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RIDGE AT INDIAN FORD

MASTER PLAN

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This Master Plan is made this 25th day of June, 1991,
by BAY RIVER DEVELOPMENT CORP., INC., a California Corporation,
hereinafter referred to as "Declarant".

The Declarant intends by this Master Plan to impose upon the Properties mutually beneficial restrictions under a general plan of improvement for the benefit of all owners of residential property within The Ridge at Indian Ford, the planned unit development made subject to this Master Plan and amendments thereto.

The Declarant hereby declares that all the Properties part of The Ridge at Indian Ford and any additional property as may by subsequent amendment be added to and subjected to this Master Plan 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 subjected to this Master Plan and which shall be binding on all parties having any right, title, or interest in the described Properties or any part thereof, their heirs, successors, successors-in-title, and assigns, and shall inure to the benefit of each owner thereof.

DESCHUTES COUNTY TITLE CO.
P. O. BOX 323
BEND, OREGON 97701

THE RIDGE AT INDIAN FORD

MASTER PLAN
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RIDGE AT INDIAN FORD

MASTER PLAN

OBJECTIVES

The purpose of the Master Plan and the governing Board of Directors is to protect, enhance and maintain the property values and quality of life of the owners at The Ridge at Indian Ford.

A statement of the Plan formulated for and utilized in the development, ownership, and maintenance of Ridge at Indian Ford, containing, among other things, provisions which subject property to certain easements, restrictions, assessments, penalties, and liens.

The Ridge at Indian Ford is a residential development of approximately 140 acres encompassing 19 homesites located in Deschutes County, Oregon. The Ridge was created and designed as a community which would provide an unusually attractive environment for permanent homes. The Ridge at Indian Ford property owners enjoy distinct advantages on an economic basis through the sharing of the costs related to the private ways, common areas, and recreational and service facilities, which are and will remain available for use by all property owners, their lessees and guests. By providing and enforcing high standards for the improvement and maintenance of private and non-private areas within the Ranch, the Ridge at Indian Ford Association intends to ensure that private property within the Ridge will maintain and return maximum value for those who purchase it. The Association has assumed overall responsibility for the administration of the Ridge. Title to all private ways, common areas, special use areas, semi-public recreational facilities, and semi-public service facilities is presently vested in the Association.

The following is the Ridge at Indian Ford Master Plan:

SECTION 1. DEFINITIONS. Definitions when used herein, the following terms shall have the following meanings:

1.1 "Architectural Review Committee" shall mean the committee appointed pursuant to the provisions of Section 8 herein.

1.2 "Assessment" shall mean a regular or special assessment, as the case may be, imposed in accordance with the provisions of Section 6 herein.

1.3 "Ridge at Indian Ford" or the "Ridge" shall mean that

real property described in the records of deeds of Deschutes County, Oregon together with any additional real property which may be acquired by the Ridge at Indian Ford Association and with respect to which the Association has filed a declaration in the records of deeds of Deschutes County, Oregon providing that such property shall be a part of Ridge at Indian Ford.

1.4 "Ridge at Indian Ford Association" or the "Association" shall mean the association organized as described in Section 7 herein.

1.5 "Ridge at Indian Ford Master Plan" and "Master Plan" shall mean this instrument, together with any amendments or supplements thereto.

1.6 "Ridge at Indian Ford Rules and Regulations" or the "Ridge Rules and Regulations" shall mean the rules and regulations adopted as provided in Section 5 herein.

1.7 "Board of Directors" or the "Board" shall mean the duly elected Board of Directors of the Ridge at Indian Ford Association.

1.8 "Business Invitee" shall mean a person who is in Ridge at Indian Ford for a business purpose of either the invitee or his invitor with the permission or pursuant to the invitation of an owner, lessee, the Ridge at Indian Ford Association.

1.9 "Common Area" shall mean any area which is designated as such in a Ridge at Indian Ford Declaration or in the plat of a section along with any improvements constructed thereon, including but not limited to roadways, greenways, utility easements, etc.

1.10 "General Fund" shall mean the fund established pursuant to Section 6 herein.

1.11 "Guest" shall mean any person other than a Business Invitee who is in Ridge at Indian Ford at the invitation of an owner or lessee at Ridge at Indian Ford. The term "Guest", as used herein and further defined in the Ridge at Indian Ford Rules and Regulations, shall include two distinct categories of visitors to Ridge at Indian Ford:

a. "Guests of Owners and Lessees in Residence" shall mean those visitors to Ridge at Indian Ford pursuant to the invitation or with the permission of an Owner or Lessee whose presence on the Ridge coincides with that of said Owner or Lessee.

b. "Guests of Owners and Lessees not in Residence" shall mean those visitors to Ridge at Indian Ford who are

present on the Ridge pursuant to the invitation or with the permission of an Owner or Lessee while said Owner or Lessee is not in residence.

