the Association by Declarant free and clear of monetary liens. Such deeds shall not include Common Easement Areas. Title to Common Easement Areas, subject to the easements set forth in this Declaration, shall rest in the Owners of the respective Units within which such areas are located, or in the public if part of a dedicated street or right of way.

3.2. Property Rights in Common Area. Every Owner shall have a right and nonexclusive easement of use, access and enjoyment in and to the Common Area, subject to:

(a) this Declaration as it may be amended from time to time and to any restrictions or limitations contained in any deed conveying such property to the Association;

(b) the Core Principles and the right of the Association to limit the number of guests, and to adopt rules regulating the use and enjoyment of the Common Area;

(c) the right of the Board to suspend the right of an Owner to use recreational facilities within the Common Area (i) for any period during which any charge against such Owner's Unit remains delinquent, and (ii) for a period not to exceed thirty (30) days for a single violation, or for a longer period in the case of any continuing violation, of the Declaration, Bylaws, or rules of the Association after notice and a hearing pursuant to the Bylaws;

(d) the terms of the Conservation Agreement;

(e) the right of the Association, acting through the Board, to grant easements and to dedicate or transfer all or any part of the Common Area pursuant to Section 3.4 hereof;

(f) the right of the Association to impose reasonable membership requirements and charge reasonable admission or other fees for the use of any recreational facility situated upon the Common Area;

(g) the right of the Board to permit nonmember use of the Common Area upon payment of use fees established by the Board; and

(h) the right of the Association, acting through the Board, to mortgage, pledge or hypothecate any or all of its real or personal property as security for money borrowed or debts incurred subject to the approval requirements set forth in Sections 14.2 and 14.3 hereof.

Any Owner may delegate his or her right of use and enjoyment to the members of his or her family, lessees and social invitees, as applicable, subject to reasonable regulation by the Board and in accordance with procedures it may adopt. An Owner who leases his or her Unit shall be deemed to have delegated all such rights, to the Unit's lessee.

3.3. Common Easement Areas. Common Easement Areas shall be portions of the Properties reserved for signage, visual landscape features, trail easements and utility and drainage easements (to the extent not located on Common Area). Such areas shall be maintained by the Association and no changes in landscaping will be permitted within such areas without written authorization by the Board. With the exception of an approved driveway access crossing from each Unit to Shevlin Commons streets, no building, wall, fence, paving, landscaping or construction of any type shall be erected or maintained by any Owner so as to trespass or encroach upon any portion of the Common Easement Areas shown on the Site Plan, nor may any such areas be used by any Owner for storm water treatment purposes.

3.4. Alienation of the Common Area. The Association may not by act or omission seek to abandon, partition, subdivide, encumber, sell or transfer the Common Area owned directly or indirectly by the Association for the benefit of the Units unless the holders of at least seventy-five percent (75%) of the Class A votes of the Association and the Class B member (as defined in Section 5.3.2 below), if any, have given their prior written approval. This provision shall not apply to the easements described in Section 3.3 above. The Association, upon approval in writing of at least seventy-five percent (75%) of the Class A votes of the Association and the Class B member, if any, and if approved by order or resolution of Metro may dedicate or convey any portion of the Common Area to Metro or other public body.

3.5. Easement Reserved by Declarant. So long as Declarant owns any Unit, Declarant reserves an easement over, under and across the Common Area in order to carry out sales activities necessary or convenient for the sale of Units. In addition, Declarant hereby reserves to itself and for the Owners of Units in all future phases of the Properties a perpetual easement and right of way for access over, upon and across the Common Area for construction, utilities, communication lines, drainage and ingress and egress for the benefit of other property owned by Declarant and future phases of the Properties. Declarant, for itself and for its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Area and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Properties or other real property owned by Declarant provided, however, that no such right shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Unit by that Owner or its family, tenants, employees, guest or invitees.

3.6. Community Center. Declarant may, but shall not be obligated to, build a Community Center at Shevlin Commons. The Community Center is designed as an accessory structure for the private use by Owners and their guests and not for commercial use. The Association shall adopt such rules and regulations as the Association deems reasonable governing the use of the Center by Owners and may permit non-Owners from time to time to use the Center for various non-commercial uses such as classes, meetings, and social function or celebrations to the extent permitted by City of Bend ordinances. Such uses by non-Owners shall only be allowed so long as they do not create an excessive burden on parking areas or streets in the Properties and do not otherwise interfere with or violate the Declaration, Bylaws, Core Principles and rules and regulations pertinent to the Center and do not disturb the quiet enjoyment of the Owners.

#### Article IV.

#### Property Rights in Units

4.1. Use and Occupancy. The Owner of a Unit in the Properties shall be entitled to the exclusive use and benefit of such Unit, except as otherwise expressly provided in this Declaration, but the Unit shall be bound by and the Owner shall abide by the Core Principles, comply with the restrictions contained in Article XII below and all other provisions of this Declaration and provisions of any supplement or amendment to this Declaration.

4.2. Easements Reserved. In addition to the Common Area and Common Easement Areas, Declarant hereby reserves the following easements for the benefit of Declarant and the Association:

4.2.1. Adjacent Common Areas. The Owner of any Unit which blends together visually with any Common Area shall, if the Association elects from time to time to so require, permit the Association to enter upon the Unit to perform all necessary maintenance of such Common Area.

4.2.2. Right of Entry. Declarant, the DCRC as established by the By-Laws and any representative of the Association authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Unit for the purpose of determining whether or not the use and/or Improvements of such Unit are in compliance with this Declaration. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Unit.

4.2.3. Utility Easements. Easements for installation and maintenance of utilities and drainage facilities to service a Unit or Units may be reserved over portions of certain Units, as shown on any recorded plat. Within such easements, the DCRC will not permit any structure, planting or any other material to be placed or permitted to remain on the easement area which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obscure or retard the flow of water through drainage channels in the easements. The easement area of each Unit and all Improvements on it shall be maintained continuously by the Owner of the Unit, except for those Improvements for which a public authority or utility company is responsible; and except for Common Easement Areas, which will be maintained by the Association.

#### Article V. Association

Declarant shall organize an Association of all the Owners within the Properties. Such Association, its successor and assigns shall be organized under the name "Shevlin Commons Community Association" or such similar name as Declarant shall designate, and shall have such property, powers and obligations as are set forth in this Declaration for the benefit of the Properties and all Owners of Units located therein.

5.1. Organization. Declarant shall, before the first Unit is conveyed to an Owner, organize the Association as a nonprofit corporation under the general nonprofit corporation laws of the State of Oregon. The Articles of Incorporation of the Association shall provide for its perpetual existence, but in the event the Association is dissolved, the net assets of the Association shall be distributed as follows: the net assets shall be dedicated to a

public body, or conveyed and transferred to a nonprofit organization with similar purposes to that of the Association. Declarant shall cause the Bylaws to be recorded in the Recorder's Office of Deschutes County, Oregon, as required by ORS 94.625.

5.2. Membership. Every Owner, as defined in Section 1.27, shall immediately upon creation of the Association and thereafter during the entire period of such Owner's ownership of a Unit, be deemed to be a Member of the Association, which membership rights shall commence, exist and continue simply by virtue of such ownership and need not be confirmed or evidenced by any certificate or acceptance of membership. No Owner, whether one (1) or more Persons, shall have more than one (1) membership per Unit owned. In the event the Owner of a Unit is more than one (1) Person, votes and rights of use and enjoyment shall be as provided herein. The rights and privileges of membership may be exercised by a Member or the Member's spouse, subject to the provisions of this Declaration and the Bylaws. The membership rights of a Unit owned by a corporation or partnership shall be exercised by the individual designated from time to time by the Owner in a written instrument provided to the Secretary, subject to the provisions of this Declaration and the Bylaws.

5.3. Voting Rights. The Association shall have two (2) classes of membership, Class A and Class B, as follows:

5.3.1. Class A. Class A Members shall be all Owners with the exception of the Class B Member, if any. Therefore, each Class A Member shall be an Owner. Class A Members shall be entitled to one (1) equal vote for each Unit in which they hold the interest required for membership under Section 5.2 hereof; there shall be only one (1) vote per Unit.

In any situation where a Member is entitled personally to exercise the vote for his or her Unit and more than one (1) Person holds the interest in such Unit required for membership, the vote for such Unit shall be exercised as those Persons determine among themselves and advise the Secretary of the Association in writing prior to any meeting. In the absence of such advice, the Unit's vote shall be suspended if more than one (1) Person seeks to exercise it.

5.3.2. Class B. The Class B Member shall be the Declarant. The rights of the Class B Member, including the right to approve actions taken under this Declaration and the Bylaws, are specified elsewhere in this Declaration and the Bylaws. The Class B Member shall be entitled to appoint all or a majority of the members of the Board of Directors during the Class B Control Period as provided in the Bylaws. The Class B membership shall terminate, together with the termination of the Class B Control Period, and all rights of the Class B Member shall automatically pass to all Owners (including Declarant if Declarant owns one or more Units) sixty (60) days after the earlier of:

(i) When seventy-five percent (75%) or more of the Units in Shevlin Commons following the final phase of development of Shevlin Commons as permitted by the Master Plan are owned by Persons other than the Declarant and builders or developers holding title for the purpose of development and resale; or

(ii) December 31, 2020; or

(iii) When, in its sole discretion, the Declarant so determines.

5.4. Transitional Advisory Committee. Not later than the sixtieth (60<sup>th</sup>) day after the date Declarant conveys fifty percent (50%) or more of the Units in the first phase of Shevlin Commons to Owners other than a successor Declarant, Declarant shall call for a meeting of all Owners and shall provide notice of such meeting as provided in the Bylaws. At such meeting, Declarant or the Owners shall form a transitional advisory committee to provide for the transition of administrative responsibility for Shevlin Commons by the Declarant to the Association. Such committee shall consist of three (3) Members all of which shall be selected by the Owners except that Declarant may select no more than one (1) Member of such committee.

5.5. General Powers and Obligations. The Association shall have, exercise and perform all of the following powers, duties and obligations:

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

(b) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon.

(c) The powers, duties and obligations of a homeowners association pursuant to the Oregon Planned Community Act, whether or not such Act is applicable to this Declaration.

(d) 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 Properties, including, without limitation, the appointment of a Design/Construction Review Committee to take all actions necessary or desirable to implement and enforce the Design Guidelines and the Core Principles.

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 its provisions 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.

5.6. Specific Powers and Duties. The powers and duties of the Association shall include, without limitation, the following:

5.6.1. Common Area. 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 Common Area and all improvements thereon (including, without limitation, furnishings and equipment related thereto and common landscaped areas), and shall keep all Common Areas in good, clean, attractive, and sanitary condition, order, and repair, pursuant to the terms and conditions hereof and consistent with the Community-Wide Standard.

5.6.2. Personal Property and Real Property for Common Use. Subject to the provisions of Section 3.4 above, the Association, through action of its Board of Directors, may acquire, hold title to, convey, and dispose of tangible and intangible personal property and real property and interests therein. The Board, acting on behalf of the Association, shall accept any real or personal property, leasehold, or other property interests within the Properties conveyed to it by the Declarant.

5.6.3. Design Guidelines; Rules and Regulations and Enforcement. The Association, through its Board of Directors, may adopt and enforce the Design Guidelines and reasonable rules and regulations governing the use of the Properties, which Design Guidelines and rules and regulations shall be consistent with the Core Principles and the rights and duties established by this Declaration. The Association shall perform such acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce the provisions of this Declaration, the Core Principles the Design Guidelines and the rules and regulations adopted by the Association, including, without limitation, enforcement of the decisions of the DCRC. Sanctions may include reasonable monetary fines and suspension of the right to vote and the right to use any recreational facilities on the Common Area, all as more particularly set forth in the Bylaws. The Board shall, in addition, have the power to seek relief in any court for violations or to abate nuisances. Imposition of sanctions shall be as provided in the Bylaws of the Association or as determined by the Board. The Association, through the Board, by contract or other agreement, shall have the additional right to enforce county or city ordinances and to permit Metro, Deschutes County or the City of Bend to enforce ordinances on the Properties for the benefit of the Association and its Members.

5.6.4. Implied Rights. The Association may exercise any other right or privilege given to it expressly by this Declaration or the Bylaws, and every other right or privilege which may be reasonably implied from the existence of any right or privilege given to it herein or reasonably necessary to effectuate any such right or privilege.

5.6.5. Governmental Interests. During the Class B Control Period, the Declarant shall have the authority to designate sites within the Properties, which may include Common Area owned by the Association, for fire, police, water, and sewer facilities, public schools and parks, and other public facilities.

5.6.6. Assessments. The Association shall adopt budgets and impose and collect Assessments as provided in Article X of this Declaration.

5.6.7. Employment of Agents, Advisers and Contractors. The Association, through its Board of Directors, may employ the services of any person or corporation as managers, hire employees to manage, conduct and perform the business, obligations and duties of the Association, employ professional counsel and obtain advice from such persons or firms or corporation such as, but not limited to landscape architects, architects, planners, lawyers and accountants, and contract for or otherwise provide for all services necessary or convenient for the management, maintenance and operation of the Properties.

5.6.8. Create Classes of Service and Make Appropriate Charges. The Association may, in its sole discretion, create various classes of services and make appropriate Assessments or charges therefor to the users of such services, including but not limited to reasonable admission and other fees for the use of any and all recreational facilities situated on the Common Areas, without being required to render such services to those of its members who do not assent to such charges and to such other rules and regulations as the Board of Directors deems proper. In addition, the Board of Directors shall have the right to discontinue any services upon nonpayment or to eliminate such service for which there is no demand or adequate funds to maintain the same.

5.7. Liability. A member of the Board of Directors or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his duties, except for acts of gross negligence or intentional acts. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

5.8. Turnover Meeting. Declarant shall call a meeting of the Association for the purpose of turning over administrative responsibility for the Properties to the Association (the "Turnover Meeting") not later than ninety (90) days after termination of the Class B membership in accordance with Section 5.3.2, giving notice to the Owners as provided in the Bylaws. At the Turnover Meeting the then existing directors shall resign and their successors shall be elected by the Owners as provided in this Declaration and in the Bylaws of the Association. If Declarant fails to call the Turnover Meeting required by this Section, any Owner or Mortgagee of a Unit may call the Turnover Meeting by giving notice as provided in the Bylaws.

5.9. Contracts Entered into by Declarant or Board of Directors Prior to Turnover Meeting. Notwithstanding any other provision of this Declaration, any leases or contracts (including management contracts, service contracts and employment contracts) entered into by the Declarant or the Board of Directors on behalf of the Association prior to the Turnover Meeting shall have a term of not in excess of three (3) years. In addition, any such lease or contract shall provide that it may be terminated without cause or penalty by the Association or Board of Directors upon not less than thirty (30) days' written notice to the other party given not later than sixty (60) days after the Turnover Meeting.

## Article VI.

### Maintenance, Utilities and Services

6.1. Association's Responsibility. The Association shall maintain and keep in good repair the Area of Common Responsibility, such maintenance to be funded as hereinafter provided. This maintenance shall include, but need not be limited to, maintenance, repair, and replacement, subject to any insurance then in effect, of all landscaping and other flora, structures, and Improvements, including all private streets (including, but not limited to, removal of ice and snow therefrom), situated upon the Common Area, all entry features within the Properties, and such portions of any additional property included within the Area of Common Responsibility as may be dictated by this Declaration, or by a contract or agreement for maintenance thereof by the Association.

Except as otherwise specifically provided herein, all costs associated with all such maintenance, repair and replacement of the Area of Common Responsibility shall be a Common Expense to be allocated among all Units as part of the Common Assessment.

The Association may maintain other property which it does not own, including, without limitation, property dedicated to the public, if the Board of Directors determines that such maintenance is necessary or desirable to maintain the Core Principles.

