

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

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DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



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**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS FOR FAIRHAVEN, A SUBDIVISION
Phase VII**

9/104

THIS DECLARATION is made on May 5, 2004 by FairHaven Associates, LLC (hereinafter referred to as the "Declarant"), which is the Owner of certain real property located in Redmond, Oregon described as: FAIRHAVEN, Phase VII.

The Declarant hereby proclaims that the above-described property is subject to the following Covenants, Conditions and Restrictions for the purpose of protecting and enhancing the value, attractiveness and desirability thereof.

I. DEFINITIONS

BUILDABLE AREA shall mean and refer to that portion of a lot, which lies solely within the building footprint lines as defined herein and on the Master Plan

DECLARANT shall mean and refer to FairHaven Associates, LLC.

CONTRACTOR shall mean Pennbrook Homes, Inc.

FAMILY shall mean and refer to one or more persons occupying a single housekeeping unit and using common housekeeping facilities; provided, unless all members are related by blood, marriage, adoption or partnership, no family consists of over five persons.

LOT shall mean and refer to any plot of land shown on a recorded plat, which subdivides the Property.

OWNER shall mean and refer to the record owner or contract buyer of the fee simple title to any lot which is a part of the Property, excluding those having such interest merely as security for the performance of an obligation. For the purposes exercising the rights granted by this Declaration, each lot may have only one vote, regardless of the number of persons who may have an co-ownership interest therein.

PROPERTY shall mean and refer to the above-described real property and any real property annexed hereto.

STREET shall mean and refer to the private right of way as shown on a recorded plat of the Property.

II. PURPOSE AND BINDING EFFECT

The purpose of this Declaration is to enhance and protect the value and desirability of the Property for residential use. This Declaration shall run with the Property, shall be binding upon and insure to the benefit of, enjoin and pass to all parties having or acquiring any right, title or interest in the Property, their heirs, successors in interest and assigns as a servitude in favor of and enforceable by the Declarant, its vendees, successors and assigns during the term hereof.

III. ARCHITECTURAL REVIEW COMMITTEE

No structure, fence, retaining wall, tree or other improvement of any kind may be constructed, placed, altered, removed or allowed to remain on, under or on any portion of the Property until the plans for said structure, fence, retaining wall, tree or other improvement plans can be evaluated. Therefore, the Declarant hereby creates the FairHaven Subdivision Architectural Review Committee ("ARC").

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805 SW Industrial Way, Suite 10
Bend, OR 97702

A. PURPOSE OF THE ARCHITECTURAL REVIEW COMMITTEE

The purpose of the Architectural Review Committee shall be to evaluate and approve or disapprove plans and specifications of improvements to be constructed on the Property for consistency and harmony with other existing or proposed improvements elsewhere on the Property, and for adherence to the restrictions and guidelines contained in this Declaration. It is neither the purpose nor duty of the Committee to enforce any provision of this Declaration, said enforcement having been specifically reserved for the benefit of the Declarant and subsequent Owners.

B. MAKEUP OF THE COMMITTEE

The initial Architectural Review Committee shall consist of the Declarant and Contractor. Membership on the Architectural Review Committee shall be by appointment by the Declarant. The Architectural Review Committee may consist of as many members as the Declarant may appoint.

C. APPOINTMENTS AND RESIGNATIONS

Following the initial ARC, appointments to and resignations from the ARC shall be evidenced by the recordation in the Deschutes County Public Records of a statement by the Declarant attesting to said appointment and the statement shall contain the current mailing address of the appointee. Any member of the ARC may resign or be discharged by the Declarant at anytime. Resignation or discharge from the ARC shall be evidence by recordation in the Deschutes County Public Records of a statement by the resignee or the Declarant attesting to said resignation or discharge.

D. METHOD OF APPLICATION FOR APPROVAL BY THE COMMITTEE

All applications for action by the Architectural Review committee shall be in writing and in duplicate, and shall be deemed to have been made when delivered in person or deposited for delivery with the United States Postal Service as Certified Mail, with a return receipt requested, or when personally delivered to a member of the Committee

E. PRE-APPLICATION DESIGN APPROVAL

Submissions of preliminary designs to the Committee are encouraged. Such submissions, if identified as "preliminary" are intended for the convenience of the applicant, and shall not be deemed a formal application for design approval. Committee approval of a preliminary design shall not be deemed a waiver to enforce subsequently discovered violations of the design criteria contained in this Declaration.

F. INFORMATION REQUIRED FOR APPROVAL BY THE COMMITTEE

In order to gain approval for an action of the Architectural Review Committee for which approval is required, the applicant must submit to the Committee preliminary drawings and written description for the proposed improvements. Each submission must include three copies of the following documents, which must be prepared in a manner so as to be reasonably legible to the Committee:

1. A fully-dimensioned site plan, drawn to an accurate scale of at least 1" = 20', which shows the property corners, right of way and easements, and all of the existing and proposed improvements including existing and proposed grades, existing and proposed curbs and gutters, utilities, driveways, sidewalks, parking areas, fences, trees, shrubs and grown covers,
2. Elevations, sections and floor plans, drawn to an accurate scale of at least 1/4"=1',
3. Specifications which include a list of the type of all exterior materials and actual samples of all exterior colors.