1.12 "Lessee" shall mean that person or persons occupying a unit in Ridge at Indian Ford subject to a formal, written lease agreement, except that in no event shall any unit be leased for a period of less than 90 days. Lessee agrees to comply with the Master Plan and assumes all liabilities and obligations associated therewith. The Lessor shall be responsible for compliance by the Lessee.

1.13 "Lot" shall mean each lot described in any plat of a section which is designated as a private area together with any single family dwelling constructed thereon. If in any case a lot owner shall have consolidated a lot or portion thereof with another lot in the manner set forth in Section 4 herein, then the area consolidated shall be considered one lot.

1.14 "Manager of Ridge at Indian Ford" or "Manager" shall mean the Ridge at Indian Ford Association or its designated representative.

1.15 "Private Area" shall mean any area which is designated as such in a Ridge at Indian Ford Declaration or in the plat of a section.

1.16 "Private Way" shall mean any area which is designated as such in the plat of a section or in a Ridge at Indian Ford Declaration or which is dedicated to such use by the Ridge at Indian Ford Association.

1.17 "Section" shall mean any area subjected to the Master Plan in a Ridge Declaration which area contains private areas for residential use, together with any areas which may be annexed thereto.

1.18 "Recreational or Service Area" shall mean any area devoted to a recreational or service facility which is made available for use by the owners of the Ridge at Indian Ford, their lessees and guests as provided in Section 3.5 herein.

1.19 "Special Use Area" shall mean any area designated by the Ridge at Indian Ford Association for the benefit of the owners of Ridge at Indian Ford as provided in Section 3.6 herein.

1.20 "Unit" shall mean each lot described in any plat of a section which is designated as a private area, and any single family dwelling contained within a section.

1.21 "Unit Owner" or "Owner" shall mean the person or persons who hold legal title to any unit unless provision is made

in the instrument creating a section that a lessee or other person entitled to possession of a unit shall be the unit owner, in which case the person so designated shall be the unit owner. The term "Owner" shall include, for most purposes, the immediate family of such "Owner" as defined in the Ridge at Indian Ford Rules and Regulations.

SECTION 2. SUBJECTION OF PROPERTY TO THE MASTER PLAN PROPERTY WITHIN RIDGE AT INDIAN FORD MAY BE SUBJECTED TO THE MASTER PLAN BY THE FOLLOWING METHOD:

2.1 FILING OF DECLARATION. The Association may file a declaration in the records of deeds of Deschutes County, Oregon, providing that a particular area shall be subject to the Master Plan.

SECTION 3. LAND CLASSIFICATIONS AND USES WITHIN RIDGE AT INDIAN FORD.

3.1 CLASSIFICATIONS. Land classifications within areas subjected to the Master Plan include private ways, private areas, common areas, special use areas, semi-public recreational or service areas. The Ridge at Indian Ford Association shall hold and retain title to the private ways, common areas, special use areas, semi-public recreational or service areas subject, however, to the right of the owners of Ridge at Indian Ford, their lessees and guests to use such areas as herein provided. Those certain areas designated as semi-public recreational or service areas shall be made available for use by the public at such times and under such conditions as shall be established by the Board of Directors of the Ridge at Indian Ford Association.

3.2 PRIVATE AREAS. Restrictions, rules, and regulations governing the use of private areas within a particular homesite section are set forth in the Ridge at Indian Ford Declaration. By accepting a deed or lease to a private area, the grantee is deemed to have covenanted that he will use and permit the use of the property only in accordance with, and that he will abide by and cause all those who come upon his premises to abide by, the restrictions, covenants and conditions contained in the Master Plan and in the Ridge Declaration creating the section and in the rules and regulations promulgated hereunder; that he will pay to the Association all amounts provided for in the Master Plan and such The Ridge at Indian Ford Declaration; and that his property shall be subject to a lien or liens as provided in such instruments. For the protection of all owners, their lessees and guests, the Association shall be generally responsible for the enforcement of such restrictions, covenants, conditions, rules and regulations.

3.3 PRIVATE WAYS. Each owner is hereby granted a non-exclusive easement to use private ways for the purposes of walking or traveling thereon by appropriate means. Each owner may permit his lessees, guests, and business invitees to use the private ways for such purposes. The easement herein granted shall be appurtenant to and assignable with the unit with respect to which it is granted, but shall not otherwise be assignable. Use of private ways shall be subject to the Ridge at Indian Ford Rules and Regulations. The Association may also grant free access on private ways to police, fire and other public officials, to employees of utility companies serving the Ridge, and to such other persons to whom the Association reasonably believes access should be given for the benefit of the owners. The Board, in its discretion, may dedicate private ways to the public. The Board shall be deemed to have dedicated such ways to the public only if it shall file in the records of Deschutes County, Oregon, an instrument clearly evidencing its intention to dedicate such ways to the public.