6.2. Owner's Responsibility. Each Owner shall maintain his or her Unit and all structures, parking areas and other improvements comprising the Unit (including removal of ice and snow, and any debris, from all sidewalk and driveway improvements immediately adjacent to or which are a part of such Owner's Unit) in a manner consistent with the Community Wide Standard, the Core Principles, and all applicable covenants and any rules and regulations promulgated by Declarant or the Association unless such maintenance responsibility is otherwise assumed by or assigned to the Association pursuant to any Supplemental Declaration or other declaration of covenants approved by the Association applicable to such Unit. If any Owner fails properly to perform his or her maintenance responsibility, the Association may perform such maintenance responsibilities and assess all costs incurred by the Association against the Unit and the Owner thereof in accordance with this Declaration; provided, however, except when entry is required due to an emergency situation, the Association shall afford the Owner reasonable notice and an opportunity to cure the maintenance problem prior to entry.

6.3. Party Walls and Party Fences.

6.3.1. General Rules of Law to Apply. Each wall or fence built as a part of the original construction on the Units which shall serve any two (2) adjoining Units shall constitute a party wall or fence and, to the extent not inconsistent with the provisions of this Section and the Design Guidelines, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

6.3.2. Arbitration. If any dispute arises concerning a party wall or fence, or under the provisions of this Section, each party shall appoint one (1) arbitrator. Should any party refuse to appoint an arbitrator within ten (10) days after written request therefor by the Board of Directors, the Board shall appoint an arbitrator for the refusing party. The arbitrators thus appointed shall appoint one (1) additional arbitrator and a hearing to consider the issue raised shall be held within thirty (30) days of such final appointment. The decision by a majority of all three (3) arbitrators shall be binding upon the parties and shall be a condition precedent to any right of legal action that either party may have against the other.

6.4. Maintenance of Utilities. The Association shall perform or contract to perform maintenance of all private utilities within the Areas of Common Responsibility, such as sanitary sewer service lines, domestic water service lines and storm drainage lines, except to the extent such maintenance is performed by utilities furnishing such services. The

Association shall not be liable for any interruption or failure of such services. Except for utilities located in Common Easement Areas, each Owner shall be responsible for maintaining utility lines within such Owners' Unit.

6.5. Security. The Association may, but shall not be obligated to maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. NEITHER THE ASSOCIATION, THE DECLARANT, ANY SUCCESSOR DECLARANT, THE DESIGN/CONSTRUCTION REVIEW COMMITTEE, NOR ANY AGENT, EMPLOYEE, OFFICER, DIRECTOR OR MEMBER OF ANY OF THE FOREGOING (THE "ASSOCIATION PARTIES") SHALL IN ANY WAY BE CONSIDERED INSURERS OR GUARANTORS OF SECURITY WITHIN THE PROPERTIES AND NO ASSOCIATION PARTY SHALL BE HELD LIABLE FOR ANY LOSS OR DAMAGE BY REASON OR FAILURE TO PROVIDE ADEQUATE SECURITY OR INEFFECTIVENESS OF SECURITY MEASURES UNDERTAKEN. ALL OWNERS AND OCCUPANTS OF ANY UNIT, AND ALL TENANTS, GUESTS AND INVITEES OF ANY OWNER, AS APPLICABLE, ACKNOWLEDGE THAT THE ASSOCIATION PARTIES DO NOT REPRESENT OR WARRANT THAT ANY FIRE PROTECTION SYSTEM, BURGLAR ALARM SYSTEM OR OTHER SECURITY SYSTEM DESIGNATED BY OR INSTALLED ACCORDING TO GUIDELINES ESTABLISHED BY THE ASSOCIATION PARTIES MAY NOT BE COMPROMISED OR CIRCUMVENTED, THAT ANY FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL PREVENT LOSS BY FIRE, SMOKE, BURGLARY, THEFT, HOLD-UP, OR OTHERWISE, NOR THAT FIRE PROTECTION OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS WILL IN ALL CASES PROVIDE THE DETECTION OR PROTECTION FOR WHICH THE SYSTEM IS DESIGNED OR INTENDED. EACH OWNER AND OCCUPANT OF ANY UNIT, AND EACH TENANT, GUEST AND INVITEE OF AN OWNER, AS APPLICABLE, ACKNOWLEDGES AND UNDERSTANDS THAT THE ASSOCIATION PARTIES ARE NOT INSURERS AND THAT EACH OWNER AND OCCUPANT OF ANY UNIT AND EACH TENANT, GUEST AND INVITEE OF ANY OWNER ASSUMES ALL RISKS FOR LOSS OR DAMAGE TO PERSONS, TO UNITS AND TO THE CONTENTS OF UNITS AND FURTHER ACKNOWLEDGES THAT THE ASSOCIATION PARTIES HAVE MADE NO REPRESENTATIONS OR WARRANTIES NOR HAS ANY OWNER, OCCUPANT, TENANT, GUEST OR INVITEE RELIED UPON ANY REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY WARRANTY OR MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, RELATIVE TO ANY FIRE AND/OR BURGLAR ALARM SYSTEMS OR OTHER SECURITY SYSTEMS RECOMMENDED OR INSTALLED OR ANY SECURITY MEASURES UNDERTAKEN WITHIN THE PROPERTIES.

6.6. Services. The Association shall provide or contract for such services as the Board of Directors may reasonably deem to be a benefit to the Properties, including, without limitation, landscape services, garbage and trash removal, street maintenance and snow removal for Common Area and security services (subject to Section 6.5).

Article VII.  
Insurance and Casualty Losses

7.1. Insurance. The Board of Directors, or its duly authorized agent, shall have the authority to and shall obtain blanket all-risk casualty insurance including, but not limited to, wild fire coverage, if reasonably available, for all insurable improvements in or on any Area of Common Responsibility. If blanket all-risk coverage is not reasonably available, then at a minimum an insurance policy providing fire and extended coverage shall be obtained. The face amount of such insurance shall be sufficient to cover the full replacement cost of any repair or reconstruction necessitated by damage or destruction from any insured hazard if available at a reasonable cost.

The Board shall also obtain a public general liability policy covering the Area of Common Responsibility, insuring the Association and its Members for all damage or injury caused by the negligence of the Association, any of its Members or agents or any other person who has a right to occupy a Unit. The commercial general public liability policy shall have at least a One Million Dollar (\$1,000,000.00) single person limit as respects bodily injury and property damage, a Three Million Dollar (\$3,000,000.00) limit per occurrence, if reasonably available, and a Five Hundred Thousand Dollar (\$500,000.00) minimum property damage limit.

Premiums for all insurance on the Area of Common Responsibility shall be Common Expenses of the Association and shall be included in the Common Assessments, as described in Section 10.1. The policies may contain a reasonable deductible, and, in the case of casualty insurance, the amount thereof shall not be subtracted from the face amount of the policy in determining whether the insurance at least equals the full replacement cost. The deductible shall be paid by the party who would be liable for the loss or repair in the absence of insurance and in the event of multiple parties shall be allocated in relation to the amount each party's actual loss bears to the total.

All insurance coverage obtained by the Board of Directors shall be written in the name of the Association as trustee for the respective benefited parties, as further identified in subsection (b) below. Such insurance shall be governed by the provisions hereinafter set forth:

(a) All policies shall be written with a company authorized to do business in the State of Oregon which holds a Best's rating of A or better and is assigned a financial size category of XI or larger as established by A. M. Best Company, Inc., if reasonably available, or, if not available, the most nearly equivalent rating which is available.

(b) All policies on the Areas of Common Responsibility shall be for the benefit of the Association and its Members and their Mortgagees, as their interests may appear.

(c) Exclusive authority to adjust losses under policies obtained by the Association on the Properties shall be vested in the Association's Board of Directors; provided, however, no Mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

(d) In no event shall the insurance coverage obtained and maintained by the Association's Board of Directors hereunder be brought into contribution with insurance purchased by individual Owners, occupants, or their Mortgagees.

(e) All casualty insurance policies shall have an inflation guard endorsement, if reasonably available, and an agreed amount endorsement with an annual review by one or more qualified persons, at least one of whom must be in the real estate industry and familiar with construction in the Deschutes County, Oregon.

(f) The Board of Directors shall be required to use reasonable efforts to secure insurance policies that will provide the following:

(i) a waiver of subrogation by the insurer as to any claims against the Board of Directors, its manager and officers, the Owners, and their respective tenants, servants, agents, and guests;

(ii) a waiver by the insurer of its rights to repair and reconstruct, instead of paying cash;

(iii) a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of any one or more individual Owners;

(iv) a statement that no policy may be canceled, invalidated, suspended, or subject to nonrenewal on account of the conduct of any director, officer, or employee of the Association or its duly authorized manager without prior demand in writing delivered to the

Association to cure the defect and the allowance of a reasonable time thereafter within which the defect may be cured by the Association, its manager, any Owner, or Mortgagee;

(v) a statement that any "other insurance" clause in any policy exclude individual Owners' policies from consideration; and

(vi) a statement that the Association will be given at least thirty (30) days' prior written notice of any cancellation, substantial modification, or nonrenewal.

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 required by law, directors' and officers' liability coverage, if reasonably available, a fidelity bond or bonds on directors, officers, employees, and other Persons handling or responsible for the Association's funds, if reasonably available, and flood insurance, if required. The amount of fidelity coverage shall be determined in the directors' best business judgment but, if reasonably available, may not be less than one-sixth (1/6) of the annual Common Assessments on all Units, plus reserves on hand. Bonds shall contain a waiver of all defenses based upon the exclusion of persons serving without compensation and shall require at least thirty (30) days' prior written notice to the Association of any cancellation, substantial modification, or nonrenewal.

7.2. Individual Insurance. By virtue of taking title to a Unit subject to the terms of this Declaration, each Owner covenants and agrees with all other Owners and with the Association that each Owner shall carry blanket all-risk casualty insurance on the Unit(s) and structures constructed thereon meeting the same requirements as set forth in Section 7.1 for insurance on the Areas of Common Responsibility, unless the Association carries such insurance (which it is not obligated to do hereunder). Each Owner further covenants and agrees that in the event of a partial loss or damage resulting in less than total destruction of structures comprising his or her Unit, the Owner shall proceed promptly to repair or to reconstruct the damaged structure in a manner consistent with the original construction specifications approved by the DCRC, as well as guidelines for construction contained in the then current version of the Design Guidelines, or such other plans and specifications as are approved in accordance with Article XI of this Declaration. The Owner shall pay any costs of repair or reconstruction which are not covered by insurance proceeds. In the event that the structure is totally destroyed, the Owner may decide not to rebuild or to reconstruct, in which case the Owner shall clear the Unit of all debris and return it to substantially the natural state in which it existed prior to the beginning of construction and thereafter the Owner shall continue to maintain the Unit in a neat and attractive condition consistent with the Community-Wide Standard and Core Principles

7.3. Damage and Destruction.

(a) Immediately after damage or destruction by fire or other casualty to all or any part of the Properties covered by insurance written in the name of the Association, the Board of Directors or its duly authorized agent shall proceed with the filing and adjustment of all claims arising under such insurance and obtain reliable and detailed estimates of the cost of repair or reconstruction of the damaged or destroyed Properties. Repair or reconstruction, as used in this paragraph, means repairing or restoring the Properties to substantially the same condition in which they existed prior to the fire or other casualty, allowing for any changes or improvements necessitated by changes in applicable building codes.

(b) Any damage or destruction to the Common Area shall be repaired or reconstructed unless the Members representing at least seventy-five (75%) percent of the total Class A vote of the Association and the Class B Member (so long as such membership shall exist) shall decide within sixty (60) days after the casualty not to repair or reconstruct. If for any reason either the amount of the insurance proceeds to be paid as a result of such damage or destruction, or reliable and detailed estimates of the cost of repair or reconstruction, or both, are not made available to the Association within said period, then the period shall be extended until such funds or information shall be made available; provided, however, such extension shall not exceed sixty (60) additional days. No Mortgagee shall have the right to participate in the determination of whether the damage or destruction to any Area of Common Responsibility shall be repaired or reconstructed.

(c) In the event that it should be determined in the manner described above that the damage or destruction to any Area of Common Responsibility shall not be repaired or reconstructed and no alternative improvements are authorized, then and in that event the affected portion of the Properties shall be restored to their natural state and maintained by the Association in a neat and attractive condition consistent with the Community-Wide Standard.

7.4. Disbursement of Proceeds. If the damage or destruction for which the proceeds of insurance policies held by the Association 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 repair or reconstruction shall be retained by and for the benefit of the Association and placed in a capital improvements account. In the event no repair or reconstruction is made, any proceeds remaining 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 improvements account. This is a covenant for the benefit of any Mortgagee of a Unit and may be enforced by such Mortgagee.

7.5. Repair and Reconstruction. If the damage or destruction to any Area of Common Responsibility for which insurance proceeds are paid is to be repaired or reconstructed, and such proceeds are not sufficient to defray the cost thereof, the Board of Directors shall, without the necessity of a vote of the Members, levy a special assessment against all Owners on the same basis as provided for Common Assessments. Additional assessments may be made in like manner at any time during or following the completion of any repair or reconstruction.

Article VIII.  
No Partition

8.1. Except as is permitted in the Declaration or amendments thereto, there shall be no judicial partition of the Common Area or any part thereof, nor shall any Person acquiring any interest in the Properties or any part thereof seek any judicial partition unless the Properties have been removed from the provisions of this Declaration. 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.

Article IX.  
Condemnation

9.1. Whenever all or any part of the Common Area shall be taken (or conveyed in lieu of and under threat of condemnation by the Board acting on the written direction of Members representing at least seventy-five (75%) percent of the total Class A vote in the Association) 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 Common Area on which improvements have been constructed, then, unless within sixty (60) days after such taking the Declarant (during the Class B Control Period only) and Members representing at least seventy-five (75%) percent of the total Class A vote of the Association shall otherwise determine, the Association shall restore or replace such improvements so taken on the remaining land included in the Common Area to the extent lands are available therefor, in accordance with plans approved by the Board of Directors of the Association. If such improvements are to be repaired or

restored, the above provisions in Article VIII hereof regarding the disbursement of funds in respect to casualty damage or destruction which is to be repaired shall apply.

If the taking does not involve any improvements on the Common Area, 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 X.  
Assessments

10.1. Creation of Assessments. There are hereby created assessments for Association expenses as may from time to time specifically be authorized by the Board of Directors, to be commenced at the time and in the manner set forth in Section 10.6. There shall be three (3) types of assessments: (a) Common Assessments to fund Common Expenses for the benefit of all Members of the Association; (b) Special Assessments as described in Section 10.3 below; and (c) Emergency Assessments as described in Section 10.4 below. Each Owner, by acceptance of a deed or recorded contract for any portion of the Properties, is deemed to covenant and agree to pay all such assessments. Common Assessments shall be levied on all Units as set forth in this Article X.

All Common, Special and Emergency Assessments, together with interest (at a rate established by resolution of the Board of Directors but not to exceed the highest rate allowed by Oregon law) as computed from the date the delinquency first occurs, late charges, costs, reasonable attorney fees, and fines or other charges imposed under this Declaration or the Bylaws, shall be a charge on the land and shall be a continuing lien upon the Unit against which each assessment is made until paid. Each such assessment, together with interest, late charges, costs, and reasonable attorney's fees, shall also be the personal obligation of the Person who was the Owner of such Unit at the time the assessment arose, and his or her grantee shall be jointly and severally liable for such portion thereof as may be due and payable at the time of conveyance, except no first Mortgagee who obtains title to a Unit pursuant to the remedies provided in the Mortgage shall be liable for unpaid assessments which accrued prior to such acquisition of title.