4. Landscape plan showing plant materials, paving materials, drainage, exterior lighting, decks, utilities, irrigation and garbage enclosure.
5. Check for \$250.00 for each home plan submitted.

Any applications which do not include the above-listed information will be rejected by the Committee. Such rejection will be deemed to be disapproved by the Committee

G. DECISIONS OF THE COMMITTEE

All decision of the Architectural Review Committee shall be in writing, and shall be deemed to have been taken when a written decision has been delivered or deposited for delivery with the United States Postal Service as Certified Mail, with a return receipt requested, or by personal delivery to the applicant. A majority of the Committee may render a binding decision. Interpretation and application of this Declaration and the design criteria contained herein shall be within the sole and exclusive discretion of the Architectural Review Committee.

H. TIMING OF COMMITTEE APPROVAL

In the event of Architectural Review Committee fails to approve or disapprove a properly submitted and completed request for action within thirty calendar days after the request is made, the party submitting the request may record a Notice of Intent to Construct an Unapproved Improvement in the Deschutes County Public Records, and if no objection to the proposed construction is recorded in the Deschutes County Public Records within fifteen days of recordation of said Notice, the request will be deemed to have been approved by the Architectural Review Committee.

I. CONSISTENCY OF CONSTRUCTION WITH APPROVED PLANS

Improvements must be constructed in accordance with the plans and specifications approved by the Architectural Review Committee. Approval of plans and specifications may be withdrawn by the Committee in the event improvements are not constructed in substantial conformance with the plans and specifications approved therefor. The Declarant shall have the right to enter premises under construction during daylight hours for the purpose of inspecting construction to determine conformance to the approved plans.

The Architectural Review Committee shall have the authority to grant variances to the architectural standard promulgated in this Declaration. Consent by the Committee to any variance of these architectural standards shall not constitute a precedent or in any way impair its rights to withhold approval of subsequent similar requests.

J. LIMITATION ON LIABILITY OF COMMITTEE

Neither the Architectural Review Committee nor any of its members shall be liable to any party for damages incurred or claims arising from any action or failure to act pursuant to the provisions of this Declaration.

K. DECLARANT EXEMPTION

Notwithstanding the foregoing in this Section III, neither the Declarant, its successors or assigns, nor any entity in which Declarant or its successor or assign holds not less than fifty percent (50%) ownership, shall be required to comply with the application and approval procedures set out in this Section, but Declarant shall be obligated to comply fully with the substantive restrictions contained in Section IV-X, inclusive.

IV. ARCHITECTURAL DESIGN GUIDELINES

A.

Declarant shall, from time to time, and for various communities within the Property, develop and publish Design Review Guidelines for the construction of homes and development of lots within the Property. Once published, these guidelines shall be incorporated within this declaration, and may be enforced by Declarant according to the terms hereof.

V. FIRE SAFETY RESTRICTIONS

Ownership, use and occupancy of any portion of the property are subject to the following fire safety restrictions.

A. BUILDING STANDARDS

All buildings constructed on the Property shall have roofing which has a fire rating of Class A or better. All attics and under floor openings shall be screened or otherwise enclosed. Eaves shall be screened if they are enclosed. Any chimney or stovepipe connected to a device burning solid or liquid fuel shall be equipped with a screen constructed of non-flammable materials with a mesh no coarser than one half inch over its outlet. All decks within three feet of ground shall be screened from under floor to ground. No overhead electrical, telephone or television lines are permitted anywhere on the Property.

B. WATER SUPPLY

Each dwelling shall have a water supply that meets city requirements. Each building shall have a minimum of one garden hose outlet.

C. UTILIZATION OF OUTDOOR SPACE

No open fires are permitted at any time. Barbecues and other outdoor cooking facilities shall be continuously attended while in use. Firewood and other materials which could provide fuel to a fire shall be stored a minimum of thirty feet away from buildings, inside buildings, or covered with a fire-resistant protective covering.

VI. USE RESTRICTIONS

Ownership, use and occupancy of any portion of the Property are subject to the following use restrictions:

A. LAND USE

The Property may be used only for single family residential purposes with homes not exceeding 5 (five) bedrooms and legal home occupations.

B. FURTHER SUBDIVISION

No lot platted by the Declarant may be further subdivided.

C. COMMENCEMENT OF BUILDING CONSTRUCTION

All dwelling construction shall be commenced within one year from the date of lot purchase, and shall be completed within six months of the commencement of construction. In the event an owner fails to commence construction within said twelve month period, the Declarant shall have the right to repurchase that owner's lot or lots at that owner's original purchase price, less real estate commissions paid by the

Declarant, with no allowance for taxes paid by the owner prior to the repurchase. The terms of said repurchase shall be identical to the terms of the original purchase by which said owners acquired the lot. This right of repurchase shall be the exclusive remedy for failure to commence construction within one year of the purchase of a lot and shall inure solely to the Declarant, and not to those claiming under it. The Declarant, its stockholders, directors, officers and related parties shall be exempt from the requirement to commence dwelling construction within one year as contained in this paragraph.