3.4 COMMON AREAS. Each owner is hereby granted a non-exclusive easement to use common areas for such recreational purposes as may be permitted by the Ridge Rules and Regulations and in the manner permitted therein. Each owner may permit his lessees and guests to use common areas for such purposes and in such manner. Common areas shall not be platted or otherwise divided into parcels for residential use. The Board may develop special recreational or service facilities on portions of the common areas for the general use and benefit of all owners, their lessees and guests. The Board may from time to time permit the use of designated portions of common areas for temporary recreational or service uses (as, for example, maintaining a volley ball or badminton court) provided that such permission shall be revocable at any time. The easement and rights herein granted shall be appurtenant to and assignable with the unit in respect of which it is granted, but shall not otherwise be assignable. The Board may, in its discretion, use common areas for the purpose of the location of utilities thereon. The Board may bar any unit owner, members of his family, his lessees, and his guests from using common areas and the improvements thereon during periods in which the owner's assessments are delinquent.

3.5 RECREATIONAL OR SERVICES AREAS. The Association has determined that it is possible to make certain kinds of recreational and service facilities available to the owners on an economic basis only if use of such facilities is allowed on a fee basis. Therefore, the Board may subject areas to the Master Plan which will constitute "semi-public" recreational or service areas" if each of the following conditions is met:

(a) Provision must be made for the use of the facility by the owners, their lessees and guests in the manner permitted by the Ridge Rules and Regulations.

(b) Fees charged owners, their lessees and guests for the use of the facility shall be established by the Board.

(c) The Board may, in its discretion, convert any recreational or service area into a common area on either a permanent or temporary basis at any time it deems this to be to the general benefit of the owners.

3.6 SPECIAL USE AREAS. The Board may subject certain areas of the Ridge to the Master Plan which will constitute "special use areas." From time to time, the Board may lease to or otherwise permit the use of such areas by third parties if it deems the arrangement to be to the advantage of the owners, even if the intended use is of a nature which might require that the owners be barred from such areas while they are so being used. As an example, the dedication of certain areas within the Ridge to uses normal to or traditional in Central Oregon, such as the grazing of horses, may serve to enhance the attractiveness and quality of the Ridge.

3.7 GENERAL RESTRICTIONS. No activity will be permitted on private ways, common areas, special use areas, semi-public recreational or service areas which will be unreasonably injurious to land or vegetation. There shall be no discharge of firearms or fireworks within the boundaries of the Ridge. The operation, by any person not otherwise authorized or directed by the Board, of motorcycles, snowmobiles, and other motorized non-transportation or off-road vehicles is prohibited within the boundaries of the Ridge. No temporary or permanent improvements shall be erected on private ways, common areas, special use areas, semi-public recreational or service areas without the authorization of the Board. The foregoing general restrictions shall not be viewed as all inclusive but may be amended and expanded from time to time as the Association shall deem necessary and appropriate. In the exercise of the powers and in the performance of its obligations pursuant to the Master Plan, the Board may adopt, amend or repeal rules and regulations to provide for the manner in which all areas and classifications of property within the Ridge are to be used. All such changes shall be incorporated in and disseminated through the Ridge Rules and Regulations.

SECTION 4. CONSOLIDATION OF LOTS WITHIN PRIVATE AREAS.

Whenever a person shall own all of a lot restricted to single family residence use within a private area (the "basic lot"), together with one or more contiguous lots or contiguous portions thereof, also restricted to single family residential use (the "additional lot" or "additional portion"), and shall wish to consolidate the basic lot and the additional lot or

additional portion, he may do so. The consolidation shall be effected by the owner's filing, in the records of deeds of Deschutes County, Oregon, a declaration stating that the two areas are consolidated. The consolidation provided for in this section shall have the following effects:

(a) The consolidated areas shall constitute one lot for all purposes under the Master Plan and under the Section Declaration for the section in which the consolidated areas are located.

(b) Only one single family residence may be constructed or maintained on the consolidated areas.

(c) No residence or other structure may be placed upon the remainder of a lot, a portion of which was consolidated with another lot but which remainder has not been consolidated with another lot, unless the area of such remainder constitutes at least 95 percent of the original area of the lot.

(d) Areas which have once been consolidated may at no time in the future be partitioned.

SECTION 5. THE RIDGE AT INDIAN FORD RULES AND REGULATIONS.

In the exercise of its powers and in the performance of its obligations pursuant to the Master Plan and to any The Ridge at Indian Ford Declaration, the Board of Directors of the Ridge at Indian Ford Association may adopt, amend or repeal rules and regulations, to be known as the Ridge at Indian Ford Rules and Regulations to provide for the manner in which private ways, common areas (including special recreational facilities established thereon), recreational or service areas, and any other areas which all owners of The Ridge at Indian Ford, their lessees and guests are entitled to use, shall be used. A petition signed by 5 percent of the owners proposing adoption of a rule or amendment or repeal of an existing rule applying to the above areas must be considered by the Board. The Board may, at its discretion, either approve, reject, or abstain from acting on the proposals contained in such petition. In the event that the Board does not approve a petition duly and properly submitted, the petitioners may demand a vote of the owners of the Ridge in accordance with the following; upon and pursuant to a second submission of the petition in original form but bearing the signatures of 15 percent of the owners, the Board shall submit the proposals contained in such petition to a vote of all owners. The proposals contained in such petition shall be adopted upon their approval in writing by a majority of the owners who vote with respect to such petition. Such approval shall be valid only where votes shall have been cast by at least one-half of those owners eligible to vote or their duly authorized proxies. To the

extent provided for in any Ridge Declaration, the Ridge Rules and Regulations may provide for the manner in which private areas may be used. Adoption, amendment, and repeal procedures for such private area rules and regulations, if any, shall be set forth in such Ridge Declaration.