The Association shall, upon demand at any time, furnish to any Owner liable for any type of assessment a certificate in writing signed by an officer of the Association setting forth whether such assessment has been paid as to any particular Unit. Such certificate shall be conclusive evidence of payment to the Association of such assessment therein stated to have been paid. The Association may require the advance payment of a processing fee not to exceed Fifty (\$50.00) Dollars for the issuance of such certificate.

Assessments shall be paid in such manner and on such dates as may be fixed by the Board of Directors. Unless the Board otherwise provides, the Common Assessments may be paid in monthly installments. Each Owner, by acceptance of a deed to his or her Unit, acknowledges that all Common Assessments levied hereunder are annual assessments due and payable in advance on the first day of the fiscal year. Notwithstanding the foregoing, the Board may permit any assessment to be paid in installments. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year as of the Assessment Date. If any Owner is delinquent in paying any assessments or other charges levied on his Unit, the Board may revoke the privilege of paying in installments and require annual assessments to be paid in full immediately.

No Owner may waive or otherwise exempt himself or herself from liability for the assessments provided for herein, including, by way of illustration and not limitation, by nonuse of Common Areas or abandonment of the Unit. The obligation to pay assessments is a separate and independent covenant on the part of each Owner. No diminution or abatement of assessment or set-off shall be claimed or allowed by reason of any alleged failure of the Association or Board to take some action or perform some function required to be taken or performed by the Association or Board under this Declaration or the Bylaws, or for inconvenience or discomfort arising from the making of repairs or improvements which are the responsibility of the Association, or from any action taken to comply with any law, ordinance, or with any order or directive of any municipal or other governmental authority.

The Association is specifically authorized but not obligated, to enter into subsidy contracts or contracts for "in kind" contribution of services or materials or a combination of services and materials for the payment of some portion of the Common Expenses.

10.2. Computation of Common Assessments. It shall be the duty of the Board, at least sixty (60) days before the beginning of each fiscal year, to prepare a budget covering the estimated Common Expenses of the Association during the coming year. The budget shall include a capital contribution establishing the Reserve Fund in accordance with a budget separately prepared as provided in Section 10.11 below.

The Common Assessment to be levied against each Unit for the coming year shall be set at a level which is reasonably expected to produce total income to the Association equal to the total budgeted Common Expenses, including the Reserve Fund. In determining the amount of the Common Assessments, the Board, in its discretion, may consider other sources of funds available to the Association.

Each Unit shall be assessed for Common Expenses based on the following formula: Subject to the provisions of Section 10.3.2, all Units shall be assessed on the basis of one assessment per Unit. The amount of the assessment for each Unit shall be determined by dividing the amount of the annual total budgeted Common Expenses or other aggregate assessment (Special Assessment or Emergency Assessment) by the total number of Units. With respect to Common Assessments, the total number of Units shall be those Units subject to Common Assessments determined in accordance with Section 10.6. The assessment determination will initially be made as of the first day of each fiscal year. However, in determining the number of Units, the Board shall take into account the number of Units reasonably anticipated to become subject to Common Assessments during the fiscal year. The determination for other assessments to be made upon the entire membership may be made by the Board at or about the time of such assessment rather than on the first day of the fiscal year, and if such other assessment is payable over a period of time, the Board may take into account the number of Units reasonably anticipated to become subject to that assessment during the same period of time. If the foregoing formula appears to be inequitable to the Board at any time by reason of materially miscalculating the number of Units that will be subject to assessment, the Board may from time to time reallocate any assessment in accordance with the foregoing formula by adjusting the number of Units subject to assessment to a more accurate number. The common profits of the Association, if any, shall be allocated among the Units on the same basis and formula as is above applied with respect to assessments.

The Board shall cause a copy of the Common Expense budget and notice of the amount of the Common Assessment to be levied against each Unit for the following year to be delivered to each Owner at least thirty (30) days prior to the beginning of the fiscal year. Such budget and assessment shall become effective unless disapproved at a meeting of the Members by Members representing at least a majority of the total Class A vote in the Association, and by the Class B Member, if such exists. There shall be no obligation to call a meeting for the purpose of considering the budget except on petition of the Members as provided for special meetings in the Bylaws, which petition must be presented to the Board within ten (10) days of delivery of the notice of assessments.

Notwithstanding the foregoing, in the event the proposed budget is disapproved or the Board fails for any reason so to determine the budget for any year, then and until such

time as a budget shall have been determined as provided herein, the budget in effect for the immediately preceding year shall continue for the current year.

10.3. Special Assessments.

10.3.1. Entire Membership. The Association may levy Special Assessments, including Special Assessment for capital improvements or additions, from time to time provided such assessment receives the affirmative vote or written consent of Members representing a majority of the total Class A votes in the Association and the affirmative vote or written consent of the Class B Member, if such then exists. Special Assessments pursuant to this paragraph shall be payable in such manner and at such times as determined by the Board, and may be payable in installments extending beyond the fiscal year in which the Special Assessment is approved, if the Board so determines. Declarant shall not at any time be subject to Special Assessments on Units owned by Declarant.

10.3.2. Less Than All Members. The Association may levy a Special Assessment against any Member individually and against such Member's Unit to reimburse the Association for costs incurred in bringing a Member and such Member's Unit into compliance with the provisions of this Declaration, any amendments hereto, the Articles, the Bylaws, or the Association rules, which Special Assessment may be levied upon the vote of the Board after notice to the Member and an opportunity for a hearing. Notwithstanding the other provisions of this Article X, the Association may assess a Unit for the full amount of any Common Expense, the incurring of which is solely attributable to the negligence or willful misconduct of the Owner of such Unit or of such Owner's family members or invitees. Any Common Expense or any part of a Common Expense benefiting fewer than all of the Units may be assessed exclusively against the Units benefited.

10.4. Emergency Assessments. If the Common Assessments levied at any time are, or will become, in the opinion of the Board of Directors, inadequate to meet all expenses incurred under this Declaration for any reason, including nonpayment of any Owner's assessments on a current basis, the Board of Directors shall immediately determine the approximate amount of such inadequacy and issue a supplemental budget, noting the reason therefor, and levy an emergency assessment ("Emergency Assessment") for the amount required to meet all such expenses on a current basis. Emergency Assessments shall be apportioned as set forth in Section 10.3.1 above and be payable as determined by the Board of Directors.

10.5. Lien for Assessments. Upon recording of a claim of lien on any Unit, there shall exist a perfected lien for unpaid assessments (together with interest, late charges, costs, attorney fees, fines and other charges) prior and superior to all other liens, except (1) all taxes,

bonds, assessments, and other levies which by law would be superior thereto, and (2) the lien or charge of any first Mortgage of record (meaning any recorded Mortgage with first priority over other Mortgages) made in good faith and for value and which was recorded prior to the recordation of the notice of lien. Such lien, when delinquent, may be enforced in accordance with Oregon law. The provisions of ORS 94.709, as amended from time to time, shall apply to such lien, including, without limitation, filing and recording claim, priority, duration and foreclosure procedure.

The Association, acting on behalf of the Owners, shall have the power (but not the obligation) to bid for the Unit at foreclosure sale and to acquire and hold, lease, mortgage, and convey the same. During the period in which a Unit is owned by the Association following foreclosure: (a) no right to vote shall be exercised on its behalf; (b) no assessment shall be levied on it; and (c) each other Unit shall be charged, in addition to its usual assessment, its equal pro rata share of the assessment that would have been charged such Unit had it not been acquired by the Association as a result of foreclosure. Suit to recover a money judgment for unpaid assessments, late charges, interest, costs, and attorney's fees shall be maintainable without foreclosing or waiving the lien securing the same.

10.6. Date of Commencement of Assessments. Each Unit shall be subject to Common Assessments on the first date of the first month following the month in which the Owner takes title to such Unit.

10.6.1. Declarant shall not at any time be subject to Common Assessments on Units owned by Declarant, except for the accrual of reserves as provided in Section 10.11. Assessments shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment levied on each Unit shall be adjusted according to the number of months remaining in the fiscal year as of the Assessment Date.

10.7. Subordination of the Lien to First Mortgages. The lien of assessments, including interest, late charges (subject to the limitations of Oregon law), and costs (including attorney fees) provided for herein, shall be subordinate to the lien of any first Mortgage upon any Unit. The sale or transfer of any Unit recorded prior to recording the claim of lien shall not affect the assessment lien. However, the sale or transfer of any Unit pursuant to judicial or nonjudicial 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 Unit from lien rights for any assessments thereafter becoming due. Where the Mortgagee holding a first Mortgage of record or other purchaser of a Unit obtains title pursuant to judicial or nonjudicial foreclosure of the Mortgage, it shall not be liable for the share of the Common Expenses or assessments by the Association chargeable to such Unit which became due prior to such acquisition of title. Such unpaid share of Common Expenses

or assessments shall be deemed to be Common Expenses collectible from Owners of all the Units, including any party acquiring a Unit through foreclosure, its successors and assigns.

10.8. Capitalization of Association. Upon acquisition of record title to a Unit by the first purchaser thereof other than the Declarant a contribution shall be made by or on behalf of the purchaser to the working capital of the Association in an amount equal to one-sixth (1/6) of the annual Common Assessment per Unit for that year as determined by the Board. Notwithstanding the foregoing, in the sole discretion of Declarant (during the Class B Control Period) or thereafter, the Board, an Owner who purchases solely for the purpose of constructing a dwelling thereon for resale may be granted an exception from such requirement. This amount shall be in addition to, not in lieu of, the annual Common Assessment levied on the Unit and shall not be considered an advance payment of any portion thereof. This amount shall be deposited into the purchase and sales escrow and disbursed therefrom to the Association for use in covering operating expenses and other expenses incurred by the Association pursuant to the terms of this Declaration and the Bylaws.

10.9. Exempt Property. Notwithstanding anything to the contrary herein, the following property shall be exempt from payment of Common Assessments, Special Assessments and Emergency Assessments:

10.9.1. all Common Area; and

10.9.2. all property dedicated to and accepted by any governmental authority, public utility, including, without limitation, public schools, public streets, public lights, and public parks.

10.10. Operations Fund. The Association shall keep all funds received by it as assessments, other than the reserves described in Section 10.11 below, separate and apart from its other funds, in a bank account in the state of Oregon in the name of the Association to be known as the "Operations Fund". The Association shall use such fund exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents within the Properties and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area and of the Units situated upon the Properties, including but not limited to:

(a) Payment of the cost of maintenance, utilities and services as described in Article VI.

(b) Payment of the cost of insurance as described in Section 7.1.

(c) Payment of taxes assessed against the Common Area and any improvements thereon.

(d) Payment of the cost of other services which the Association deems to be of general benefit to the Owners, including but not limited to management, accounting, legal and secretarial services.

10.11. Reserve Fund. The Declarant shall establish a budget based upon the Reserve Study set forth in Section 10.12 below and other reliable information and a reserve fund in the name of the Association in a bank account in the state of Oregon, for replacement of those items to be maintained by the Association all or a part of which will normally require replacement in more than three (3) and less than thirty (30) years and for exterior painting if items to be maintained by the Association include exterior painted surfaces ("Reserve Fund"). Such Reserve Fund shall be funded by assessments against the individual Units assessed for maintenance of the items for which the Reserve Fund is being established (except those items that can reasonably be funded from the Operations Fund) and shall be kept separate from the all other Association funds, including the Operations Fund. Such assessments shall be included in the Common Assessments established pursuant to Section 10.2. The assessments under this Section 10.11 shall begin accruing against each Unit from the date the first Unit in the Properties is conveyed. Subject to the limitations set forth in ORS 94.705, Declarant may defer payment of assessments for a Unit under this Section 10.11 until the date the Unit is conveyed by Declarant. After the Turnover Meeting, the Board of Directors may borrow funds from the Reserve Fund to meet high seasonal demands on the Operating Funds or to meet unexpected increases in expenses, which borrowing will later be repaid from Common Assessments, Special Assessments, or Emergency Assessments. Nothing in this Section shall prohibit prudent investment of the Reserve Fund. Following the second year after the Turnover Meeting, future assessments for the Reserve Fund may be reduced or increased by an affirmative vote of not less than seventy-five percent (75%) of the Members or eliminated by a unanimous vote of the Members. Assessments paid into the Reserve Fund are the property of the Association and are not refundable to sellers or Owners of Units. Sellers of the Units, however, may treat their outstanding share of the Reserve Fund as a separate item in any sales agreement.

10.12. Reserve Study. Prior to the Turnover Meeting, Declarant shall conduct a Reserve Study (the "Reserve Study") to determine the requirements for the Reserve Fund and may adjust the payments into the Reserve Fund as indicated by the Reserve Study or update thereof and provide for other reserve items as the Board of Directors deems appropriate. After the Turnover Meeting, the Board of Directors shall conduct a Reserve Study or review and update the existing Reserve Study annually. The Reserve Study shall include the identification of all items for which reserves are required to be established; the estimated

remaining usable life of each item as of the date of the Reserve Study; the estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and a thirty (30)-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.

Article XI.  
Architectural Standards

11.1. General

No construction, which term shall include within its definition staking, clearing, excavation, grading, and other site work, no exterior alteration or modification of existing Improvements, and no plantings or removal of plants, trees, or shrubs shall take place except in strict compliance with this Article, until the requirements below have been fully met, and until the approval of the DCRC has been obtained pursuant to the provisions of this Article XI. The Board of Directors may establish reasonable fees and/or deposits to be charged by the committees on behalf of the Association for review of applications and assurance of completion hereunder and may require such fees and/or deposits to be paid in full prior to review of any application.

All dwellings constructed on any portion of the Properties shall be designed by and built in accordance with Core Principles, the Design Guidelines as such may be amended or modified from time to time and with the plans and specifications prepared by a licensed architect or other qualified design professional approved by the DCRC. Such plans and specifications shall be subject to approval of Deschutes County or the City of Bend, as applicable, and the DCRC.

This Article shall not apply to the activities of the Declarant, nor to construction or improvements or modifications to the Common Area by or on behalf of the Association.

The Board of Directors shall have the authority and standing, on behalf of the Association, to enforce in courts of competent jurisdiction decisions of the committees established in Section 11.2. This Article may not be amended without the Declarant's written consent so long as the Declarant owns any land subject to this Declaration or subject to annexation to this Declaration.

11.2. Design/Construction Review Committee. The DCRC shall consist of at least three (3), but not more than five (5), persons and shall have exclusive jurisdiction over the design and construction of all Improvements and other construction related activities,

including, but not limited to, staking, clearing, excavation, grading, and other site work, on any portion of the Properties, including but not limited to modifications, additions and/or alterations made on or to existing Units or Improvements. During the Class B Control Period, the Declarant retains the right to appoint all members of the DCRC who shall serve at the discretion of the Declarant. There shall be no surrender of this right prior to the expiration of the Class B Control Period except in a written instrument in recordable form executed by Declarant. Upon the expiration of such right, the Board of Directors shall appoint the members of the DCRC, who shall serve and may be removed at the discretion of the Board of Directors. The members of the DCRC may include architects, engineers and other persons who are not members of the Association.

The DCRC shall review all plans and specifications for and construction of Improvements on the Properties for compliance with the Core Principles, Design Guidelines and any Unit Developer's Manual previously prepared by Declarant or its agents which shall set forth design and development guidelines and application and review procedures. Copies of such documents shall be made available to Members by the DCRC for review. The guidelines and procedures shall be those of the Association, and the DCRC shall have authority to amend them with the consent and approval of the Board of Directors. The DCRC shall make the Design Guidelines and procedures available to Owners, builders, and developers who seek to engage in development of or construction upon all or any portion of the Properties and such Owners, builders and developers shall conduct their operations strictly in accordance therewith and with the Core Principles.

