

DECLARATION

OF COVENANTS, CONDITIONS AND RESTRICTION

THIS DECLARATION, made on the date hereinafter set forth by
WARD CORPORATION OF BEND, an Oregon corporation, hereinafter referred
to as "Declarant".

WITNESSETH:

WHEREAS, Declarant is the owner of certain property in the
County of Deschutes, State of Oregon, which is more particularly
described as:

TILlicum VILLAGE, SECOND ADDITION,
Deschutes County, State of Oregon.

NOW, THEREFORE, Declarant hereby declares that all of the prop-
erties described above shall be held, sold and conveyed subject to the
following easements, restrictions, covenants, and conditions, which
are for the purpose of protecting the value and desirability of, and
which shall run with the real property and be binding on all parties
having any right, title or interest in the described properties or in
any part thereof, their heirs, successors and assigns, and shall inure
to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS

Section 1. "Association" shall mean and refer to HOMELOWNERS OF
TILlicum VILLAGE SECOND ADDITION, a non profit corporation, organized
under the laws of the State of Oregon, its successors and assigns.

Section 2. "Owner" shall mean and refer to the record owner,
whether one or more persons or entities, of a fee simple title to any
lot which is part of the properties, including contract sellers, but
excluding those having such interest merely as security for the per-
formance of an obligations.

Section 3. "Properties" shall mean and refer to that certain property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 4. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the Owners. The Common Area to be owned by the Association at the time of the conveyance of the first lot is described as follows:

All of those common areas as set out in the official plat of Tillicum Village Second Addition, Deschutes County, Oregon, together with all roads, streets and walkways shown in said plat; reserving, however, in Declarant the irrevocable right to designate streets, roads and walkways for joint use and maintenance with other classes of persons or subdivisions.

Section 5. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties with the exception of the common area.

Section 6. "Declarant" shall mean and refer to WARD CORPORATION OF BEND, an Oregon corporation, its successors and assigns if such successors or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

ARTICLE II

PROPERTY RIGHTS

Section 1. Owners' Easement of Enjoyment. Every owner shall have a right and easement of enjoyment in and to the Common area which shall be appurtenant to and shall pass with the title to every lot, subject to the following provisions:

(a) the right of the Association to charge reasonable admission and other fees for the use of any recreational facility situated upon the Common Area;

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(b) the right of the Association to suspend the voting rights and right to use of the recreational facilities by an owner for any period during which any assessment against his lot remains unpaid; and for a period not to exceed 60 days for any infraction of its published rules and regulations;

(c) the right of the Association to dedicate or transfer all or any part of the common area to any public agency, authority, or utility for such purposes and subject to such conditions as may be agreed to by the members. No such dedication or transfer shall be effective unless an instrument signed by two-thirds (2/3) of each class of members agreeing to such dedication or transfer has been recorded.

Section 2. Delegation of Use. Any owner may delegate, in accordance with the By-Laws, his right of enjoyment to the common area and facilities to the members of his family, his tenants, or contract purchasers who reside on the property.

ARTICLE III

MEMBERSHIP AND VOTING RIGHTS

Section 1. Every owner of a lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any lot which is subject to assessment.

Section 2. The Association shall have two classes of voting membership:

Class A. Class A members shall be all owners with the exception of Declarant and shall be entitled to one vote for each lot owned. When more than one person holds an interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves

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determine, but in no event shall more than one vote be cast with respect to any one lot.

Class B. The Class B member shall be the Declarant and shall be entitled to six (6) votes for each lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or
- (b) on January 1, 1976.

ARTICLE IV

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant, for each lot owned within the properties, hereby covenants, and each owner of any lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements, such assessments to be established and collected as hereinafter provided. The annual and special assessments, together with interest, costs and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the owner of such property at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his successors in title unless expressly assumed by them.

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Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety and welfare of the residents in the properties and for the improvement and perpetual maintenance of the common areas, including streets and roads, and of the homes situated upon the properties. The Association shall also have the right to contract for, pay and assess against each lot owner utilities or services such as garbage, water, television cable, and street maintenance.

Section 3. Maximum Annual Assessment. Until January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment shall be \$200.00 per lot.

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

(b) From and after January 1 of the year immediately following the conveyance of the first lot to an owner, the maximum annual assessment may be increased above 3% by a vote of two-thirds (2/3) of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

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

Section 4. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement.