The Ridge at Indian Ford Rules and Regulations may, among other things, but without limitation on the Board's authority as provided for above, provide for any of the following:

(a) For speed, parking, and other traffic controls and restrictions upon the types of vehicles which may use private ways.

(b) For the times and manner in which the spaces within common areas may be used by owners, their lessees and guests.

(c) For charges for the use of recreational facilities and for services to be supplied by the Association.

(d) For the control of noise, control of litter, and disposal of trash and for the personal conduct of owners, their lessees and guests, while on the Ridge.

(e) For the conditions upon which the guests of owners and lessees at the Ridge will be entitled to access to private ways, common areas, and semi-public recreational or service areas and for the terms and conditions upon which guest access passes will be issued.

(f) For any other rule or regulation that the Board determines to be appropriate for regulating the use and enjoyment of the Ridge.

All rules and regulations must be applicable on a nondiscriminatory basis. However, provisions uniformly applicable to a class of persons shall not be deemed discriminatory if the Association shall have defined the class based on reasonable economic or business considerations such as supervision, security, or the adequacy of facilities and services. The foregoing enumeration is intended to be descriptive and should not be construed to be all-inclusive. A current copy of the Ridge Rules and Regulations shall be kept on file at the principal office of the Association at all times. Such Rules and Regulations shall have the same force and effect as if set forth herein as part of the Master Plan. Each unit owner shall be given a copy of such rules and regulations and copies of any changes thereto when made. A current copy of the Rules and Regulations shall be kept on file at all times at the principal office of the Association.

SECTION 6. ASSESSMENTS AND GENERAL FUND.

6.1 IMPOSITION OF REGULAR ASSESSMENTS. The Ridge at Indian Ford Association shall have the right to impose an assessment against each unit owner, such assessments to be applied uniformly to all units. On or before December 1 of each year, the Board of Directors of the Ridge at Indian Ford Association shall determine the amount of the assessment to be imposed during the ensuing calendar year and shall notify each person who is then an owner of the amount of the assessment to be imposed for such year. The amount of such assessment may, at the sole discretion of the Board, be increased by up to a maximum of 6 percent above the amount of the regular assessment imposed during the preceding year. Authorization for any assessment increase in excess of the above maximum must be obtained from the Association's membership utilizing the procedure specified in Section 6.3.

6.2 PREPAYMENT OF REGULAR ASSESSMENTS. Any owner who shall pay the assessment to be imposed for all 12 months of the ensuing calendar year prior to January 1 of such year shall be entitled to a discount in the amount of 3 percent of the gross amount assessed for such 12 month period. Assessments which are not so prepaid shall be paid on or before the first day of the month with respect to which they are imposed. In the event that a person shall acquire a unit or his unit shall first become subject to assessment during the course of a calendar month, his first assessment shall come due on the first day of the following month. New owners shall be jointly and severally liable for the payment of any assessments which remain unpaid at the time of their acceptance of legal title to a unit in The Ridge at Indian Ford.

6.3 INCREASE IN MAXIMUM AMOUNT OF ASSESSMENT. In the event that the Board shall deem the general fund to be inadequate for the purposes for which it is to be maintained, taking into account the need for reasonable and necessary reserves for major maintenance, replacement of common facilities, depreciation, and contingencies, the annual assessment may be increased above the maximum specified in Section 6.1 provided that such increase shall have been approved in writing by 60 percent of the owners who vote with respect to such assessment. Such approval shall be valid only where votes shall have been cast by at least one-half of those owners eligible to vote or their duly authorized proxies.

6.4 SPECIAL ASSESSMENTS. In the event that the Board deems it to be to the advantage of the owners to impose a special assessment to provide funds for a special project or purpose, to repay a loan, to pay the costs, expenses and professional fees projected or actually incurred in enforcing or defending any action on behalf of the Association, or to meet an unanticipated need, it may impose such a special assessment, provided that the

amount of the assessment and the purpose for which it will be imposed shall be approved in writing by 60 percent of the owners who vote with respect to such assessment. Such approval shall be valid only where votes shall have been cast by at least one-half of those owners eligible to vote or their duly authorized proxies. All special assessments shall be applied uniformly to all units. In the event that such an assessment is imposed, the Board shall segregate the same in a special account and shall use the same only for the purposes of such special assessment.