In addition to the foregoing, the following shall apply to all matters coming before the DCRC: Plans and specifications showing the nature, kind, shape, color, size, materials, and location of such modifications, additions, or alterations, shall be submitted to the DCRC for approval as to compliance with the Core Principles, and Design Guidelines, including quality of workmanship and design and as to harmony of external design with surrounding natural environments, and other existing structures, location in relation to surrounding structures, topography, and finish grade elevation. Nothing contained herein, shall be construed to limit the right of an Owner to remodel the interior of the Improvements on his or her Unit, or to paint the interior of such Improvements any color desired; provided, modifications or alterations to the interior of his or her Improvements, including screened porches, patios and similar portions of a Unit visible from outside the Unit shall be subject to approval by the DCRC hereunder.

11.3. Procedures. In addition to any other procedures which the DCRC may reasonably promulgate, any Member or person desiring a decision by the DCRC shall deliver a complete package of information, as reasonably determined by DCRC, and the DCRC shall render its decision with respect to the construction proposal within thirty (30) working days

after it has received all material required by it with respect to such application. In the event the DCRC fails to render its approval or disapproval within forty-five (45) working days after the DCRC has received all material required by it with respect to the application or, if no suit to enforce this Declaration has been commenced within one (1) year after completion thereof, approval will not be required and the related provisions of this Declaration shall be deemed to have been fully complied with.

11.4. Committee Discretion. The DCRC may, in its sole discretion, withhold consent to any proposed work if the DCRC finds the proposed work would not be appropriate for the particular Unit or incompatible with the Core Principles or the Design Guidelines that the DCRC has adopted for Shevlin Commons. Consideration such as size, integration with the surrounding environment, siding, shape, color, design, materials, height, solar access, visual screening, impairment of view from other Units, or other affect on the enjoyment of other Units or the Common Area, disturbance of existing terrain and vegetation and any other factors which the DCRC reasonably believes to be relevant, may be taken into account in determining whether or not to consent to any proposed work. In addition to the Core Principles and the aforesaid Design Guidelines, all sighting of television antennas and satellite receiving dishes shall be in conformance with any applicable federal communications commission rules.

11.5. No Waiver of Future Approvals. The approval of the DCRC of any proposals or plans and specifications or drawings for any work done or proposed, or in connection with any other matter requiring the approval and consent of such Committee, shall not be deemed to constitute a waiver of any right to withhold approval or consent as to any similar proposals, plans and specifications, drawings, or matters whatever subsequently or additionally submitted for approval or consent.

11.6. Variance. The DCRC may authorize variances from compliance with any of its guidelines and procedures when circumstances such as topography, natural obstructions, hardship, consistency with the Core Principles or other aesthetic or environmental considerations require, but only in accordance with duly adopted rules and regulations. Such variances may only be granted, however, when unique circumstances dictate and no variance shall (a) be effective unless in writing, (b) be contrary to the restrictions set forth in the body of this Declaration, or (c) estop the DCRC from denying a variance in other circumstances. For purposes of this Section 11.6, the inability to obtain approval of any governmental agency, the issuance of any permit, or the terms of any financing shall not be considered a hardship warranting a variance.

11.7. Compliance With Guidelines. Any contractor, subcontractor, agent, employee or other invitee of an Owner who fails to comply with the terms and provisions of

the Core Principles, Design Guidelines and procedures promulgated by the DCRC may be excluded by the Board from the Properties without liability to any person, subject to the notice and hearing procedures contained in the Bylaws.

11.8. No Liability. Review and approval of any application pursuant to this Article is made on the basis of compatibility with the Core Principles, the Design Guidelines and aesthetic considerations only and neither the DCRC, Declarant, the Association, the Board of Directors or any officer, committee or member of the foregoing (collectively, the "Indemnified Parties") shall bear any responsibility of ensuring the structural integrity or soundness of approved construction or modifications, nor for ensuring compliance with building codes and other governmental requirements. Neither of the Indemnified Parties shall be held liable for any injury, damages or loss arising out of the manner or quality of approved construction on or modifications to any Unit and the Association shall indemnify the Indemnified Parties therefrom, provided only that the Indemnified Parties, in accordance with the actual knowledge possessed by such Indemnified Party, acted in good faith.

11.9. Majority Action. Except as otherwise provided in this Declaration, a majority of the members of the DCRC shall have the power to act on behalf of the DCRC without the necessity of a meeting and without the necessity of consulting the remaining members of the DCRC. The DCRC may render its decision only by written instrument setting forth the action taken by the consenting members.

11.10. Appeal. At any time after Declarant has delegated appointment of the members of the DCRC to the Board of Directors of the Association pursuant to Section 11.2 any Owner adversely affected by action of the DCRC may appeal any action adverse to such Owner to the Board of Directors of the Association. Appeals shall be made in writing within ten (10) days of the action taken by the DCRC and shall contain specific objections or mitigating circumstances justifying the appeal. A final, conclusive decision shall be made by the Board of Directors of the Association within fifteen (15) working days after receipt of such notification.

11.11. Effective Period of Consent. Consent of the DCRC to any proposed work shall automatically be revoked one (1) year after issuance unless construction of the work has been substantially commenced in the judgment of the DCRC, as appropriate and thereafter diligently pursued to completion within one (1) year of the receipt of the consent from the DCRC, unless the Owner has applied for and received an extension of time from the applicable committee.

11.12. Estoppel Certificate. Within fifteen (15) working days after written request is delivered to the DCRC by any Owner, and upon payment to the DCRC of a reasonable fee

fixed by the DCRC to cover costs, the DCRC shall provide such Owner with an estoppel certificate executed by an authorized member of the DCRC and acknowledged, certifying with respect to any Unit owned by the Owner that as of the date thereof, either: (i) all improvements made or done upon or within such Unit by the Owner comply with this Declaration or (ii) such improvements do not so comply, in which event the Certificate shall also identify the non-complying improvements and set forth with particularity the nature of such non-compliance.

## Article XII. Use Restrictions

### 12.1. General Provisions.

The Properties shall be used only for residential, recreational, and related purposes (which may include, without limitation, offices for any property manager retained by the Association or business offices for the Declarant or the Association consistent with this Declaration and amendments hereto). Any Supplemental Declaration or amendments to this Declaration may impose stricter standards than those contained in this Article. The Association, acting through its Board of Directors, shall have standing and the power to enforce such standards.

The Association, acting through its Board of Directors, shall have authority to make and to enforce standards and restrictions governing the use of the Properties, in addition to those contained herein, and to impose reasonable user fees for use of Common Area facilities. Such regulations and use restrictions shall be binding upon all Owners, occupants, invitees and licensees, if any, until and unless overruled, canceled or modified in a regular or special meeting of the Association by the vote of Members representing a majority of the total Class A votes in the Association and by the Class B Member, so long as such membership shall exist.

The Use Restrictions established herein, as well as the Design Guidelines, flow from the Core Principles and should be interpreted to carry out their intent. The Board and its designee, the Design/Construction Review Committee (DCRC), shall have full authority to interpret the Declaration, Bylaws, Design Guidelines and rules and regulations in a manner consistent with the Core Principles and shall have sole and plenary discretion to determine whether any proposed Improvement, use or activity complies with the Core Principles.

In order to carry out the Core Principles, the Board may adopt additional restrictions, guidelines and other rules and regulations pertaining to design, construction and maintenance

of all Improvements, and shall have the right and authority to enforce such rules and regulations, and the right to levy fines and other sanctions for violations.

12.1.1. Residential Use. The Properties are intended solely for residential use. With the exception of home office occupations described below, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Unit, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Unit. Nothing in this paragraph shall be deemed to prohibit (a) activities relating to the rental or sale of homes otherwise permitted hereunder, (b) the right of Declarant or any Owner to construct living units on a Unit and to store construction materials and equipment on such Unit in the normal course of construction (c) the right of Declarant, during the Class B Period to use any living unit constructed by or for Declarant as an office or model home for purposes of sales in Shevlin Commons, and (d) the right of the Owner of a Unit to maintain his or her professional personal library, keep his or her personal business or professional records or accounts, or handle his or her personal business or professional telephone calls or confer with business or professional associates, clients or customers, in his or her home.

The terms "business" and "trade", as used in this provision, shall be construed to have their ordinary, generally accepted meanings, and shall include, without limitation, any occupation, work or activity undertaken on an ongoing basis which involves the provision of goods or services to persons other than the provider's family and for which the provider receives a fee, compensation, or other form of consideration, regardless of whether: (i) such activity is engaged in full or part-time; (ii) such activity is intended to or does generate a profit; or (iii) a license is required therefor. The Board may from time to time restrict, limit and/or condition garage sales, moving sales or similar activities on a Unit.

12.1.2. Home Office Occupations. Owners are allowed to maintain home office occupations so long as (a) such activity does not create undue parking or traffic impacts within the Properties; (b) the existence or operation of the business activity is not apparent or detectable by sight, sound or smell from outside the Unit; (c) such activity does not violate applicable City of Bend ordinances; (d) the business activity does not involve large numbers of persons coming onto the Properties, or frequent visits from any persons, who do not reside in the Properties or any door-to-door solicitation of residents of the Properties; and (e) the business activity is consistent with the residential character of the Properties and does not constitute a nuisance, or a hazardous or offensive use, or threaten the security or safety of other residents of the Properties, as may be determined in the sole discretion of the Board.

12.1.3. Delegation by Board. Whenever in the use restrictions set forth in this Article XII, the consent or approval of the Board of Directors is required for certain

activities, the Board of Directors may from time to time adopt resolutions designating an authorized representative to give such consent or approvals in lieu of the Board, and such resolutions may include conditions to and limitations on the authority granted by the Board.

12.1.4. Occupants Bound. All provisions of the Declaration, Bylaws and of any rules and regulations or use restrictions promulgated pursuant thereto which govern the conduct of Owners and which provide for sanctions against Owners shall also apply to all Occupants, guests and invitees of any Unit. Every Owner shall cause all Occupants of his or her Unit to comply with this Declaration, the Bylaws, and the rules and regulations adopted pursuant thereto, and shall be responsible for all violations and losses to the Common Areas caused by such Occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of this Declaration, the Bylaws, and rules and regulations adopted pursuant thereto.

12.1.5. Subdivision of Unit. No Unit shall be subdivided or its boundary lines changed except with the prior written approval of the Board of Directors. Declarant, however, hereby expressly reserves the right to adjust the boundary lines of or replat any Unit or Units owned by Declarant. Any such boundary line adjustment or replatting shall not be in violation of the applicable subdivision and zoning regulations.

12.2. Structures Permitted.

No improvements shall be constructed or permitted to remain on any Unit except improvements containing a single family dwelling, garage, and any accessory dwelling permitted under these CC&Rs and consistent with City of Bend ordinances, and improvements normally accessory thereto. This provision shall not prohibit construction of accessory structures otherwise permitted under this Declaration that have been approved by the DCRC as being consistent with the Design Guidelines for Shevlin Commons.

12.2.1. Accessory Residences. Accessory residences or additional living spaces may be permitted by the DCRC but shall be subject to the applicable height limitation and other Design Guidelines and shall be included in determining total floor area of the home. Any proposal for an accessory residence shall be in conformance with applicable local government ordinances and shall not create a burden on parking nor otherwise increase the visibility of automobiles on the homesite.

12.2.2. Tents, Trailers and Temporary Structures. Except as may be permitted by the Declarant, Board of Directors, or DCRC during the course of design and/or construction, no tent, utility shed, shack, trailer or other structure of a temporary nature shall be placed upon a Unit or any part of the Properties.

12.3. Home Design and Construction.

12.3.1. Unit Zones. The Declarant has identified three Building Zones within Shevlin Commons. The following Units, as identified in the Master Plan, are included in Zone 1: 27-33, 37-45 and 54-60. The following Units, as identified in the Master Plan, are included in Zone 2: 17-22, 24, 25, 34, 36, 46-53 and 61-66. The following Units, as identified in the Master Plan, are included in Zone 3: 1-16, 23, 26 and 35. The Declarant (during the Class B Period) or Board may adopt different guidelines and restrictions for Units in each zone governing issues such as building height, building mass, foundation height, architectural character, parking, landscape design and any other elements deemed relevant in carrying out the Core Principles and may allow variances to such guidelines and restrictions as provided in the Section entitled Variances herein..

12.3.2. Building Envelopes. The Board and/or DCRC shall establish building envelopes for Units within the Properties and shall ensure that all structures are built within approved envelopes. The Board and/or DCRC shall have discretion to allow certain accessory structures or landscaping features, to be constructed outside of the applicable building envelope consistent with the Core Principles and Design Guidelines. The Board and/or DCRC shall have further authority to establish a procedure and standards for modifying approved building envelopes to remedy unforeseen problems in their initial configuration taking into account the Core Principles, Design Guidelines and the interests of neighboring Owners.

12.3.3. Coverage. Maximum Coverage for any Unit, including garage area and accessory structures, shall not exceed 35% of the total Unit area. The Board and/or DCRC shall have absolute authority for determining whether an improvement or landscaping feature constitutes an accessory structure for purposes of this Section and for establishing guidelines for this purpose.

12.3.4. Floor Area. "Floor Area" shall be defined as the total square footage of interior living space for a residence and any accessory dwelling, excluding the garage and/or basement areas. The Board and/or DCRC shall have absolute discretion in calculating the area of any proposed construction and for determining whether a proposed area or structure provides interior living space. The Board and/or DCRC shall have authority to further refine the Floor Area ratios described below and to create rules allowing reasonable flexibility in such Floor Area ratios for the purpose of providing incentives for or otherwise facilitating quality design or carrying out the Core Principles and Design Guidelines. A single residence proposed for construction on two (2) or more Units owned or controlled by a single

Owner shall be treated as a single Unit and be subject to the floor area limitations of a single Unit established by this Section.

(a) On Units of 18,000 to 24,000 square feet in area, the Floor Area shall not exceed 4000 square feet.

(b) On Units of 14,000 to 18,000 square feet in area, the Floor Area shall not exceed 3500 square feet.

(c) On Units of 11,000 to 14,000 square feet in area, the Floor Area shall not exceed 3000 square feet.

(d) On Units of 9,000 to 11,000 square feet in area, the Floor Area shall not exceed 2800 square feet.

(e) On Units of 7,000 to 9,000 square feet in area, the Floor area shall not exceed 2500 square feet.

(f) On Units of 5,000 to 7,000 square feet in area, the Floor area shall not exceed 2200 square feet.

(g) The minimum Floor Area of any Unit shall be 1200 square feet.

The foregoing Floor Area ratios do not give any Owner the right to construct a residence to the maximum Floor Area allowed on any particular Unit. The permitted Floor Area is subject to the ultimate review and approval of the DCRC and will depend on the quality of design and various other factors considered during design review.

12.3.5. Building & Landscape Design. All Improvements within the Properties shall be designed and constructed according to the Core Principles and Design Guidelines as may be modified from time to time by the Board, and other provisions established herein. All such Improvements, whether new or proposed for modification, shall be subject to the exclusive review and approval or disapproval of the DCRC unless otherwise provided herein. The DCRC shall have authority for interpreting the Design Guidelines and other relevant provisions in a manner most likely to carry out the Core Principles.

#### 12.4. Accessory Elements.

12.4.1. Signs and Address Numbers. No sign of any kind shall be erected within the Properties without the written consent of the Board of Directors; provided,

however, that not more than one (1) "For Sale" or "For Rent" sign placed by the Owner, Declarant or by a licensed real estate agent, not exceeding fifteen (15) inches wide by twenty (20) inches tall, may be temporarily displayed on any Unit so long as such sign complies with the Design Guidelines and all applicable ordinances of the City of Bend. Notwithstanding the foregoing, Declarant (during the Class B Period) and/or the Board may install neighborhood signage including, but not limited to, entry signs, traffic signs, street name signs and trail signs as well as signage for initial marketing or financing of Units. If permission is granted to any Person to erect a sign within the Properties, the Board reserves the right to restrict the size, coloring, lettering and placement of such sign. Any signage required by local or state regulations shall be in a form approved by the Board in writing. Owners shall install street address numbers identifying their Units in accordance with the Design Guidelines.