VII. MISCELLANEOUS BUILDING STANDARDS

A. COMPLETION OF LANDSCAPING

Landscaping visible from the street shall be considered a part of the dwelling construction process, and shall be completed prior to dwelling occupancy, unless said completion is precluded because of weather conditions.

B. PERMITS REQUIRED

All building, structure or fence construction shall be performed pursuant to any required permits obtained from the public entity claiming jurisdiction over the issuance of such permits.

C. EASEMENTS

Easements for the installation and maintenance of utilities, slopes, signs, pedestrian ways, wildlife movement and drainage facilities are reserved as shown on the recorded plat or as described herein. All easements are subject to the use restrictions which are recorded therewith.

D. STRUCTURE TYPE AND SIZE

No building shall be altered, placed, constructed or permitted to remain on any lot except for one permanent single family, detached house and a garage or carport constructed contemporaneously therewith. Residential accessory structures such as hot tub or spa enclosures, garden sheds and greenhouses are permissible. Each dwelling must contain a habitable floor area, exclusive of open porches, of at least

1,200 square feet.

E. TEMPORARY STRUCTURES

No temporary structure, trailer, camper, motor home, basement, partially completed dwelling, garage, accessory building tent, shack or other enclosure may be used on any lot at any time as a temporary or permanent residence. The temporary and occasional parking of a camper, trailer or recreational vehicle on a lot shall be allowed. For the purpose of this section, the term "temporary" shall mean a single period not to exceed two weeks in length, and the term "occasional" shall mean up to and including four occurrences of any length per year. Construction trailers or temporary offices for the use of Declarant, Contractor or another building contractor during the construction of any home, apartment building or commercial structure shall be exempt from this paragraph.

F. PARKING

Owners and occupants may keep and maintain such vehicles on their Residential Lots as may be permitted in accordance with the codes, ordinances and statutes of the City. No vehicles, boat or trailer shall be permitted to remain upon any front yard area of a Residential Lot, or on the street, or within a paved parking area other than a driveway that is located adjacent to the Dwelling and screened from view by a fence of no less than five feet in height, for any period in excess of four days.

No Owner may engage in any vehicle restoration or maintenance work beyond any continuous period of forty-eight (48) hours, unless such work is performed within an enclosed garage. The foregoing

shall not be deemed to prevent the washing or polishing of motor vehicles together with those activities normally incident to such activity. Anything herein to the contrary notwithstanding, trailers or temporary structures for use incidental to the actual construction or reconstruction of a Dwelling on a Residential Lot may be erected, but no such temporary structure shall remain on any Residential Lot for a longer period of time than is customarily required to construct like or similar Dwellings. Declarant, however, may maintain trailers or temporary structures within the Project which are incidental to the completion of the Project. No such trailer shall be used as a residence by any Owner during construction of a Dwelling.

Garages shall be used only for the purpose of parking automobiles and other vehicles and equipment and storing an Owner's household goods; provided, however, that all such uses shall be accomplished so that garage doors can be closed. Garages shall not be converted into any use (such as a recreational room or for storage) that would prevent its use as parking space for the number of vehicles the garage was designed to contain. Except for purposes of ingress or egress, all garage doors shall remain closed. Parking of vehicles on Residential Lots shall be conducted on paved surfaces only and shall be screened behind fencing of no less than five feet in height. There shall be no parking of vehicles on unpaved surfaces, such as lawns or dirt surfaces. Garage doors shall not exceed nine feet in height

G. FENCING.

Fences may not be constructed along front property lines. Fences constructed around trash enclosures, private decks or hot tubs may not exceed 3 feet in height nor may they enclose more than 60 sq. ft. of area. Side yard and rear yard fences may not exceed 6 feet in height and must be approved by the Architectural Review Committee. Fencing must be cedar and conform to neighborhood design standards.

H. TRASH

No lot shall be used as a dumping ground for waste, trash, yard trimmings or garbage. Residential refuse must be kept in sanitary containers which are screened from view, maintained in a sanitary condition and emptied weekly. No incinerators may be used on any lot at any time.

I. ANIMALS

No livestock or poultry may be raised, bred or kept on any lot. Other household pets are permitted, provided however, that no household pet of any kind may be allowed to constitute or become a hazard or annoyance to other residents of the property. No animal of any kind may be kept, bred or raised on any lot for commercial purposes.

J. TREE CUTTING

Except as a required to comply with other provisions contained in this Declaration, no tree with a diameter greater than six inches at a point four and one half (4.5') feet above the ground at the trunk shall be cut or willfully damaged without first obtaining permission of this committee and any required permits from Deschutes County or other public entity claiming jurisdiction over tree cutting on the property.