6.5 JOINT AND SEVERAL LIABILITY. If a unit's ownership is comprised of more than one person, each shall be jointly and severally liable for any and all assessments and charges.

6.6 GENERAL FUND. The Association shall keep all monies which it may collect from assessments other than special assessments together with all other monies which it is required to add to the general fund pursuant to the provisions hereof, or of any The Ridge at Indian Ford Declaration, in a separate fund to be called the "general fund" and shall use the monies in the general fund only for the following purposes:

(a) Payment of the cost of acquiring, developing, maintaining, and improving private ways, common areas, recreational and other facilities on common areas and elsewhere, special use areas, and Association-owned recreational or service areas available for use by all of the owners.

(b) Payment of taxes and assessments levied against private ways, common areas, special use areas, Association-owned semipublic recreational or service areas and resort properties, and the improvements thereon.

(c) Payment of the cost of providing security patrol, police services, fire prevention and control, utilities, and garbage and trash disposal services, if provided.

(d) Payment of the cost of insurance, including but not limited to, insurance protecting the Association, its directors, officers, and committees, against liability arising out of their function and activities in the administration of the Ridge.

(e) Payment of the cost of enforcing the provisions contained in the Master Plan, the Ridge at Indian Ford Rules and Regulations, Architectural Review Committee Rules and Regulations, and the covenants and provisions contained in any Ridge Declaration.

(f) Payment of the reasonable expenses and fees of the Board, Architectural Review Committee, and such other special committees as shall from time to time be appointed to serve the Association.

(g) Payment for other services or facilities which the Board deems to be of general benefit to the owners.

(h) Payment of costs incurred in collecting assessments.

(i) Payment of any expense reasonably incurred by the Board in carrying out any function for which it has been given responsibility hereunder.

Included among the monies which are to be paid into the general fund are all regular assessments, penalties, fees for access to the Ridge and for the use of recreational or service facilities located on common areas or on Association-owned recreational or service areas, revenues from leases of special use areas, Architectural Review Committee fees, interest on amounts payable into the general fund, and payments to reimburse the Association for monies expended from the general fund.

6.7 ANNUAL ACCOUNTING. Within a reasonable period of time following the close of each calendar year, the Association shall render to each owner an accounting which shall set forth the amount and nature of all income and all disbursements during such year together with a statement of the assets and liabilities of the Association at the close of such year. The Association shall maintain records of all income and disbursements, which records shall be open to inspection by any owner at any reasonable time during normal business hours.

SECTION 7. THE RIDGE AT INDIAN FORD ASSOCIATION

The Ridge at Indian Ford Association was incorporated in 1991 as a nonprofit corporation under the general nonprofit corporation laws of the state of Oregon. The Bylaws of the Association, among other things, provide for the voting rights of the members of the Association. Where title to a single unit is vested in two or more owners, the owners shall be required to designate in writing to the Association that single owner empowered to exercise the voting right attaching to that unit. Such representation in the Association shall commence, exist, and continue simply by virtue of the member's ownership of said unit, shall expire automatically upon the termination of such ownership, and need not be separately confirmed or evidenced by any certificate or acceptance of membership.

7.1 POWERS OF THE ASSOCIATION. In addition to such other powers as shall be given to or imposed upon it elsewhere in this Master Plan or any other the Ridge at Indian Ford Declaration, the Ridge at Indian Ford Association, acting by and through its Board of Directors, shall have the following powers:

(a) Construction of such improvements on the private ways, common areas, special use areas, and Association-owned semi-public recreational or service areas and resort properties as it deems will be of benefit to the owners, their lessees and guests.

(b) Maintenance and improvement of all private ways, common areas, special use areas, Association-owned semi-public recreational or service areas and resort properties, and the improvements thereon.

(c) Enforcement of all covenants and restrictions contained in this Master Plan and in any Ridge declaration.

(d) Promulgation and enforcement of the Ridge at Indian Ford Rules and Regulations and the enforcement of both the Architectural Review Committee Rules and Regulations and the decisions rendered by said committee.

(e) Payment of all ad valorem taxes and assessments imposed on any of the private ways, common areas, special use areas, or Association-owned semipublic recreational or service areas and resort properties within the Ridge.

(f) Provision of such services to the owners as it shall deem to be of benefit to the owners.

(g) Procurement and maintenance of property and liability insurance reasonable and necessary to protect the Association's interests in its assets. Such insurance shall also provide appropriate coverage for the directors and officers of the Association while in the performance of their duties on behalf of the owners.

(h) Collection of assessments, fees, and penalties.

(i) Fixing of fees for access to the Ridge and for the use of the recreational and service facilities within the common areas and in the Association-owned semi-public recreational or service areas and resort properties and for the collection thereof.

(j) Upon the determination that there exists on a private area a nuisance or other unattractive or undesirable condition such as a fire hazard, diseased trees, overgrowth of vegetation or the like, which is deemed to be undesirable and not to be in the best interests of the owners generally, the right to request and enforce the correction or removal thereof in accordance with the provisions of paragraph 9.4 hereof.