12.4.2. Lighting. No exterior or interior lighting fixture shall be installed within or upon any Unit that does not comply with the Design Guidelines or that creates excessive glare on the outside of any Unit, significantly impacts the nighttime sky from adjacent streets, Units and Common Areas or otherwise poses a visual annoyance or nuisance to Owners. Exterior lighting shall be indirect so that the light source is not visible from neighboring Properties. Holiday lighting may be permitted during a period of time and in a form to be determined by the Board.

12.4.3. Mailboxes and Newspaper Receptacles. Group mailboxes and individual newspaper receptacles for each Unit shall be provided at the Shevlin Commons Community Center, or other location identified by the Declarant or Board. Where an Owner demonstrates undue hardship in utilizing common facilities, and with the approval of the U.S. Postal Service, the Board, in its sole discretion, may grant an exception and allow the Owner to receive mail and newspapers at that Owner's Unit. Any individual mailbox and newspaper receptacle shall comply with the Design Guidelines.

12.4.4. Water Features, Sculpture, and Artificial Vegetation. Water features shall not be audible from neighboring Units. Sculpture shall be restricted to screened courtyard areas unless otherwise approved by the DCRC. No artificial vegetation shall be permitted on the exterior of any portion of the Properties, including any Unit.

12.4.5. Sprinklers and Irrigation. Any sprinkler or irrigation system installed by an Owner or utilized by a Unit shall be confined within the boundaries of such Unit, unless otherwise approved by the Board for purposes of irrigating a portion of a Common Area or Common Easement Area. The Declarant (during the Class B Period) and the Board reserve the right to install sprinkler and irrigation systems within Units owned by the Declarant, Common Areas and Common Easement Areas as necessary.

12.4.6. Swimming Pools. No above ground swimming pools shall be erected, constructed or installed on any Unit.

12.4.7. Walls, Fences, and Animal Runs. No walls, fences, hedges, animal runs or other enclosures shall be allowed to define the perimeter of or create the appearance of a hard boundary of any Unit; provided, however, that Declarant (during the Class B Period) and the Board may construct walls, fences and or hedges within Common Areas or Common Easement Areas as landscape elements to define the perimeter of the Properties or establish a boundary with adjacent properties.. Animal runs may be permitted but shall comply with the Design Guidelines and be subject to the review and approval of the DCRC.

12.4.8. Antennas & Satellite Dishes. To the extent limitations are permitted by applicable law, no exterior antennas, aerials, satellite dishes, or other apparatus for the reception or transmission of television, radio, satellite or other signals of any kind shall be placed, allowed, or maintained upon any portion of the Properties, including any Unit, without the prior written consent of the Board. In order to comply with the applicable rules of the Federal Communications Commission relating to the installation of an antenna or dish, and notwithstanding any other provision of this Declaration expressing or implying to the contrary, the Board shall act promptly in responding to any request for installation thereof, and any restrictions which the Board places on the installation of such antenna or dish shall not (a) unreasonably delay or prevent its installation, maintenance or use (b) unreasonably increase the cost of its installation, maintenance or use, or (c) preclude reception of an acceptable quality signal. Provided, however, there may be installed within a Unit a satellite systems dish not to exceed 24 inches in diameter, so long as such satellite system complies with the Design Guidelines and has been reviewed and approved by the DCRC. The Declarant and/or the Association shall have the right, without obligation, to erect an aerial, satellite dish, or other apparatus for a master antenna or cable system for the benefit of all or a portion of the Properties, should any such master system or systems be utilized by the Association and require any such exterior apparatus.

12.4.9. Solar Panels. Solar panels for generating electricity or heating the space and/or water of Units are permitted. Solar panels are not required to be concealed from view of neighboring Properties but shall comply with the Design Guidelines and shall be subject to the review and approval by the DCRC.

12.4.10. Outdoor Play Equipment. All basketball hoops and backboards shall be confined to a driveway or backyard within a Unit and shall only be affixed to a garage, residence, stationary post or other structure on a Unit. Swing sets and other outdoor play equipment shall be located to the rear of the Improvements on that Unit or in private courtyard areas where they are not highly visible from Common Areas. Any such basketball

hoop, backboards, swing sets and other play equipment shall comply with the Design Guidelines and shall be subject to the review and approval by the DCRC.

The Declarant (During the Class B Period) and/or the Association shall have the right, without obligation, to erect appropriate play equipment at select locations within Common Areas. Any playground or other play areas or equipment furnished by the Declarant or Association or erected within the Properties shall be used at the risk of the user, and neither the Declarant nor Association shall be held liable to any Person for any claim, damage, or injury occurring thereon or related to use thereof.

12.4.11. Service Facilities, Garbage Cans and Storage. Each Unit shall have an area or areas for necessary storage of items including garbage and recycling containers, compost, outdoor maintenance equipment, bicycles, and other like items. The storage area(s) may be either enclosed within the garage, home or courtyard area, or provided in a separate accessory structure or garden shed. Storage tanks, mechanical equipment and heating, ventilating and air conditioning equipment ("HVAC") shall be located or screened so as to be concealed from view of neighboring streets, Units and Common Areas. The area of storage areas and screening areas described in this Section shall be included for purposes of calculating Unit coverage as set forth in Section 12.3.3. All rubbish, trash, and garbage shall be stored in appropriate containers screened from view of streets, Units and Common Areas and shall regularly be removed from the Properties and shall not be allowed to accumulate thereon.

12.4.12. Clotheslines. Clotheslines and drying racks are permitted provided they comply with the Design Guidelines, have been approved by the DCRC, in its sole discretion, and are located so that drying clothes are substantially screened from the view of adjacent streets, Units and Common Areas.

12.4.13. Garden Sheds and Greenhouses. Garden sheds, greenhouses and similar accessory structures are permitted provided they comply with the Design Guidelines, have been approved by the DCRC, in its sole discretion, and do not create glare, reflection or other visual annoyance for neighboring streets, Units or Common Areas. The area of garden sheds, greenhouses and similar accessory structures shall be included for purposes of calculating Unit coverage as set forth in Section 12.3.3.

12.4.14. Barbecues. Barbecues shall be stored out of view of neighboring streets, Units and Common Areas or effectively covered when not in use. Any storage covers shall comply with the Design Guidelines or other rules adopted by the Board.

12.4.15. Air Conditioning Units. No window air conditioning units may be installed in any Unit.

12.5. Traffic, Parking and Prohibited Vehicles.

12.5.1. Traffic Rules and Regulations. The Board may adopt speed limits, parking and use restrictions and other traffic-related rules and regulations for private streets within the Properties, and shall have the right and authority to enforce such rules and regulations, and the right to levy fines and other sanctions for violations (see Section 5.6.3 for fines and other sanctions).

12.5.2. Parking. Vehicles shall be parked only in garages, driveways or areas of Units otherwise screened from view of neighboring streets, Units and common areas. Vehicles may be parked temporarily in driveways of Units. Additionally temporary parking for visitors and guests of Owners shall be allowed at the parking area of the Shevlin Commons Community Center and in parking bays provided along the streets of Shevlin Commons. Parking in any other areas of the Properties is prohibited. Parking along streets outside of approved parking bays is prohibited. The Board may adopt reasonable rules and regulations governing temporary parking on Unit driveways and other approved parking areas and may identify and develop additional areas of parking along Shevlin Commons streets or within common areas. The Board of Directors shall have the right and authority to enforce parking rules and regulations and to levy fines and other sanctions for violations.

12.5.3. Prohibited Vehicles and Storage. Except as specifically permitted by the Board, vehicles and related equipment (other than vehicles used as primary transportation) including, by way of example, commercial vehicles trucks, tractors, motor homes or camping trailers, campers, recreational vehicles, boats or other watercraft, boat trailers, horse trailers, cars under repair, motorcycles, and snow mobiles may only be parked entirely within enclosed garages.

12.5.4. Vehicles in Disrepair. Stored vehicles and vehicles which are either obviously inoperable, in an extreme state of disrepair or do not have current operating licenses shall not be permitted on the Properties except within enclosed garages. For purposes of this Section, a vehicle shall be considered "stored" if it is immobile, put up on blocks or covered with a tarpaulin and remains immobile, on blocks or so covered for ten (10) consecutive days without the prior approval of the Board. For purposes of this Section, a vehicle shall be considered in "extreme state of disrepair" when the Board reasonably determines that its presence offends the Occupants of the area of the Properties in which the vehicle is located. Restoration or repair of vehicles of any kind is not allowed except within enclosed garages,

except for emergency repairs to the extent necessary to enable movement of the vehicle to a proper repair facility.

Any vehicle parked in violation of this Section or parking rules promulgated by the Board for five (5) days following the date notice is mailed to such Owner may be towed by the agent of the Association in accordance with the Bylaws and at such Owner's cost and expense. This remedy is in addition to other remedies available to the Board under this Declaration, or as a matter law.

12.6. Animals and Pets.

12.6.1. Permitted Pets. No animals, livestock, or poultry of any kind shall be raised, bred, or kept on any portion of the Properties, except that a reasonable number of dogs, cats, or other usual and common household pets permitted by City of Bend ordinances may be permitted in a Unit. The Board of Directors may adopt reasonable rules and regulations governing the number, type and conduct of permitted pets. No pets shall be kept, bred, or maintained for any commercial purpose.

12.6.2. Control of Pets. All pets must at all times be under the reasonable control of their owners. Pets must be on a leash while using trails within the Shevlin Conservation Easement and no Owner shall permit his/her pet to run off of designated trails. In all other areas of Shevlin Commons, including Common Areas, pets must be kept on a leash or under voice control. Owners and invitees shall not allow pets to run off leash in the natural portions of Common Areas or landscaped areas of Common Easement Areas. Owners are responsible for providing their pets with adequate care and attention throughout the day so that their pets are not neglected and do not become an annoyance or nuisance to other Owners. Owners and invitees shall not allow their pets to damage natural areas, chase wildlife, roam the Shevlin Commons property unattended or create excessive or continuous noise. Owners shall keep unattended animals within homes and may allow them to have access to animal runs so long as the animal does not leave the animal run, create excessive or continuous noise, damage property or otherwise become an annoyance or nuisance to other Owners. Owners are required to promptly pick up and properly dispose of all feces deposited by their pets on Units, Common Areas, and Common Easement Areas.

12.6.3. Remedies. Pets which are permitted by their Owners to roam free, damage natural areas, make excessive noise or, in the sole discretion of the Board, violate the Core Principles, endanger the health, or constitute a nuisance, inconvenience or danger to the Owners of other Units or the owner of any portion of the Properties shall be removed upon request of the Board; and if the Owner after notice and opportunity to remove the offending

pet fails to honor such request, the pet may be removed by the Board at the cost and expense of the offending Owner.

12.7. Quiet Enjoyment.

12.7.1. Prohibited Storage. No portion of the Properties or any Unit shall be used, in whole or in part, for the storage of any property or thing that will, in the reasonable discretion of the Board, cause such Unit to appear unclean, untidy or otherwise visually intrusive; nor shall any substance, thing, or material be kept upon any portion of the Properties that will emit foul or obnoxious odors, threaten the integrity of the surrounding natural environment or that will cause any noise or other condition that, in the reasonable discretion of the Board, will or might disturb the peace, quiet, safety, comfort, or serenity of other Owners.

No on-site storage of gasoline, heating or other fuels or any flammable liquids or gases shall be permitted on any part of the Properties, including any Unit, except that a reasonable amount of propane may be stored on each Unit for barbecues and up to five (5) gallons of fuel may be stored on each Unit for emergency purposes and for the operation of lawn mowers and similar tools or equipment. The Association shall be permitted to store propane and other fuel for operation of maintenance vehicles, generators, barbecues and similar equipment.

12.7.2. Illegal or Offensive Activities. No noxious, illegal, or offensive activity as determined by the Board shall be carried on upon any portion of the Properties or any Unit. No Owner shall maintain any plants or animals or device or thing of any sort whose activities or existence in any way is noxious, dangerous, hazardous, unsightly, unpleasant, or of a nature as may diminish or destroy the enjoyment of the Properties. No outside burning of wood, leaves, trash, garbage or household refuse shall be permitted within the Properties. Subject to compliance with all applicable laws, the Design Guidelines and the approval of the DCRC, in its sole discretion, an Owner may install an outdoor fireplace within the landscaped portion of a Unit. Any such fireplaces shall be used solely for burning wood and shall be subject to reasonable rules and regulations approved by the Board.

12.7.3. Guests. To protect the quiet enjoyment, natural environment and safety of Shevlin Commons, the Association may enact and implement reasonable regulations on the number of guests, repetitive guests, and disruptive guests, and may otherwise limit guest use of Shevlin Commons consistent with the rights of other Owners and the Core Principles.

12.7.4. Firearms. The discharge of firearms within the Properties, including on or in any Unit, is prohibited. The term "firearms" includes "B-B" guns, pellet

guns, and other firearms of all types, regardless of size. Notwithstanding anything to the contrary contained herein or in the Bylaws, neither the Association nor the Board shall be obligated to take action to enforce this Section and shall have no liability to any person as a result of the breach of this Section by any Person.

12.7.5. Pest Control. No Owner shall permit any thing or condition to exist upon any portion of the Properties which shall induce, breed or harbor any infectious plant, animal, or disease or any noxious insects or vermin. Owners shall at all times keep their Units free of noxious or invasive weed plant species.

12.8. Habitation & Maintenance.

12.8.1. Unightly or Unkempt Conditions. It shall be the responsibility of each Owner to prevent any unclean, unhealthy, unsightly, hazardous or unkempt condition on his or her Unit. The pursuit of hobbies or other activities, including specifically, without limiting the generality of the foregoing, the assembly and disassembly of motor vehicles and other mechanical devices, which might tend to cause disorderly, unsightly, or unkempt conditions visible from outside any Improvement on any Unit are prohibited on any part of the Properties.

12.8.2. Rubbish and Trash. No Unit or Common Area within Shevlin Commons shall be used as a dumping ground for trash, rubbish or yard debris of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal and out of public view. Yard debris shall be removed or placed in compost containers. Soil, compost and other garden products may be temporarily stockpiled in the landscaping area but shall be utilized or removed within a reasonable amount of time. All unimproved Units shall be kept in a neat and orderly condition, free of trash, and other debris. In the event any Owner fails to adequately maintain their Unit, the Board reserves the right to enter onto any such Unit for the purpose of removing trash or other debris at such Owner's cost and expense.

12.8.3. Maintenance of Structures. Each Owner shall at all times keep such Owner's Improvements, including accessory structures, landscaping and surrounding Unit area clean and attractive, in good repair, and generally well maintained. Such maintenance shall include, without limitation, (1) repair, replacement and care for siding, exterior trim, windows, doors, walkways, lighting, roofs, gutters, and downspouts; (2) painting, staining and sealing of exterior surfaces as needed; (3) cleaning and maintenance of walks, glass surfaces and other exterior improvements; and (4) adequately watering, fertilizing, weeding, replacing,

all shrubs, trees, grass and plantings of every kind. Damage caused by fire, flood, storm, vandalism or other causes shall be repaired within a reasonable period of time.

12.9. Site Stewardship.

The natural ecosystem encompassing Shevlin Commons, including fragile desert soils, native plant communities and wildlife, as well as the neighborhood's close proximity to the Conservation Area, make it essential for Owners to exercise responsible stewardship for the Properties and surrounding natural areas.