K. SIGNS

No sign visible to public view may be displayed on any lot, except the following:

1. One "Block Parent" sign
2. One "Neighborhood Watch" sign, or equivalent;
3. One home occupation sign no larger than one hundred forty four (144) square inches in area and attached to a dwelling; and

4. One temporary "For Sale" or "For Rent" sign no larger than five hundred seventy six (576) square inches in area advertising the property upon which the sign is placed.

The Declarant is exempt from this paragraph of this Declaration, and may erect or maintain such signs and advertising devices as it deems necessary for the conduct of its business.

L. YARD OR GARAGE SALES

No more than two (2) yard or garage sales may be conducted on any lot during a calendar year. No yard or garage sale may exceed three (3) days in duration.

M. NUISANCE

No noxious or offensive activity shall be conducted on any lot, nor shall anything be done on any lot which may be or become a nuisance or annoyance to any resident of any lot.

VIII. PROPERTY MAINTENANCE

A. STANDARD OF MAINTENANCE

Each and every lot, whether vacant or improved, must be maintained in a reasonably neat, orderly and inoffensive manner at all times. All lots must be kept free of brush, invasive or offensive weeds and dead plant material. All improvements including walks and driveways, exterior building surfaces, fences and landscaping shall be kept in good repair at all times. Roofs and gutters shall be kept clear of leaves and conifer needles. Damage caused by fire, flood, storm, earthquake, riot, vandalism or other causes shall be promptly repaired by the Owner of the affected lot.

B. RIGHT OF DECLARANT OR OWNER TO PERFORM MAINTENANCE AND/OR REPAIRS

In the event an Owner or resident of any lot shall fail to maintain and/or repair the lot or improvements situated hereon in a manner which is consistent with the majority of the other lots or which adversely affects the safety or desirability of surrounding lots, the Declarant or any Owner, their agents or employees shall have the right, fifteen calendar days after giving notice as provided herein, to enter onto the offending property and perform such maintenance and/or repairs as are necessary in order to ameliorate the offensive condition.

C. NOTICE OF INTENTION TO PERFORM MAINTENANCE AND/OR REPAIRS

Notice of intention to perform maintenance and/or repairs shall be deemed to have been given when it is addressed to the last known mailing address of the Owner of the lot upon which the maintenance and/or repairs are needed and deposited for delivery with the United States Postal Service as Certified Mail, with a return receipt requested. Such notice must contain the name (s) and address (es) of the party (ies) giving the notice, a detailed list of maintenance and/or repairs which must be performed, and the date upon which, if not performed by the Owner of the offending lot, the maintenance and/or repairs will be performed by the party (ies) giving the notice.

IX. CREATION OF MAINTENANCE LIEN

In the event Declarant or its designee performs maintenance and/or repairs to a lot belonging to another party pursuant to the provisions of this Declaration, the cost of performing said maintenance and/or repairs shall be paid by the Declarant or its designee and assessed to the Owner of the lot upon which the work was performed, and shall be in a lien which shall encumber the offending lot and benefit the party (ies) recording the lien. This lien may be foreclosed in the manner, provided by Oregon law for construction liens.

X. GENERAL PROVISIONS

A. ENFORCEMENT

Except in the case of design review and approval decisions issued by the Architectural Review Committee, the Declarant (whether still an owner of a Lot or thereafter), its vendees, successors and assigns or any Owner shall have the right to enforce, by any proceeding at law or in equity, all provisions of this Declaration and any amendments to this Declaration, including any liens created pursuant hereto. This right specifically includes the right to seek injunctive relief for the prevention of a violation of any portion of this Declaration.

B. DESIGN REVIEW AND APPROVAL

1. Notwithstanding paragraph A, above, the sole and exclusive procedure and remedy for any challenge to a design approval decision of the Architectural Review Committee shall be a suit in equity against Declarant or its successors or assigns.
2. Any judicial action or proceeding brought to challenge a final decision of the Design Architectural Review Committee shall be commenced within thirty days after issuance of the Committee's final decision of approval. Such proceeding shall be brought against Declarant, or its successors or assigns, and shall be the sole and exclusive judicial remedy available to any party.
3. All decisions of the Architectural Review Committee concerning construction or interpretation, application of any design criteria or standard contained in this Declaration shall be binding and conclusive on the parties and shall be within the sole discretion of the Board.
4. No party, including the Declarant and the Architectural Review Committee, shall have a duty to enforce any provision of this Declaration. No party, including the Declarant and the Architectural Review Committee, shall have any personal liability for acting or failing to act to enforce any provision of this Declaration. This limitation of personal liability shall not limit the right of a party to enforce any provisions of this Declaration or to recover any damages which may be suffered as a result of a violation of any provision of this Declaration.
5. Should suit or action be commenced to enforce any provision of this Declaration, the prevailing party shall be entitled to recover from the other party such reasonable attorney fees, costs and disbursements as are fixed by the courts in which said suit or action, including any appeal from decisions rendered therein, is tried or heard.