(k) In addition to the foregoing, all the other powers

granted to nonprofit corporations and to homeowners associations by the Oregon Revised Statutes, as the same may be amended from time to time.

7.2 LIMITATION OF LIABILITY. The Board shall have sole power to determine for which authorized purposes monies in the general fund shall be spent including the power to determine how much shall be held in reserve. The Association shall indemnify to the fullest extent permitted by the Oregon Business Corporation Act any person who has been made, or threatened to be made, a party to an action, suit, or proceeding, whether civil, criminal, administrative, investigative, or otherwise (including an action, suit, or proceeding by or in the right of the Association), by reason of the fact that the person is or was a director or officer of the Association, or serves or served at the request of the Association as director, or officer, of another corporation, partnership, joint venture, or other enterprise.

SECTION 8. ARCHITECTURAL REVIEW COMMITTEE.

8.1 FUNCTION OF ARCHITECTURAL REVIEW COMMITTEE. The Architectural Review Committee shall exercise the functions for which it is given responsibility in any the Ridge at Indian Ford Declaration and in this Master Plan. Generally, this committee will be responsible for the approval of plans and specifications for the development and maintenance of all areas subject to the Master Plan and the formulation, promulgation and enforcement of rules and regulations governing the use and maintenance of all areas subject to the Master Plan and all improvements thereon.

8.2 SCOPE OF AUTHORITY. The Architectural Review Committee Rules and Regulations shall apply equally to all areas subject to the Master Plan. Prior to any final determination by the Board of Directors to exercise its powers under Sections 7.1 (a) and (b), the Board shall refer the proposed construction or improvement to the Architectural Review Committee for its review and comment. The Architectural Review Committee shall consider the matter at its next regularly scheduled meeting or at a special meeting called for that purpose and shall advise the Board of its recommendation.

8.3 MEMBERS. The Architectural Review Committee shall be appointed by the Board of Directors of the Ridge at Indian Ford Association. Members may be removed and replaced at any time by the Board. The Association shall keep on file at its principal office a list of the names and addresses of the members of the Architectural Review Committee. The Declarant or its designated representative shall be a member of the Architectural Review

Committee so long as there are Class B members pursuant to the Bylaws of the Ridge at Indian Ford.

8.4 ACTION. The Architectural Review Committee may render its decisions only by written instrument setting forth the committee's actions taken and the reasons therefor.

8.5 DUTIES AND RULES. The Architectural Review Committee shall consider and act upon all matters properly submitted to it pursuant to the Master Plan. In furtherance of this function, the Architectural Review Committee may from time to time adopt, amend and repeal rules and regulations, to be known as the "Architectural Review Committee Rules and Regulations", establishing its operating procedures and detailing, interpreting, and implementing the provisions of the instruments pursuant to which it is charged with responsibility. The Architectural Review Committee may establish a reasonable fee schedule to offset its costs incurred in considering and acting upon matters submitted to it. Such fees shall be paid into the general fund. A current copy of the Architectural Review Committee Rules and Regulations and schedule of fees shall be kept on file at the principal office of the Association at all times. Such rules shall have the same force and effect as if set forth herein as part of the Master Plan. Any rule, regulation, or fee adopted by the Architectural Review Committee or any waiver of published rules, regulations, and fees shall be subject to approval by the Board.

8.6 NON-WAIVER OR PRECEDENT. Consent by the Architectural Review Committee to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a waiver or precedent impairing its right to withhold approval as to any other matter thereafter proposed or submitted to it for consent.

8.7 LIABILITIES. Neither the Architectural Review Committee nor any member thereof nor any other person assisting in the review process shall be liable to any owner or the Association or any part who has submitted an application to the Architectural Review Committee for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the committee or a member thereof, provided only that the member, in accordance with actual knowledge possessed by him, has acted in good faith.

8.8 RIGHT OF APPEAL. All Architectural Review Committee decisions are subject to appeal utilizing the appeal procedure contained in the committee's published Rules and Regulations. The appeal procedure insures that ultimate responsibility for and authority over all Architectural Review Committee decisions rests with the Board who, by majority vote, may confirm, modify, or reverse any such decision thus appealed.

SECTION 9. EQUESTRIAN FACILITY

9.1 SCOPE OF FACILITY. The Equestrian Facility shall consist of that area so designated on the official plat of The Ridge At Indian Ford, consisting of the stable area and the pasture area. The stable area shall be that area provided for existing or potential future construction of horse stalls. The pasture area shall be that area provided for pasturing of horses by unit owners.