12.9.1. Water Features, Drainage Systems, Ponds, and Bodies of Water.

All water features, catch basins and drainage areas, natural ponds, storm water retention areas, biofiltration swales and other bodies of water within the Properties, if any, shall be for the drainage of natural flow of water and aesthetic amenity only and no other use thereof, including without limitation, swimming, wading, playing or use of personal flotation devices shall be permitted therein. No obstructions or debris shall be deposited in any such body of water and no person other than Declarant may obstruct or rechannel the drainage flows after location and installation of such drainage swales, storm sewers or storm drains. No person shall channel or otherwise direct stormwater runoff in a matter that may impact neighboring streets, trails, Units, Common Areas, Common Easement Areas or the Conservation Area. No Owner or invitee shall allow their pets to enter any of the bodies of water described above. Declarant hereby reserves for itself and the Association a perpetual easement to cross the Properties for the purposes of altering drainage and water flow. Septic tanks and drain fields are prohibited on the Properties, including on any Unit. The Association shall not be responsible for any loss, damage or injury to any person or property arising out of the use of such bodies of water within the Properties.

12.9.2. Common Areas. Owners shall utilize trails or improved turf areas provided in Common Areas and shall not bike, walk or allow pets to play in or wander through natural areas or water features. Owners shall follow Bend Metro Park and Recreation Rules and Regulations while using the Conservation Area.

12.9.3. Tree and Vegetation Removal. Except as may otherwise be prescribed by the Declarant (during the Class B Period), Board, or DCRC, no trees or snags, whether standing or downed, or other natural vegetation shall be removed from the Properties without the prior approval of the Declarant (during the Class B Period), Board or DCRC. In the event of an intentional or unintentional violation of this Section, the violator may be required, by the committee having jurisdiction, to replace the removed tree with one (1) or more comparable trees of such size and number, and in such locations, as the Declarant (during the Class B Period), Board or DCRC may determine necessary in its sole discretion to

mitigate the damage. Additionally, the Board may establish and levy fines for violations of this Section. Notwithstanding anything to the contrary contained herein or in the Bylaws, neither the Declarant, Association, Board nor the DCRC shall be liable to any person for damage or injury caused by trees or snags that may fall from time to time, or for damage or injury caused by wildfire that may occur in natural vegetation.

12.9.4. Excavation, Grading, and Drainage. Each Unit shall be developed and landscaped with minimal modification of the natural topography, including existing slopes and drainage patterns, in accordance with the Core Principles and as more specifically described in the Design Guidelines. Owner's shall not alter, modify or interfere with established drainage patterns in grades, slopes and courses related thereto over any Unit or Common Area or Common Easement Area without having first obtained the express written permission of the Board or DCRC.

Owners are encouraged to re-use excavated topsoil as a component of landscaping on their Units and may temporarily stockpile topsoil for this purpose subject to the rules and regulations established by the Board or DCRC. All other debris and excavated matter shall be promptly removed from the site during construction unless otherwise approved for on-site use by the Board or DCRC.

12.9.5. Fire Management. Each Owner is responsible for managing their Unit, whether improved or not, for wildfire prevention in a manner consistent with the Core Principles. The Declarant (during the Class B Period), Board or DCRC may establish specific rules and guidelines for landscaping and maintaining the Properties for fire prevention. In the event any Owner fails to adequately maintain their Unit for wildfire prevention, the Board reserves the right to enter onto any such Unit for the purpose of removing, thinning or properly planting vegetation for the purpose of fire prevention at such Owner's cost and expense. Notwithstanding anything to the contrary contained herein or in the Bylaws, neither the Declarant, Association, DCRC nor Board shall be obligated to take any action to enforce this Section and shall have no liability to any person as a result of the breach of this Section by any Person.

12.9.6. Noxious Weeds. Each Owner is responsible for managing their Unit, whether improved or not, for preventing the growth and spread of noxious and invasive weeds. The Board or DCRC may establish a list of noxious weeds that must be removed and may establish specific rules and guidelines for their removal and management consistent with the Core Principles contained herein. In the event any Owner fails to adequately maintain their Unit for preventing the growth and spread of noxious weeds, the Board reserves the right to enter onto any such Unit for the purpose of removing or otherwise controlling noxious weeds at such Owner's cost and expense.

12.9.7. Toxic Chemicals. Owners shall not allow toxic, poisonous, or otherwise environmentally harmful or hazardous substances or chemicals to enter the soil, water or air within or surrounding the Properties except as may specifically be allowed by the Board or DCRC during construction or for noxious weed control or other purposes deemed necessary in the sole discretion of the Board or DCRC.

12.10. Time Share. No Unit shall be used in connection with a time share plan as that term is defined in the Administrative Rules of the Oregon Real Estate Commissioner or in the statutes of the State of Oregon. The creation of a time share plan involving any portion of the Property is prohibited.

12.11. Leasing of Units

12.11.1. Definition. "Leasing", for purposes of this Declaration, is defined as the regular, exclusive occupancy or right of exclusive occupancy of any Unit, portion of a Unit or accessory dwelling by any person or persons other than the Owner in exchange for rent, which is hereby defined as the consideration, including money, goods, labor, credits, property or other valuable exchange that is charged, whether or not received by the Owner, for such occupancy.

12.11.2. Leasing. No Owner shall be permitted to lease their home or accessory dwelling to any person or persons for a period of less than one (1) year. In the event a lessee terminates or breaches a lease agreement before expiration of the 1-year lease period, the Owner is prohibited from leasing the property again during said lease period except in the case of undue hardship as provided below.

12.11.3. Undue Hardship. The Board of Directors shall be empowered to allow reasonable short-term leasing of Units upon written application to avoid undue hardship on an Owner. By way of illustration and not of limitation, examples of circumstances which would constitute "undue hardship" are those in which (i) an Owner must relocate his or her residence outside of the area which is located within a 50-mile radius from the City of Bend city limits, cannot sell his or her Unit within ninety (90) days from the date the Unit was placed on the market, and the Owner continues to offer and advertise the Unit for sale at a reasonable price no greater than its current appraised market value; (ii) the Owner dies and the Unit is being administered by his or her estate; (iii) the Owner takes a leave of absence or temporarily relocates outside the metropolitan Bend, Oregon geographic area and intends to return to reside in the Unit; or (iv) the Unit is to be leased to a member of the Owner's immediate family (which shall be defined to include a spouse, child, parent, or parent-in-law); and the Owner has demonstrated an inability to lease the Unit for a period of at least one (1)

year as permitted above. Owners who have demonstrated that their inability to lease their Unit would result in undue hardship and have obtained the requisite approval of the Board may execute a short-term lease for their Units for such duration as the Board reasonably determines is necessary to prevent undue hardship notwithstanding the provisions of this Section.

Any Owner who believes that he or she must lease his or her Unit for less than one (1) year to avoid undue hardship shall submit a written application to the Board setting forth the circumstances necessitating the leasing, a copy of the proposed lease, and such other information as the Board may reasonably require. Leasing in the case of undue hardship shall be permitted only upon the Board's written approval of the Owner's application. When an Owner's right to lease is approved by the Board, a copy of the lease shall be submitted to the Board within ten (10) days after it has been signed by both parties.

The Board shall have the power to make and enforce reasonable rules and regulations and to fine, in accordance with the Declaration and Bylaws, in order to enforce the provisions of this Section. Any transaction which does not comply with this Section shall be voidable at the option of the Board.

12.11.4. Leasing Provisions. Such leasing as is permitted by this Section shall be governed by the provisions set forth below. Each Owner covenants and agrees that such Owner shall cause any lease of a Unit to contain the following language and agrees that if such language is not expressly contained therein, then such language shall be deemed incorporated into such lease by existence of this covenant on the Unit. Any tenant, by occupancy in a Unit, agrees to the applicability of this covenant and incorporation of the following provisions into the lease:

12.11.4.1. General. Except in the instance of an accessory dwelling approved by the DCRC and permitted by all applicable City of Bend ordinances, Units may be rented only in their entirety; no fraction or portion may be rented. There shall be no subleasing of Units or assignment of leases unless approved in writing by the Board. No transient tenants may be accommodated in a Unit. All leases shall be in writing and in a form approved by the Association. All rentals must be for a term of no less than one (1) year. The Unit Owner must deliver to the tenant copies of the Declaration, Bylaws, and the rules and regulations.

12.11.4.2. Liability for Assessments. Each tenant agrees to be personally obligated for the payment of all assessments against the Owner which (i) become due during the term of the lease or (ii) are due as of the date of the execution of the Lease and not paid within thirty (30) days thereof or (iii) become due during any other period of

occupancy by the tenant or (iv) which become due as a consequence of the tenant's activities which violate provisions of the Act, the Declaration, the Bylaws, the Core Principles or the rules and regulations adopted pursuant thereto. When a Unit Owner who is leasing his or her Unit fails to pay any annual or special assessment for a period of more than thirty (30) days after it is due and payable, then, upon request by the Board, the tenant shall pay to the Association all unpaid annual and special assessments, as lawfully determined and made payable during the term of the lease and any other period of occupancy by the tenant. All such payments made by the tenant shall reduce, by the same amount, the tenant's obligation to make monthly rental payments to the Unit Owner. If the tenant fails to comply with the Board's request to pay assessments, the tenant shall pay to the Association all late charges, fines, interest, and costs of collection, including, but not limited to, reasonable attorney fees actually incurred, to the same extent the tenant would be required to make such payment to the Association if the tenant were the Owner of the premises during the term of the lease and any other period of occupancy by the tenant. Any failure by an Owner to pay all assessments which, after notice, is not cured by the tenant of that Unit shall be deemed a default under the lease and a breach hereof.

12.11.4.3. Compliance with Declaration, Bylaws, Core Principles and Rules and Regulations. The tenant shall abide by and comply with all provisions of the Declaration, Bylaws, Core Principles and rules and regulations adopted pursuant thereto and shall control the conduct of all other occupants, guests and invitees in order to ensure compliance with the foregoing. The tenant acknowledges that the violation by the tenant or any occupant living with the tenant of any provision of the Declaration, Bylaws, Core Principles or rules and regulations adopted thereunder shall constitute a default under the lease and a breach of this Declaration by the Owner and the Association shall have all rights and remedies against that Owner and the Unit provided herein. The Owner shall cause all occupants of his or her Unit to comply with the Declaration, Bylaws, Core Principles and the rules and regulations adopted pursuant thereto, and is responsible for all violations and losses caused by such occupants, notwithstanding the fact that such occupants of a Unit are fully liable and may be sanctioned for any violation of the Declaration, Bylaws, Core Principles and rules and regulations adopted pursuant thereto. In the event that the tenant, or a Person living with the tenant, violates the Declaration, Bylaws, Core Principles or a rule and regulation for which a fine is imposed, such fine shall be assessed against the tenant; provided, however, if the fine is not paid by the tenant within the time period set by the Board, the Owner shall pay the fine upon notice from the Association of the tenant's failure to pay the fine. Unpaid fines constitute a lien against the Unit. Any tenant charged with violation of the Declaration, Bylaws, Core Principles or rules and regulations adopted pursuant thereto is entitled to the same procedure to which an Owner is entitled prior to the imposition of a fine or other sanction.

12.4.11.4. Use of Common Areas. The Owner transfers and assigns to the tenant, for the term of the lease, any and all rights and privileges that the Owner has to use the Common Area of the Properties, including, but not limited to, the use of any and all recreational facilities and other amenities.

12.11.5. Laws and Ordinances. Every Owner and occupant of any Unit, their guests and invitees, shall comply with all laws, statutes, ordinances and rules of federal, state and municipal governments applicable to the Properties and any violation thereof may be considered a violation of this Declaration; provided, the Board shall have no obligation to take action to enforce such laws, statutes, ordinances and rules.

Article XIII.  
General Provisions

13.1. Term. The covenants and restrictions of this Declaration shall run with and bind the Properties, shall be appurtenant thereto, and shall inure to the benefit of and shall be enforceable by the Association or the Owner of any property subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless an instrument in writing, signed by seventy-five percent (75%) of the then Owners, has been recorded within the year preceding the beginning of each successive period of ten (10) years, agreeing to change said covenants and restrictions, in whole or in part, or to terminate the same, in which case this Declaration shall be modified or terminated as specified therein.

13.2. Amendment. Any amendment to this Declaration shall require prior approval from the United States Department of Housing and Urban Development ("HUD") and/or the Department of Veterans Administration ("VA") and/or a duly authorized representative of such federal agencies as long as there is Class B membership. Such approval while there is a Class B membership is sometimes hereinafter referred to as "HUD/VA Approval." Subject to HUD/VA Approval, prior to the conveyance of the first Unit, Declarant may unilaterally amend this Declaration. Thereafter, subject to HUD/VA Approval, this Declaration may be amended only by the affirmative vote or written consent, or any combination thereof, of Members representing at least seventy-five percent (75%) of the total Class A votes in the Association, and the consent of the Class B Member, so long as such membership exists. In addition, the approval requirements set forth in Article XIV hereof shall be met if applicable. Notwithstanding the above, the percentage of votes necessary to amend a specific clause shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause. Any amendment to be effective must be recorded in the Recorder's Office of Deschutes County, Oregon.

If an Owner consents to any amendment to this Declaration or the Bylaws, it will be conclusively presumed that such Owner has the authority so to consent and no contrary provision in any Mortgage or contract between the Owner and a third party will affect the validity of such amendment.

No amendment may remove, revoke, or modify any right or privilege of Declarant without the written consent of Declarant or the assignee of such right or privilege during the Class B Control Period. Furthermore, no amendment may increase the number of Units or change the boundaries of any Unit or any uses to which any Unit is restricted unless the Owners of the affected Unit(s) unanimously consent to such amendment.

13.3. Indemnification. The Association shall indemnify every officer, director, and committee member against any and all expenses, including counsel fees, reasonably incurred by or imposed upon such officer, director, or committee member 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, director, or committee member. The officers, directors, and committee members 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, director, or committee member, or former officer, director, or committee member 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.

13.4. Easements of Encroachment. There shall be reciprocal appurtenant easements of encroachment, and for maintenance and use of any such easement of encroachment, between each Unit and such portion or portions of the Common Area and Common Easement Area as are adjacent thereto due to unintentional engineering errors, unintentional errors in original construction, unintentional building overhangs or projections, or settling or shifting of the improvements constructed, reconstructed, or altered thereon (in accordance with the terms of these restrictions) to a distance of not more than three (3) feet, as measured from any point on the common boundary between each Unit and the adjacent portion of the Common Area and/or Common Easement Area, along a line perpendicular to

such boundary at such point; provided, however, in no event shall an easement for encroachment exist if such encroachment occurred due to willful and knowing action (not unintentional action) on the part of, or with the knowledge and consent of, the encroaching Owner or the encroaching Association, as the case may be.

13.5. Easements for Utilities, Etc. There is hereby reserved unto Declarant, so long as the Declarant owns any property described on Exhibit A, the Association, and the designees of each (which may include, without limitation, Metro, Deschutes County, Oregon, the City of Bend, and any utility), blanket easements upon, across, over, and under all of the Properties for ingress, egress, installation, replacing, repairing, and maintaining cable television systems, master television antenna systems, security, and similar systems, roads, walkways, bicycle pathways, drainage systems, irrigation water systems, street lights, signage, entry features, all other portions of the Areas of Common Responsibility, and all utilities, including, but not limited to, water, sewers, meter boxes, telephones, gas, and electricity; provided, the exercise of this easement shall not unreasonably interfere with the use of any Unit and, except in an emergency, entry into any Unit shall be made only after reasonable notice to the Owner or occupant thereof.

Without limiting the generality of the foregoing, there are hereby reserved for the local utility supplier easements across all Units and the Common Areas for ingress, egress, installation, reading, replacing, repairing, and maintaining utility meter boxes. Notwithstanding anything to the contrary contained in this Section, no sewers, electrical lines, water lines, or other utilities may be installed or relocated on the Properties, except as may be approved by the Association's Board of Directors or as provided by Declarant.