C. SEVERABILITY

Invalidation of any portion of this Declaration by judgment or court order shall in no way affect the validity or enforceability of any other portion of this Declaration, which shall remain in full force and effect.

D. AMENDMENT

This Declaration shall run with and bind the land in perpetuity. So long as the Declarant owns a lot or holds a security interest in a lot, this Declaration may not be altered without the written consent of the Declarant. After such time as the Declarant no longer owns a lot and no longer holds a security interest in a lot, this Declaration may, at any time, be amended or rescinded by an instrument executed by two thirds of the Owners.

E. TRANSFER OF DECLARANT'S RIGHTS

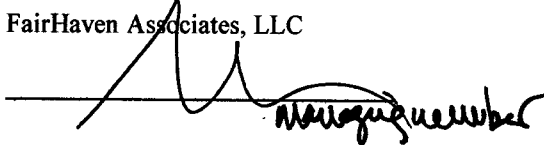
The Declarant shall have the right to transfer or assign any or all of its rights under this Declaration to another party. Upon sell out of the lots within the Property, Declarant shall transfer responsibility for the architectural review to an architect of Declarant's choice. Declarant may, at that time, increase the design review fee sufficiently to compensate that architect reasonably for his time and effort in administering the duties of the ARC.

F. INTERPRETATION

If the Covenants, Conditions and Restrictions contained herein do not apply to a situation, then regulations promulgated by Deschutes County shall control the interpretation or decision. If a conflict arises as to the proper interpretation of the covenants, Conditions and Restrictions of this Declaration, the opinion of the Architectural Review Committee shall be final in resolving the conflict.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument on May 6, 2004.

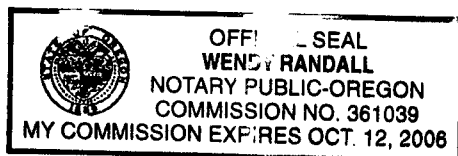
FairHaven Associates, LLC



STATE OF OREGON)

COUNTY OF DESCHUTES)

The foregoing instrument was acknowledged before me on this 5th day of May, 2004, by Gary Blake, Member, Fairhaven Associates, LLC, Declarant.




NOTARY PUBLIC FOR OREGON
My Commission Expires OCT 12, 2006

FAIRHAVEN -PHASE VII

DESIGN REVIEW GUIDELINES

THIS ADDENDUM pertains to that Declaration of Codes, Covenants and Restrictions for FairHaven recorded on May 18, 2004 at 2004-29150 in the records of Deschutes County, Oregon, pertaining to that Property commonly known as Fair Haven, Phase VII, and further described as set forth in Exhibit A hereto.

Before any improvements or alterations may be undertaken on a homesite within FairHaven, the owners must obtain advance written approval of the proposed design from the Declarant.

Both design and construction, including the construction process, must conform to the following rules and guidelines.

Building Size

A minimum size of 1,200 square feet must be included as interior living space in every home, excluding garage area. Outside decks and breezeways are not to be included in the interior space calculation.

Driveways

Driveway cuts into FairHaven lots will be limited to one per homesite unless the Declarant determines that a particular site's physical layout makes such a restriction extremely difficult or impractical. Driveway widths shall be restricted to two car widths, and the amount of paved areas exposed to view from neighboring homesite or common roadways shall be kept to a minimum. Driveway material shall be asphalt, concrete or masonry.

Hot Tubs and Pools

Exterior hot tubs, saunas and swimming pools must be screened from neighboring views by fencing. Designs and drawings for these features, including site plans, must be included in the submitted plans and are subject to Declarant's approval so long as Declarant owns any lot within the FairHaven Project.

Accessory or Construction Buildings

Buildings to be used as temporary construction shelter may be temporarily erected on a homesite prior to construction of the main residence building, and only in conjunction with actual construction work. Any temporary shelter or building must be approved in advance by the Declarant, and removed as soon as it is not necessary. In any case the maximum allowable time for a temporary structure to be allowed on a homesite is ninety day (90 days). Accessory structures such as tool sheds, doghouses, etc. must be constructed in a manner that conforms to the quality of the Dwelling. The materials used in any such building shall be of the same type as the exterior of the Dwelling, and such structure shall be no higher than ten feet and located no more than ten feet from the rear or side of the Dwelling.

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Adjacent Private Property

Under no circumstances may adjacent private or development property be used for access to any other Lot, or for any construction purpose without the express and written consent of the Owner and the Declarant. Adjacent property may also not be used for parking of any equipment or construction workers' vehicles. The Owner and/or his contractor or builder shall be held fully responsible for any damage to private property.

Construction Noise/Behavior Guidelines

In consideration of neighbors, no loud radios or excessive unnecessary construction noise shall be permitted on a job site. No boisterous or rude behavior is allowed. Any pets belonging to construction workers must be leashed at all times and, if loud or unruly, may be removed or banned by the Declarant.