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of a capital improvement upon the common area, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Notice and Quorum for any Action Authorized under Sections 3 and 4. Written notice of any meeting called for the purpose of taking any action authorized under Section 3 or 4 shall be sent to all members not less than thirty days nor more than sixty days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty (60%) percent of all votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty days following the preceding meeting.

Section 6. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all lots and may be collected on a monthly basis.

Section 7. Date of Commencement of Annual Assessments; Due Dates. The annual assessments provided for herein shall commence as to all lots on the first day of the month following the conveyance of the common area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each lot at least thirty days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall, upon demand, and for

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reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified lot have been paid.

Section 8. Effect of Non-payment of Assessments: Remedies of the Association.

Any assessment not paid within thirty days after the due date shall bear interest from the due date at the rate of twelve (12%) percent per annum. The Association may bring an action at law against the owner personally obligated to pay the same, or foreclose the lien against the property. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the common area or abandonment of his lot.

Section 9. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. Sale or transfer of any lot shall not affect the assessment lien. However, the sale or transfer of any lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessment as to payments which became due prior to such sale or transfer. No sale or transfer shall relieve such lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE V

ARCHITECTURAL CONTROL

No building, fence, wall or other structure shall be commenced, erected or maintained upon the properties, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures, topography and plans for landscaping by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed

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by the Board. In the event said Board or its designated committee fails to approve or disapprove such design and location within thirty days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with, it being the intention that the Board or said committee shall have full control not only of structures but landscaping and maintenance of individual lots.

ARTICLE VI
GENERAL PROVISIONS

Section 1. Enforcement.

(a) The Association, or any owner, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association or an owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

(b) In the event that any owner shall fail to comply with any rule or regulation or shall fail to properly maintain and landscape his property, the Association shall have the right to enforce said regulation or maintenance by causing the same to be done, and levy against the owner the reasonable cost thereof, notwithstanding the limitations herein contained of any annual assessment. If, however, the failure to comply with regulations shall be of such nature that the Association cannot cause the same to be done, the Association may levy a reasonable penalty against the non-complying owner, said penalty to be without regard to the maximum annual assessments referred to herein.

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

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Section 3. Amendment. The covenants and restrictions of this Declaration shall run with and bind the land, for a term of twenty (20) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This Declaration may be amended during the first twenty (20) years by an instrument signed by not less than ninety (90%) percent of the lot owners, and thereafter by an instrument signed by not less than seventy-five (75%) percent of the lot owners. Any amendment must be recorded.

Section 4. Annexation. Additional residential property and common area may be annexed to the properties with the consent of two-thirds (2/3) of each class of members.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has hereunto set its hand and seal this 3rd day of May, 1972.

WARD CORPORATION OF BEND, an Oregon corporation.

By J. Ward President

By Charles R. March Secretary

STATE OF OREGON, County of Deschutes.) ss.

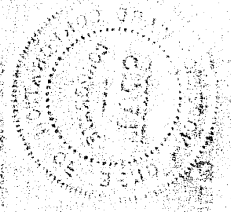
May 3, 1972

Personally appeared JAN WARD and CHARLES R. MARCH, who, being duly sworn, each for himself and not one for the other, did say that the former is the President and the latter is the Secretary of WARD CORPORATION OF BEND, an Oregon corporation, and that the seal affixed to the foregoing instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors; and each of them acknowledged said instrument to be its voluntary act and deed.

Before me:

Lucki C. Roth
Notary Public for Oregon

My commission expires: 7/21/73



I, the undersigned, being a Notary Public for the State of Oregon, do hereby certify that the within and foregoing instrument of writing was received by me on the 19 day of May, A.D. 1976 at 10:00 o'clock AM and was signed by Rosemary Patterson in Book 15 of Page 859 of the Public of Deschutes County, Oregon.
 In testimony whereof, I have hereunto set my hand and the seal of my office at Prineville, Oregon, this 19 day of May, A.D. 1976.
 Notary Public for the State of Oregon.

STATE OF OREGON

County of Deschutes

I hereby certify that the within and foregoing instrument of writing was received by me on the 19 day of May, A.D. 1976 at 10:00 o'clock AM and was signed by Rosemary Patterson in Book 15 of Page 859 of the Public of Deschutes County, Oregon.

ROSEMARY PATTERSON
County Clerk

By Joanne Crane Deputy

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