Should any entity furnishing a service covered by the general easement herein provided request a specific easement by separate recordable document, the Board of Directors shall have the right to grant such easement over the Properties without conflicting with the terms hereof. The easements provided for in this Article shall in no way adversely affect any other recorded easement on the Properties.

The Board shall have, by a seventy-five percent (75%) vote, the power to dedicate portions of the Common Area to Metro, Deschutes County, Oregon, the City of Bend, or to any other local, state, or federal governmental entity, subject to such approval requirements as may be contained in Article X, Sections 14.2 and 14.3 of this Declaration.

13.6. Easement for Future Development. The Declarant and its duly authorized agents, representatives, and employees as well as its successors, assigns, licensees and mortgagees, shall have and there is hereby reserved an easement over the Common Area for the purposes of enjoyment, use, access and development of any property annexed pursuant to

Section 2.2 or Section 2.3. This easement includes but is not limited to a right of ingress and egress over the Common Area for construction of roads and for tying in and installation of utilities on such property. Declarant, its successors or assigns, shall be responsible for any damage caused to the Common Area as a result of vehicular traffic connected with development of such property.

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

13.8. Right of Entry. The Association shall have the right, but not the obligation, to enter into any Unit for emergency, security, and safety reasons, and to inspect for the purpose of ensuring compliance with this Declaration, the Bylaws, and the Association rules, which right may be exercised by the Association's Board of Directors, officers, agents, employees, managers, and all policemen, firemen, ambulance personnel, and similar emergency personnel in the performance of their respective duties. Except in an emergency situation in which no notice shall be required, entry shall only be during reasonable hours and after notice to the Owner. This right of entry shall include the right of the Association to enter a Unit to cure any condition which may increase the possibility of a fire or other hazard in the event an Owner fails or refuses to cure the condition within a reasonable time after request by the Board.

13.9. Litigation. No judicial or administrative proceeding shall be commenced or prosecuted by the Association unless approved by a vote of seventy-five (75%) percent of the Members. This Section shall not apply, however, to (a) actions brought by the Association to enforce the provisions of this Declaration (including, without limitation, the foreclosure of liens), (b) the imposition and collection of assessments as provided in Article X hereof, (c) proceedings involving challenges to ad valorem taxation, or (d) counterclaims brought by the Association in proceedings instituted against it.

13.10. Use of the Words "Shevlin Commons". No Person shall use the words "Shevlin Commons" or any derivative thereof in any printed or promotional material without the prior written consent of the Declarant. However, Owners may use the words "Shevlin Commons" in printed or promotional matter where such words are used solely to specify that particular property is located within Shevlin Commons, and the Association shall be entitled to use the words "Shevlin Commons" in its name and Declarant may use the words "Shevlin Commons" in all of Declarant's future promotional materials.

13.11. Compliance. Every Owner and occupant of any Unit shall comply with all lawful provisions of this Declaration, the Bylaws and rules and regulations of the Association.

Failure to comply shall be grounds for an action to recover sums due, for damages or injunctive relief, or for any other remedy available at law or in equity, maintainable by the Association or, in a proper case, by any aggrieved Unit Owner or Owners.

13.12. Notice of Sale or Transfer of Title. In the event that any Owner desires to sell or otherwise transfer title to his or her Unit, such Owner shall give the Board of Directors at least seven (7) days prior written notice of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Board of Directors may reasonably require. Until such written notice is received by the Board of Directors, the transferor shall continue to be jointly and severally responsible for all obligations of the Owner of the Unit hereunder, including payment of assessments, notwithstanding the transfer of title to the Unit.

#### Article XIV.

#### Mortgagee Provisions

The following provisions are for the benefit of holders of first Mortgages on Units in the Properties. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

14.1. Notices of Action. An institutional holder, insurer, or guarantor of a first Mortgage who provides written request to the Association (such request to state the name and address of such holder, insurer, or guarantor and the Unit number, therefore becoming an "eligible holder"), will be entitled to timely written notice of:

(a) any condemnation loss or any casualty loss which affects a material portion of the Properties or which affects any Unit on which there is a first Mortgage held, insured, or guaranteed by such eligible holder;

(b) any delinquency in the payment of assessments or charges owed by an Owner of a Unit subject to the Mortgage of such eligible holder, where such delinquency has continued for a period of sixty (60) days; provided, however, notwithstanding this provision, any holder of a first Mortgage, upon request, is entitled to written notice from the Association of any default in the performance by an Owner of a Unit of any obligation under the Declaration or Bylaws of the Association which is not cured within sixty (60) days;

(c) any lapse, cancellation, or material modification of any insurance policy maintained by the Association; or

(d) any proposed action which would require the consent of a specified percentage of eligible holders.

14.2. Special FHLMC Provision. So long as required by the Federal Home Loan Mortgage Corporation, the following provisions apply in addition to and not in lieu of the foregoing. Unless at least sixty-seven (67%) percent of the first Mortgagees or Members representing at least sixty-seven (67%) percent of the total Association vote entitled to be cast thereon consent (unless a greater percentage is required pursuant to this Declaration), the Association shall not:

(a) by act or omission seek to abandon, partition, subdivide, encumber, sell, or transfer all or any portion of the real property comprising the Common Area which the Association owns, directly or indirectly (the granting of easements for public utilities or other similar purposes consistent with the intended use of the Common Area shall not be deemed a transfer within the meaning of this subsection);

(b) change the method of determining the obligations, assessments, dues, or other charges which may be levied against an Owner of a Unit (a decision, including contracts, by the Board shall not be subject to this provision where such decision is otherwise authorized by this Declaration);

(c) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance and maintenance of Units and of the Common Area (the issuance and amendment of architectural standards, procedures, rules and regulations, or use restrictions shall not constitute a change, waiver, or abandonment within the meaning of this provision);

(d) fail to maintain insurance, as required by this Declaration; or

(e) use hazard insurance proceeds for any Common Area losses for other than the repair, replacement, or reconstruction of such property.

First Mortgagees may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against the Common Area and may pay overdue premiums on casualty insurance policies or secure new casualty insurance coverage upon the lapse of an Association policy, and first Mortgagees making such payments shall be entitled to immediate reimbursement from the Association.

14.3. HUD/VA Provisions. Anything to the contrary in this Declaration notwithstanding, the following requirements of HUD and/or VA (collectively "HUD/VA") shall control:

(a) The lien of any assessment is subordinate to the lien of any first Mortgage, as more particularly set forth in Section 10.7.

(b) Mortgagees are not required to collect assessments.

(c) Failure to pay assessments shall not constitute a default under any insured Mortgage.

(d) Approval by Members representing at least seventy-five percent (75%) of the total Class A votes in the Association is required to amend this Declaration, as more particularly set forth in Section 13.2. Amendment of this Declaration also requires prior approval by HUD/VA as long as there is Class B membership, as more particularly set forth in Section 13.2.

(e) The Common Area cannot be mortgaged or conveyed without the approval of Members representing at least seventy-five (75%) percent of the total Class A votes of the Association (excluding the Declarant). The dedication of Common Area also requires prior approval by HUD/VA as long as there is a Class B membership.

(f) If ingress or egress to any Unit is through Common Area, any conveyance or encumbrance of such area is subject to the easement of the Owner of the Unit.

(g) The Common Area shall be conveyed to the Association free and clear of all encumbrances (except easements, conditions and restrictions of record) before HUD insures the first Mortgage on the Properties, and any provision in this Declaration conflicting with the foregoing HUD requirement shall have no force or effect.

(h) Absolute liability is not imposed on Owners of Units for damage to Common Area or to Units.

(i) Annexation of any real property, as provided in Article II, shall require prior approval by HUD/VA as long as there is a Class B membership.

(j) Declarant intends that this Declaration and the Articles and Bylaws shall comply with HUD certification requirements as set forth in HUD Form 4150.1 REV-1 (2/90), as contained in the U.S. Department of Housing and Urban Development publication entitled

Valuation Analysis for Home Mortgage Insurance, February, 1990, Handbook 4150.1 REV-1, pages 11-23 and 11-24 (the "HUD Certification"), the provisions of which are incorporated herein, and in the event of any conflict between the HUD Certification and the Declaration, Articles or Bylaws, the provisions of the HUD Certification shall prevail. However, with respect to required approvals by Members, if a greater percentage is required in this Declaration, the greater percentage shall control.

14.4. No Priority. No provision of this Declaration or the Bylaws gives or shall be construed as giving any Owner or other party priority over any rights of the first Mortgagee of any Unit in the case of distribution to such Owner of insurance proceeds or condemnation awards for losses to or a taking of the Common Area.

14.5. Notice to the Association. Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Unit.

14.6. Amendment by Board. Should the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation subsequently delete any of their respective requirements which necessitate some of the provisions of this Article or make any such requirements less stringent, the Board, without approval of the Owners, may cause an amendment to this Article to be recorded to reflect such changes.

14.7. Amendment to Comply with Federal Laws. Declarant may unilaterally amend this Declaration in order to comply with requirements of the Federal Housing Administration, the United States Department of Veterans Affairs, the Farmer's Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the state of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the state of Oregon which insures, guaranties or provides financing for a planned community or Units in a planned community. However, if the need to amend the Declaration occurs after the Turnover Meeting, the amendment must be approved by the Members in accordance with Section 13.2.

14.8. Applicability of Article XIV. Nothing contained in this Article shall be construed to reduce the percentage vote that must otherwise be obtained under the Declaration, Bylaws, or Oregon law for any of the acts set out in this Article.

14.9. Failure of Mortgagee to Respond. Any Mortgagee who receives a written request from the Board to respond to or consent to any action shall be deemed to have

approved such action if the Association does not receive a written response from the Mortgagee within thirty (30) days of the date of the Association's request, provided such request is delivered to the Mortgagee by certified or registered mail, return receipt requested.

Article XV.  
Declarant's Rights

Any or all of the special rights and obligations of the Declarant set forth in this Declaration or the Bylaws may be transferred to other Persons, provided that the transfer shall not reduce an obligation nor enlarge a right beyond that contained herein or in the Bylaws, as applicable, and provided further, no such transfer shall be effective unless it is in a written instrument signed by the Declarant and duly recorded in the Recorder's Office of Deschutes County, Oregon.

Notwithstanding any provisions contained in the Declaration to the contrary, so long as construction and initial sale of Units shall continue, it shall be expressly permissible for Declarant to maintain and carry on upon portions of the Common Area 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 Units, including, but not limited to, business offices, signs, model units, and sales offices, and the Declarant shall have an easement for access to and use of such facilities. The right to maintain and carry on such facilities and activities shall include specifically, without limitation, the right to use Units owned by the Declarant and any clubhouse or community center which may be owned by the Association, as models and sales offices, respectively.

So long as Declarant continues to have rights under this paragraph, no Person shall record any declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument affecting any portion of the Properties without Declarant's review and written consent thereto, and any attempted recordation without compliance herewith shall result in such declaration of covenants, conditions and restrictions, or declaration of condominium or similar instrument being void and of no force and effect unless subsequently approved by recorded consent signed by the Declarant.

This Article may not be amended without the express written consent of the Declarant; provided, however, the rights contained in this Article shall terminate upon the earlier of (a) December 31, 2020, (b) the termination of the Class B membership, or (c) upon recording by Declarant of a written statement that all sales activity has ceased.

IN WITNESS WHEREOF, the undersigned Declarant has executed this Declaration  
this 27<sup>th</sup> day of November, 2002.

SHEVLIN COMMONS, LLC,  
a Oregon limited liability company

By: Andrew B. Crosby  
ANDREW B. CROSBY,  
Managing Member

STATE OF OREGON                    )  
  ) ss.  
County of Deschutes                )

I certify that I know or have satisfactory evidence that Andrew B. Crosby is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute this instrument and acknowledged it as Managing Member of SHEVLIN COMMONS, LLC, an Oregon limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED:            November 27<sup>th</sup>, 2002.



Kathleen Kirtley  
Notary Public in and for the State of Oregon  
Residing at: 20715 Wishing Well Ct  
My appointment expires: 5-23-06 Bend OR 97701

## EXHIBIT "A"

### SHEVLIN COMMONS PROPERTY DESCRIPTION

A parcel of land located in the South One-Half (S1/2) of Section 23 and in the north one-half (N1/2) of Section 26, Township 17 South, Range 11 East of the Willamette Meridian, City of Bend and Deschutes County, Oregon, being more particularly described as follows:

Beginning at the center one-quarter corner of said Section 26; thence along the south line of the Southeast One-Quarter of the Northwest One-Quarter (SE1/4 NW1/4) of said Section 26, North 89°33'57" West a distance of 921.98 feet to the easterly boundary of Bend Metro Park & Recreation property (per survey on file with the Deschutes County Surveyor's Office by Century West Engineering Corp., dated 11/30/82); thence following said Easterly boundary line of said Bend Metro Park & Recreation property, the following sixteen (16) courses:

North 39°05'03" West a distance of 198.44 feet;  
North 20°48'41" West a distance of 324.52 feet;  
North 00°36'55" East a distance of 162.42 feet;  
North 08°08'14" East a distance of 240.62 feet;  
North 33°02'21" East a distance of 162.53 feet;  
North 06°27'34" East a distance of 75.85 feet;  
North 57°49'43" East a distance of 124.65 feet;  
North 65°24'05" East a distance of 275.06 feet;  
North 24°08'37" East a distance of 196.89 feet;  
North 34°46'39" East a distance of 307.21 feet;  
North 01°34'44" East a distance of 346.69 feet;  
North 14°56'38" East a distance of 245.60 feet;  
North 07°10'18" East a distance of 517.79 feet;  
North 15°40'46" East a distance of 234.26 feet;  
North 20°57'43" East a distance of 106.56 feet;  
North 22°46'25" East a distance of 476.34 feet to a point on the North-South centerline of said Section 23;

thence along said North-South centerline of Section 23, North 00°12'02" East a distance of 129.72 feet to the southwesterly 40.00 foot right-of-way of Shevlin Park Road; thence along said southwesterly 40.00 foot right-of-way the following three (3) curves and three (3) courses:

203.83 feet along a non-tangent curve to the right with a radius of 294.00 feet, the chord of which bears South 21°45'56" East a distance of 199.78 feet;  
South 01°54'13" East a distance of 161.15 feet;  
704.20 feet along the arc of a tangent curve to the left with a radius of 580.17 feet, the chord of which bears South 36°40'33" East for a distance of 661.76 feet;  
South 71°26'53" East a distance of 209.67 feet;

321.76 feet along the arc of a tangent curve to the right with a radius of 674.11 feet, the chord of which bears South 57°46'27" East for a distance of 318.72 feet;

South 44°06'01" East a distance of 619.53 feet;

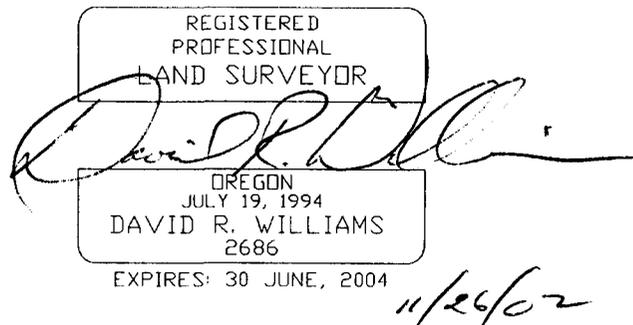
thence leaving said 40.00 foot right-of-way of Shevlin Park Road, along the centerline of that 20.00 foot access easement granted to Cascade Motor Cycle Club, Inc. recorded June 29, 1967 in Volume 154, Page 4, deed records the following four (4) courses and three (3) curves:

North 86°08'18" West a distance of 126.49 feet;  
132.50 feet along the arc of a tangent curve to the left with a radius of 900.00 feet, the chord of which bears South 89°38'38" West for a distance of 132.38 feet;  
South 85°25'35" West a distance of 235.21 feet;  
298.47 feet along the arc of a tangent curve to the left with a radius of 549.32 feet, the chord of which bears South 69°51'38" West for a distance of 294.82 feet;  
South 54°17'40" West a distance of 132.75 feet;  
98.78 feet along the arc of a tangent curve to the left with a radius of 100.00 feet, the chord of which bears South 25°59'46" West for a distance of 94.81 feet;  
South 02°18'08" East a distance of 533.33 feet to the north line of the southwest one-quarter of the northeast one-quarter (SW1/4 NE1/4) of said Section 26;

thence along said north line, North 89°41'17" West a distance of 481.32 feet to the northwest corner of said SW1/4 NE1/4; thence leaving said north line, along the west line of said SW1/4 NE1/4, South 00°02'23" West a distance of 1316.56 feet to the point of beginning, the terminus of this description.