Exterior construction work, or the operation of noisy construction equipment is not allowed on Sundays or national holidays, and work may not begin before 7:00 a.m. on any other day.

Construction Dumpster; Refuse Containment

Adequately sized refuse dumpsters shall be provided by the builder, at the builder's expense, and shall be situated on the construction site at all times during the construction period. The construction site shall be kept clean and orderly at all times, with papers, loose material and miscellaneous building supplies neatly stored or disposed of within a refuse dumpster.

Animal Runs and Animal Restraints

All animal runs and animal restraint areas shall be pre-approved by the Declarant and constructed and situated in such a way as to make them substantially concealed or screened from the view of public rights of way and neighboring Lots.

Chimneys

All exterior chimneys must be made of wood, stone or brick, and must incorporate a flue shroud and a spark arrestor, if for a wood burning fireplace. A metal chimney top must be of such a color as to blend aesthetically with the residence and is subject to Declarant approval.

Exterior Antennas; Satellite Antennas

Exterior mounted radio and television antennas, are not permitted. No television satellite disks or antennas in excess of 24 inches in diameter may be visible from the roadways or other Lots.

Standard Setbacks

Each home shall comply with the City of Redmond minimum front, rear and side-yard setback requirements for the FairHaven PUD. Each home shall also respect the terms and conditions of the Central Oregon Irrigation District canal easement along the eastern boundary of the lots fronting on the canal.

Permanent Outdoor Furniture and Accessories

The location of permanently placed outdoor furniture fixtures or equipment such as swings, picnic tables barbecues, arbors, jungle gyms, tree houses, etc. must be approved by the Declarant. Outdoor furniture and accessories shall not infringe on setbacks and must be properly maintained. Swings sets and other play equipment shall painted or constructed to blend with the natural surroundings.

Drainage

The existing drainage on each homesite shall be carefully consider when siting and improvement. The natural drainage pattern should be preserved if possible and the drainage impact on neighboring homesites shall be taken into account in the approval process. There shall be no drainage to neighboring Lots.

Excavation

Each homesite shall be developed with a minimum modification or disruption to the existing topography. All dirt, fill and debris resulting from excavation must be removed from the homesite, or applied to the landscape in a manner pre-approved by the Declarant. To the extent feasible, all grading shall conform to natural contours of the land.

Fencing

Fences are allowed at FairHaven along the side and rear property lines of any Lot pursuant to the Declaration. Fences may not be constructed along front property lines. Fences on the Lots shall be limited to six feet in height and shall be connected to the house structure. Side yard and rear yard fences may not exceed 6 feet in height and must be approved by the Architectural Review Committee. Fencing must be cedar and conform to neighborhood design standards. Fences constructed around trash enclosures, private decks or hot tubs may not exceed 3 feet in height nor may they enclose more than 60 sq. ft. of area. Side yard and rear yard fences may not exceed 6 feet in height and must be approved by the Architectural Review Committee.

Draperies and Window Coverings

All draperies and window coverings visible from outside the home should be of materials and colors, which harmonize with the surroundings and design, and color of the exterior structure. No bright colors or metallic or mirrored surfaces should be visible from the exterior of the structure. Consideration should be given to the aesthetic view from neighboring home sites.

Exterior Lighting

Exterior lighting which can be seen from roadways or neighboring homesites may be incandescent lighting, provided that no flood lights are used, and clear light bulbs are 60w or less. The light source must not be clearly visible from outside the fixture. Decorative and landscape lighting may be subject to reasonable limitations imposed by the Declarant. Exterior lightning plans must be submitted to the Declarant with the initial design review application.

Firewood

Firewood and all other stored materials must be out of sight of the adjacent homesites.

Gutters and Downspouts

All gutters and downspouts shall be designed as a continuous architectural feature, consistent with the building design. Exposed gutters and downspouts shall be colored to blend with the surface to which they are attached.

Service Yards

Each residence shall have a screened service yard enclosing garbage and trash containers, clothes drying equipment, bicycles, outdoor maintenance equipment, etc., if such storage is not otherwise provided by other parts of the main structure (e.g., the garage). Fencing may not exceed 3 feet in height, nor may it enclose more than 60 sq. feet.

Skylights and Solar Devices

All glass, plastic, or other transparent skylight or solar devices shall be treated to eliminate glare. Clear, bronze or gray glazing is preferred over white translucent. Any solar heating system must be reviewed and approved by the Declarant prior to construction. Solar heating systems to be constructed on the outside of a residence shall be reviewed in light of how they impact the aesthetics of the view from the adjacent homesites. Such systems shall require pre-approval by the Declarant.

Solar Encroachment

Any plantings that interfere with the existing use of solar energy on an adjacent homesite are prohibited and improvements, may be subject to Deschutes County solar setback requirements

Utilities

Connection of utilities from trunk lines to individual structures must be underground. Exposed plumbing or electrical lines are not allowed. Materials and installation must conform to the electrical and plumbing codes as established by the City of Redmond. Water and sewer hookups must be approved by the appropriate inspectors. All areas of excavation for site utility work must be fully restored. Utility meter panels must be hidden from view from the roadways and adjacent lots.