9.2 FACILITY AREA. The Developer has established a site for an equestrian facility with the capacity to include thirty-eight (38) stalls and a tack room. The Developer has agreed to construct, as it determines to be appropriate, a covered (roofed) barn structure without any interior or exterior walls, framing or other improvements. Developer has also agreed to construct a basic tack room as it determines to be appropriate. Developer has also agreed to install standard electrical service and water service to the corner of the covered barn structure. Developer has also agreed to complete pasture area with seasonal irrigation system of approximately eight (8) acres, as the Developer determines to be appropriate. Construction of all stalls shall be the sole responsibility of individual unit owners, with any and all costs associated therewith to be the sole responsibility of the unit owner constructing the stall. The unit owner shall keep the project free of liens and encumbrances and shall indemnify, defend and hold the Association harmless from any liability associated with any construction. All stalls or other improvements, whether by the Developer or unit owner, shall be the property of the Association.

9.3 EQUESTRIAN COMMITTEE. The Equestrian Facility shall be operated by the Equestrian Committee which shall, subject to Board approval, be responsible for adopting plans and specifications and rules and regulations for development, use, operation and maintenance of the Equestrian Facility. The Equestrian Committee shall be appointed by the Board of Directors of the Ridge At Indian Ford Association. Members may be removed and replaced at any time by the Board. To the extent possible, the Board shall endeavor to appoint a majority of the Equestrian Committee from unit owners using the Equestrian Facility. The Association shall keep on file at its principal office a list of the names and addresses of the members of the Equestrian Facility Committee. The Declarant or its designated representative shall be a member of the Equestrian Facility Committee so long as there are Class B members pursuant to the Bylaws of the Ridge At Indian Ford.

9.4 LIMITED FACILITY USE. Unit owners shall be entitled to construct and use, at their sole expense, within the covered barn structure, two (2) stalls per unit. Stall location within the

barn structure shall be on a first come, first serve basis. All stalls shall be approximately twelve feet by twelve feet (12' x 12'). All stalls shall be constructed in a quality manner, maintaining a consistency of appearance and design excellence. Construction of any stall shall be subject to the prior approval of the Equestrian Committee and the Architectural Review Committee. In addition to the two stalls to which a unit owner is entitled, a unit owner may enter into a separate agreement with other unit owners to lease available stall space from another unit owner not developing or using its two (2) allocated stall spaces. Any such agreement may be subject to approval of the Association and shall not subject the Association to any liability on account of such agreement. A unit owner may only have at the Equestrian Facility the number of horses (including foals of less than twelve months old) equal to the number of stalls being used by the unit owner.

9.5 LIMITED OWNER USE. The users of the Equestrian Facility shall be limited to those persons having use of a stall and their immediate family and guests. In no event shall anyone other than a unit owner be entitled to the use of a stall.

9.6 OPERATION EXPENSES. All costs and expense of operation of the Equestrian Facility shall be paid monthly on a prorata basis determined by dividing the actual expenses by the number of stalls actually in use. Actual expenses shall include utilities, ordinary maintenance and repair, management expense, property damage insurance, liability insurance, together with any other expenses reasonably attributable exclusively to the use or operation of the Equestrian Facility. The Association, however, shall be responsible for all costs and expenses associated with fences, watering and general maintenance of the pasture area and, reasonable exterior maintenance of the barn, and fences, excepting any damage directly attributable to the horses being pastured which shall not be attributable to a specific owner. Any additional or extraordinary costs attributable to a specific unit owner shall be paid by that unit owner. All costs and expenses attributable to a unit owner shall be assessed and collected in the same manner as other assessments. Each owner shall be responsible for the care and maintenance of their animals.

9.7 CAPITAL IMPROVEMENTS. The users of not less than 75% of the existing stalls may agree to the expenditure of funds for capital improvements to the Equestrian Facility or major maintenance on the condition that funding is available to make payment in full at the time work is commenced and further contingent upon obtaining approval of the Association Board of Directors, together with any other appropriate permits and approvals.

9.8 LIABILITIES. Neither the Equestrian Facility Committee

nor any member thereof nor any other person assisting in the Equestrian Facility shall be liable to any owner or the Association for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the committee or a member thereof, provided only that the member, in accordance with actual knowledge possessed by him, has acted in good faith.

9.9 INDEMNIFICATION. Unit owners having use of a stall covenant and agree not to sue the Association or its members on account of such use. The unit owners having use of a stall further agree to indemnify, defend and hold harmless the Association and its members from any and all liability arising out of the use of the Equestrian Facility by the unit owner, its immediate family or such other persons using the Equestrian Facility with the permission of the unit owner.

SECTION 10. ENFORCEMENT.

10.1 GENERAL PROVISIONS. The Ridge at Indian Ford Association shall have the right to enforce all covenants, restrictions, conditions, reservations, rules and regulations, liens, and charges now or hereafter imposed by the provisions of the Master Plan or any the Ridge at Indian Ford Declaration. Failure to enforce any of the foregoing shall in no event be deemed a waiver of the right to do so thereafter. Any owner shall have the same right of enforcement, provided that such owner shall have given the Association 90 days' advance notice in writing of his intention to commence such an action and, upon the expiration of the notice period, the Association has not commenced its own independent enforcement action.