Excepting therefrom: That portion lying in the public right-of-ways of Shevlin Park Road, N.W. Park Commons Drive and N.W. Mt. Jefferson Drive.

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



## EXHIBIT "B"

### SHEVLIN CONSERVATION EASEMENT DESCRIPTION

A parcel of land containing 42.33 acres, more or less, located in Parcel 2, MP-5-85, in a portion of the North One-Half (N1/2) of Section 26 and the South One-Half (S1/2) of Section 23, Township 17 South, Range 11 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, being more particularly described as follows:

Beginning at the Center One-Quarter Corner of said Section 26; thence along the east-west centerline of said Section 26, North 89°33'57" West a distance of 921.98 feet to a point on the easterly boundary line of Shevlin Park (Bend Metro Park and Recreation District); thence along said easterly boundary line the following 16 courses:

North 39°05'03" West a distance of 198.44 feet;  
North 20°48'41" West a distance of 324.52 feet;  
North 00°36'55" East a distance of 162.42 feet;  
North 08°08'14" East a distance of 240.62 feet;  
North 33°02'21" East a distance of 162.53 feet;  
North 06°27'34" East a distance of 75.85 feet;  
North 57°49'43" East a distance of 124.65 feet;  
North 65°24'05" East a distance of 275.06 feet;  
North 24°08'37" East a distance of 196.89 feet;  
North 34°46'39" East a distance of 307.21 feet;  
North 01°34'44" East a distance of 346.69 feet;  
North 14°56'38" East a distance of 245.60 feet;  
North 07°10'18" East a distance of 517.79 feet;  
North 15°40'46" East a distance of 234.26 feet;  
North 20°57'43" East a distance of 106.56 feet;  
North 22°46'25" East a distance of 476.34 feet to a point on the north-south centerline of said Section 23;

Thence continuing along said easterly park boundary line and said north-south centerline, North 00°12'02" East a distance of 129.72 feet to a point on the southwesterly 40.00 foot right-of-way line of Shevlin Park Road; thence along said southwesterly 40.00 foot right-of-way line the following 3 curves and 2 courses:

203.83 feet along a non-tangent curve to the right with a radius of 294.00 feet, the chord of which bears South 21°45'56" East a distance of 199.78 feet;  
South 01°54'13" East a distance of 161.15 feet;  
704.20 feet along the arc of a tangent curve to the left with a radius of 580.17 feet, the chord of which bears South 36°40'33" East for a distance of 661.76 feet;  
South 71°26'53" East a distance of 209.67 feet;  
225.95 feet along the arc of a tangent curve to the right with a radius of 674.11 feet, the chord of which bears South 61°50'45" East for a distance of 224.90 feet to the line common to said Sections 23 and 26;

thence along said line North 89°51'33" West a distance of 16.60 feet;

thence 50.00 feet southwesterly of and parallel with the centerline of said Shevlin Park Road the following 1 curve and 1 course:

107.54 feet along a non-tangent curve to the right with a radius of 664.11 feet, the chord of which bears South 48°44'20" East a distance of 107.42 feet;  
South 44°06'01" East a distance of 363.04 feet;

thence leaving said 50.00 foot parallel line, South 45°53'28" West a distance of 21.05 feet; thence 106.25 feet along the arc of a tangent curve to the right with a radius of 170.00 feet, the chord of which bears South 63°47'44" West for a distance of 104.53 feet; thence South 81°42'00" West a distance of 56.90 feet; thence South 08°18'00" East a distance of 10.00 feet; thence South 81°42'00" West a distance of 29.73 feet; thence North 21°19'56" West a distance of 73.98 feet; thence North 27°49'16" West a distance of 265.46 feet; thence South 68°40'04" West a distance of 100.96 feet; thence North 20°08'06" West a distance of 42.76 feet; thence 316.43 feet along the arc of a tangent curve to the left with a radius of 140.00 feet, the chord of which bears North 84°53'06" West for a distance of 253.25 feet; thence South 30°21'53" West a distance of 64.91 feet; thence North 59°38'07" West a distance of 5.54 feet; thence 52.26 feet along the arc of a tangent curve to the left with a radius of 120.00 feet, the chord of which bears North 72°06'39" West for a distance of 51.85 feet; thence North 01°25'49" West a distance of 103.44 feet; thence North 89°51'34" West a distance of 237.09 feet; thence South 01°25'49" East a distance of 152.57 feet; thence 27.95 feet along a non-tangent curve to the left with a radius of 95.00 feet, the chord of which bears South 68°06'58" West a distance of 27.85 feet; thence North 46°47'19" West a distance of 185.35 feet; thence South 34°04'16" West a distance of 128.28 feet; thence South 04°47'18" West a distance of 275.22 feet; thence South 17°37'51" East a distance of 172.91 feet; thence North 53°23'54" East a distance of 141.04 feet; thence 23.47 feet along a non-tangent curve to the left with a radius of 150.00 feet, the chord of which bears South 54°02'36" East a distance of 23.45 feet; thence South 58°31'32" East a distance of 28.95 feet; thence South 37°10'07" West a distance of 124.44 feet; thence South 52°49'29" East a distance of 273.01 feet; thence South 80°01'27" East a distance of 137.16 feet; thence South 01°52'13" East a distance of 100.76 feet; thence North 89°43'07" West a distance of 354.84 feet; thence South 45°05'31" West a distance of 367.78 feet; thence South 44°54'29" East a distance of 109.87 feet; thence 161.12 feet along a non-tangent curve to the left with a radius of 200.00 feet, the chord of which bears South 34°26'08" West a distance of 156.80 feet; thence South 11°21'22" West a distance of 13.15 feet; thence North 49°44'01" West a distance of 156.30 feet; thence South 40°15'59" West a distance of 350.00 feet; thence South 28°39'47" West a distance of 175.79 feet; thence South 02°12'09" West a distance of 123.22 feet; thence North 89°05'41" East a distance of 184.15 feet; thence 37.76 feet along a non-tangent curve to the left with a radius of 219.99 feet, the chord of which bears South 10°59'29" East a distance of 37.71 feet; thence South 59°35'33" West a distance of 47.11 feet; thence 99.50 feet along the arc of a tangent curve to the left with a radius of 140.00 feet, the chord of which bears South 39°13'59" West for a distance of 97.41 feet; thence North 82°55'39" West a distance of 146.12 feet; thence South 85°18'56" West a distance of 129.95 feet; thence South 61°57'04" West a distance of 175.89 feet; thence South 21°56'30" West a distance of 149.17 feet; thence South 18°38'45" East a distance of 160.32 feet; thence South 39°21'00" East a distance of 125.24 feet; thence South 45°16'24" East a distance of 172.71 feet; thence South 89°34'47" East a

distance of 161.52 feet; thence North 31°06'25" East a distance of 179.00 feet; thence North 23°54'04" East a distance of 422.24 feet; thence North 66°05'56" West a distance of 152.61 feet; thence 38.09 feet along a non-tangent curve to the right with a radius of 100.00 feet, the chord of which bears North 48°40'46" East a distance of 37.86 feet; thence North 59°35'33" East a distance of 41.88 feet; thence 255.29 feet along a non-tangent curve to the left with a radius of 165.00 feet, the chord of which bears South 74°18'00" East a distance of 230.57 feet; thence North 61°22'35" East a distance of 71.03 feet; thence 220.73 feet along the arc of a tangent curve to the left with a radius of 220.00 feet, the chord of which bears North 32°38'00" East for a distance of 211.59 feet; thence North 03°53'24" East a distance of 125.03 feet; thence South 89°57'11" East a distance of 49.52 feet to a point on the north-south centerline of said Section 26; thence along said north-south centerline, South 00°02'23" West a distance of 979.77 feet; to the point of beginning, the terminus of this description.

### **TOGETHER WITH**

A parcel of land containing 0.43 acres, more or less, located Parcel 2, MP-5-85, in a portion of the North One-Half of Section 26, Township 17 South, Range 11 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, being more particularly described as follows:

Commencing at the easterly most corner of said Parcel 2, on the southwesterly 40.00 foot right-of-way line of Shevlin Park Road; thence along the southeasterly boundary line of said parcel 2 North 86°08'18" West a distance of 14.93 feet to the True Point of Beginning; thence continuing along said southeasterly boundary line the following 2 courses and 1 curve:

North 86°08'18" West a distance of 111.56 feet;  
132.50 feet along the arc of a tangent curve to the left with a radius of 900.00 feet, the chord of which bears South 89°38'38" West for a distance of 132.38 feet;  
South 85°25'35" West a distance of 29.42 feet;

thence leaving said southeasterly boundary line, 40.94 feet along a non-tangent curve to the left with a radius of 155.00 feet, the chord of which bears North 07°59'16" East a distance of 40.82 feet; thence North 00°25'19" East a distance of 11.86 feet; thence 139.94 feet along a non-tangent curve to the left with a radius of 230.00 feet, the chord of which bears North 63°19'19" East a distance of 137.79 feet; thence North 45°53'28" East a distance of 21.04 feet; thence 50.00 feet southwesterly of and parallel with the centerline of said Shevlin Park Road, South 44°06'01" East a distance of 185.40 feet to the point of beginning, the terminus of this description.

### **ALSO TOGETHER WITH**

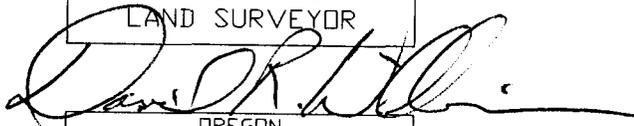
A parcel of land containing 0.13 acres, more or less, located Parcel 2, MP-5-85, in a portion of the North One-Half of Section 26, Township 17 South, Range 11 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, being more particularly described as follows:

Commencing at the easterly most corner of said Parcel 2, on the southwesterly 40.00 foot right-of-way line of Shevlin Park Road; thence along the southeasterly boundary line of said parcel 2 North 86°08'18" West a distance of 126.49 feet; thence 132.50 feet along the arc of a tangent

curve to the left with a radius of 900.00 feet, the chord of which bears South 89°38'38" West for a distance of 132.38 feet; thence South 85°25'35" West a distance of 94.77 feet to the True Point of Beginning; thence continuing along said southeasterly boundary line South 85°25'35" West a distance of 92.18 feet; thence leaving said southeasterly boundary line North 08°18'00" West a distance of 50.64 feet; thence North 81°42'00" East a distance of 109.73 feet; thence South 08°18'00" East a distance of 9.70 feet; thence 36.52 feet along a non-tangent curve to the right with a radius of 95.00 feet, the chord of which bears South 09°40'20" West a distance of 36.29 feet; thence South 19°31'21" West a distance of 14.02 feet to the point of beginning, the terminus of this description.

**Subject to:** All easements, restrictions and rights-of-way of record and those common and apparent on the land.

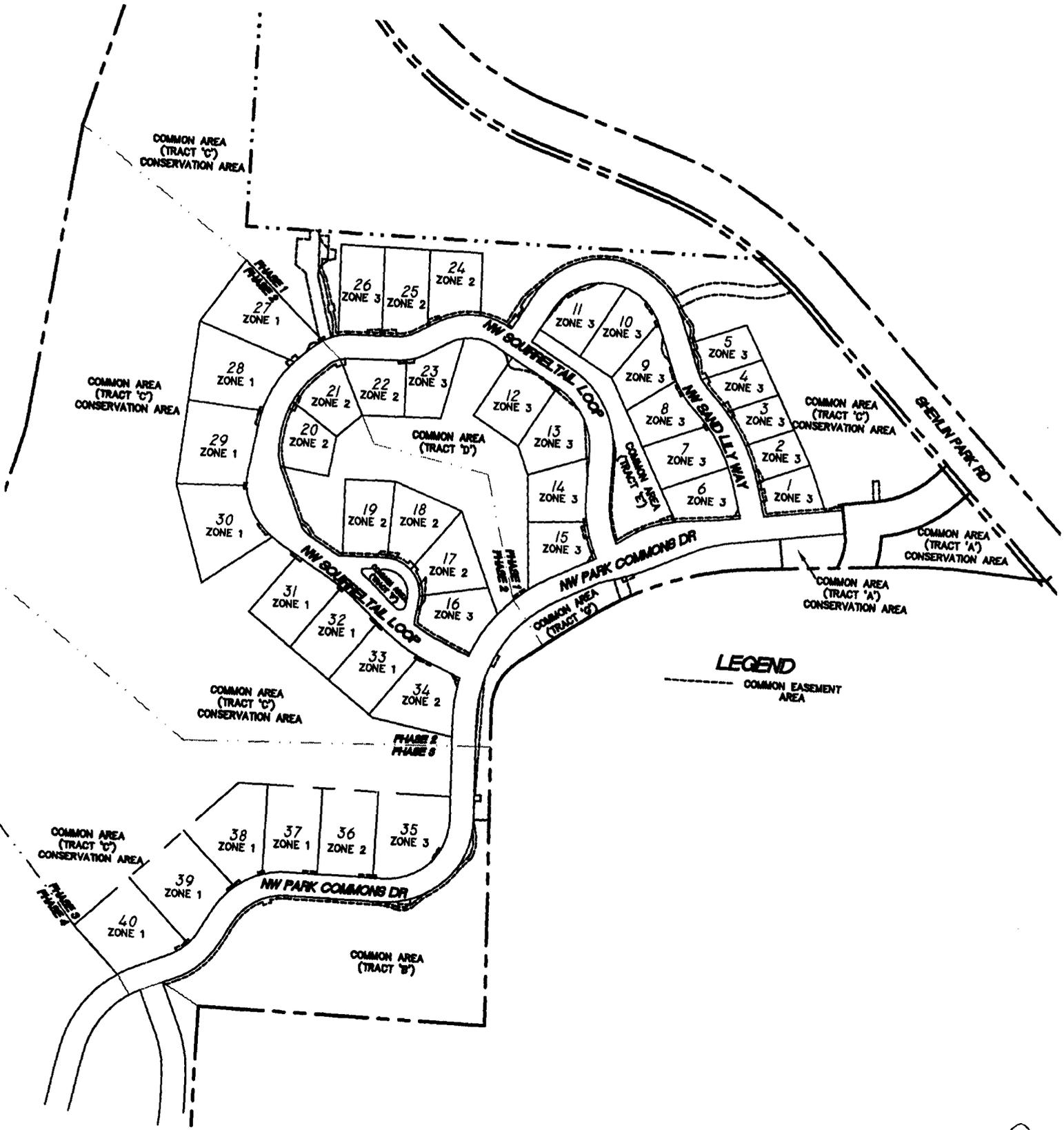
REGISTERED  
PROFESSIONAL  
LAND SURVEYOR



OREGON  
JULY 19, 1994  
DAVID R. WILLIAMS  
2686  
EXPIRES: 30 JUNE, 2004

11/26/02

# EXHIBIT 'C' SHEVLIN COMMONS SITE PLAN



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