Parking

Each residence will include a garage for at least two cars, which must be connected to the main structure. Duplex residences on lots 20 – 23 may be allowed a one-car garage per unit. In addition, a minimum of two exterior parking spaces shall be required for each homesite. Camping vehicles/trailers, trucks, campers, boats, cars under repair, trailers, recreational equipment, etc. shall be completely hidden from view of the roadways and adjacent homesites.

Exterior Material Treatment

Materials used on all exterior walls shall present a consistent appearance in order to achieve a uniform design. Exterior colors must harmonize with the surrounding landscape and all colors are subject to approval by the Declarant. Exterior color treatment shall be continuous on all elevations. Duplication of colors of nearby homes is discouraged.

Exterior Walls and Trim

The following materials are approved for use in exterior walls and trim:

- a. Wood: Treated with earth tone semi-transparent or solid stains, Craftsman colors or earth tone paints. Composition materials, such as Hardi Plank, and T-111 are acceptable. T-111 on any elevation – front, side or rear must be enhanced with batts or other aesthetic treatment as mutually agreed upon by builder and declarant.
- b. Vinyl Siding: Medium to dark earth tone colors and deep “Craftsman” colors.
- c. Brick: Medium to dark earth tone colors. Light-colored brick or contrasting colored brick is discouraged.
- d. Textured masonry block: Units are not to exceed 4 inches in height and must be in dark earth tone, natural colors.
- e. Stucco: Natural colors allowed, according to Declarant approval.
- f. Stone: Natural earth tone colors and local area materials are recommended. Unusually colored or bright colored stone is discouraged. All stonework is subject to Declarant’s pre-approval.

Roof Materials

Wood shakes and shingles are approved for use, subject to City of Redmond building codes and Fire Department approval. Any type of wooden roofing material will require the installation of an approved exterior sprinkler system. Concern for fire potential is a major consideration. Preferred roofing materials include composition shingle, slate, tile, concrete tile and metal shake. All composition roofs shall have a minimum 30-year life. Colored, ribbed metal roofing is also permitted. All roofing materials shall be of grays, greens or earth tones only, and material and color are subject to Declarant approval.

Landscaping

Front yard home site landscaping is required at time of occupancy. A portion of the landscaping shall include lawn or grasses. Landscaping shall be planned to help minimize fire danger for the area and to moderate the potential of blowing dust. In areas where the owner chooses to maintain a more natural appearance for the site, excess fuels (underbrush and dead branches) must be removed and the ground brush thinned. Steps must be taken to restore unsightly scarred areas due to construction activity or other soil damage, and to remove dead plant material and refuse from the site.

Landscaping that is added must include automatic irrigation system installation. A back flow prevention device is required and must be maintained according to State of Oregon standards. Maintenance of the landscaping in an attractive condition is required. Front yard landscaping shall be completed prior to occupancy, except when weather prevents the installation at that time. Rear yard landscaping must be completed within 360 days from the date of occupancy, weather permitting, unless the time period is extended by the Declarant.

Berms

Berms are allowed where appropriate with a maximum height of 48 inches, unless a higher berm is specifically approved by Declarant. No fences will be allowed over berms. Berm design and construction must be approved by the Declarant.

Maintenance

Each Owner is required to keep his homesite, landscaping, and all improvements in good repair and attractive condition to the curb.

Utilities

- Pacific Power and Light supply electric power to each homesite through underground cables. Electric and all other services to improvements on a homesite must also be underground.
- Cascade Natural Gas Company provides natural gas.
- Sewer connection is located at each lot and sewer service is provided by the City of Redmond. Applicable connection fees and service fees are determined by the City and individually billed to the owner.
- Water service is available at each homesite from the City of Redmond.
- Underground telephone and cable TV service are also provided to each homesite.

Building Permit Requirements

FairHaven is under the auspices of the City of Redmond, Deschutes County, Oregon. The County has adopted the Uniform Building Code as amended by the State of Oregon. The City requires that a building permit be obtained prior to beginning of construction of any improvement or addition. Notwithstanding any Declarant approval, City of Redmond and other governmental agency requirements or restrictions take precedence.

Completion of Construction

As outlined in the Declaration, construction completion is required within six months of construction startup. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Declarant.

Severability

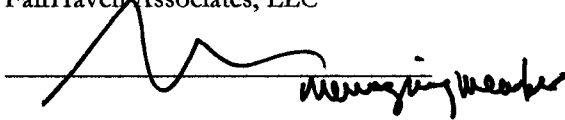
If any section, subsection, paragraph, sentence, clause or phrase of the rules and regulations is for any reason held by a court of competent jurisdiction to be invalid, such a decision shall not affect the validity of the remaining portion of these rules.

Non waiver

Consent by the Declarant to any matter proposed to it, or within its jurisdiction, or failure by the Declarant to enforce any violation of the rules or standards, shall not be deemed to constitute a precedent or waiver impairing the Declarant's right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent, or to enforce any subsequent or similar violation of these rules and standards.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has executed this instrument on May 5, 2004.

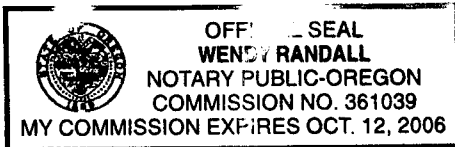
FairHaven Associates, LLC

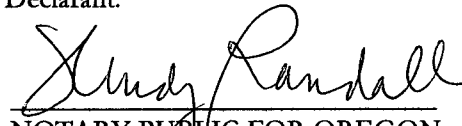


STATE OF OREGON)

COUNTY OF DESCHUTES)

The foregoing instrument was acknowledged before me on this 5th day of May 2004, by Gary Blake, Member, Fairhaven Associates, LLC, Declarant.





NOTARY PUBLIC FOR OREGON
My Commission Expires Oct 12, 2006

EXHIBIT A

FAIRHAVEN, PHASE VII BOUNDARY LEGAL DESCRIPTION

A parcel of land containing 4.27 acres, more or less, being a portion of Tract A of the plat of Fairhaven, Phase I, a portion of Tract D of the plat of Fairhaven, Phase VI, and other lands located in a portion of the West One-half of the Southeast One-quarter (W1/2 SE1/4) of Section 08, Township 15 South, Range 13 East, Willamette Meridian, City of Redmond, Deschutes County, Oregon, being more particularly described as follows:

Beginning at the northwest corner of the plat of Fairhaven, Phase V; thence along the west boundary of said plat the following four (4) courses and two (2) curves:

South 00°17'30" West a distance of 44.83 feet;
5.77 feet along a non-tangent curve to the right with a radius of 200.00 feet, the chord of which bears North 44°49'37" West a distance of 5.77 feet;
South 45°59'59" West a distance of 60.00 feet;
7.09 feet along a non-tangent curve to the left with a radius of 135.00 feet, the chord of which bears North 45°30'21" West a distance of 7.09 feet;
South 46°48'52" West a distance of 38.42 feet;
South 00°17'30" West a distance of 319.90 feet to a point on the north boundary of the plat of Fairhaven, Phase III;

Thence leaving said west boundary and along said north boundary the following two (2) courses:

North 89°42'44" West a distance of 50.18 feet;
South 86°09'26" West a distance of 64.78 feet;

Thence leaving said north boundary North 00°12'37" West a distance of 74.85 feet; thence 6.56 feet along a non-tangent curve to the right with a radius of 30.00 feet, the chord of which bears North 62°47'00" West a distance of 6.54 feet; thence South 89°55'16" West a distance of 8.57 feet; thence North 00°16'02" East a distance of 50.00 feet; thence South 89°55'16" West a distance of 373.12 feet; thence South 00°15'59" West a distance of 29.47 feet to a point on the boundary of the plat of Fairhaven, Phase III; thence along the boundary of said plat of Fairhaven, Phase III South 89°47'23" West a distance of 60.00 feet; thence leaving said plat boundary North 00°15'59" East a distance of 275.13 feet; thence 34.39 feet along a non-tangent curve to the right with a radius of 62.00 feet, the chord of which bears North 44°54'23" West a distance of 33.95 feet; thence South 89°55'16" West a distance of 6.93 feet; thence North 00°04'44" West a distance of 60.00 feet to a point on the boundary of the plat of Fairhaven, Phase VI; thence along said plat boundary North 89°55'16" East a distance of 6.93 feet; thence leaving said plat boundary 35.13 feet along a non-tangent curve to the right with a radius of 62.00 feet, the chord of which bears North 45°05'37" East a distance of 34.67 feet; thence North 00°15'59" East a distance of 6.93 feet; thence South 89°44'01" East a distance of 60.00 feet; thence South 00°15'59" West a distance of 6.93 feet; thence 34.39

March 29, 2004

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feet along a non-tangent curve to the right with a radius of 62.00 feet, the chord of which bears South 44°54'23" East a distance of 33.95 feet to a point on said boundary of the plat of Fairhaven, Phase VI; thence along said plat boundary the following three (3) courses:

North 89°55'16" East a distance of 194.05 feet;

South 00°16'02" West a distance of 30.00 feet to a point on the north line of the SW1/4 of the SE1/4 of said Section 08;

North 89°55'16" East a distance of 27.01 feet along said north line and said plat boundary;

Thence leaving said plat boundary and along said north line continuing North 89°55'16" East a distance of 338.00 feet to the point of beginning, the terminus of this description.

Excepting therefrom: Any portion of the lands dedicated per Deed of Dedication as recorded on June 30, 2003 in Volume 2003, Page 44171 of Deschutes County Official Records in the office of the Deschutes County Clerk which lie within the boundaries of the above described parcel.

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