10.2 VIOLATION OF A THE RIDGE AT INDIAN FORD DECLARATION BY A NON- QUALIFYING IMPROVEMENT. In the event any owner constructs or permits to be constructed on his unit an improvement contrary to the provisions of The Ridge at Indian Ford Master Plan or the Rules and Regulations of the Association or the Architectural Review Committee, or in the event that an owner maintains or permits any improvement or condition on his unit contrary to the provisions of such Master Plan or the Architectural Review Committee or Rules and Regulations, the Association may, no sooner than 60 days after delivery to such owner of written notice of the violation, enter upon the offending unit and remove the cause of such violation, or alter, repair or change the improvement or condition which is in violation of such declaration, rule, or regulation in such manner as to make it conform thereto. The Association may charge such unit owner for the reasonable cost of the work done by it or performed on its behalf pursuant to this section. Such amounts shall become due and payable upon delivery by the Association to the owner of notice of the amount due, and, upon receipt, shall be paid into the general fund.

10.3 DEFAULT IN PAYMENT OF ASSESSMENTS AND CHARGES. Each assessment, charge, or penalty levied or imposed pursuant to the Master Plan or any Ridge Declaration, together with interest thereon, shall be a separate, distinct and personal debt and obligation of the owner against whom the assessment or charge is levied or imposed or from whom the amount is due. If the owner fails to pay any such assessment, charge, or penalty or any installment thereof when due, the owner shall be in default and the assessment, charge, or penalty not paid together with interest, costs, and attorneys' fees shall become a lien upon the unit(s) owned by the person from whom the assessment, charge, or penalty is due upon the filing by the Association in the records of mortgages of Deschutes County, Oregon, a notice of lien setting forth the amount due and a description of the unit(s) against which the lien is imposed.

10.4 RIGHT OF ENTRY. The Association or any member of the Architectural Review Committee may at any reasonable time, upon reasonable notice, and from time to time at reasonable intervals, enter upon any lot within the Ridge for the purpose of determining whether or not such lot or any improvement thereon is then in compliance with the Master Plan or any Ridge Declaration, or the Rules and Regulations of the Association or the Architectural Review Committee. In no event shall such entry be deemed to constitute a trespass or otherwise create any right of action in the owner or occupant of such unit.

10.5 INTEREST. Any amount not paid to the Association when due shall bear interest from the date due until paid at the rate of 10 percent per annum.

10.6 EXPENSES AND ATTORNEYS' FEES. In the event that the Association shall bring any suit or action to enforce any provision contained in the Master Plan, in any Ridge Declaration, or in the Rules and Regulations of the Association or the Architectural Review Committee or to collect any money due to it thereunder or to foreclose a lien, the defendant in such suit or action shall pay to the Association all costs and expenses which the Association may incur in connection with such suit or action, including a foreclosure title report, and such amount as the court may determine to be reasonable attorneys' fees therein, including attorneys' fees incurred in connection with any appeal from a decision of the trial court or an intermediate appellate court. The Association shall also be entitled to assess and collect any and all costs incurred incident to the collection process even though no formal action or suit is commenced.

10.7 NON-EXCLUSIVENESS AND ACCUMULATION OF REMEDIES. Election by the Association to pursue any remedy shall not prevent concurrent or subsequent exercise of another remedy

permitted by law. The remedies provided in the Master Plan and in any Ridge Declaration or in the Rules and Regulations of the Association or the Architectural Review Committee are not intended to be exclusive but shall be in addition to all other remedies, including actions for damages or suits for injunctions or specific performance available under applicable law.

SECTION 11. TIMESHARE PLANS

11.1 TIMESHARE PROHIBITED. The creation of any timeshare plan with respect to any unit, or any portion thereof, within the Ridge is prohibited.

11.2 VIOLATION. If a violation of the prohibitions set forth in the section should occur, the Association is authorized to withhold from each and every owner of a timeshare interest in such property, including their families, lessees and guests, the right to further use and enjoyment of the common areas so long as the violation continues.

SECTION 12. MISCELLANEOUS PROVISIONS.

12.1 AMENDMENT AND REPEAL. Any provision of this Master Plan may at any time be changed by the The Ridge at Indian Ford Association by amending, repealing, or adding provisions in accordance with the following procedures:

(a) The Board of Directors of the Ridge at Indian Ford Association shall adopt a resolution setting forth the proposed change and directing that it be submitted to a vote of the owners. The owners shall have the same rights of petition relative to amendment of the Master Plan as those set forth herein for amendment of the Ridge at Indian Ford Rules and Regulations.

(b) Written notice setting forth the proposed change, or a summary of the changes to be effected thereby, shall be given to each owner at least 60 days prior to the time of the meeting at which the proposed change is to be considered.

(c) At the meeting of the owners at which the proposed change to the Master Plan is to be considered, the proposed change shall be submitted to a vote of the owners. The proposed change shall be adopted upon receiving two thirds of the votes cast, whether in person, by written ballot, or by proxy, by all of the owners of the Association eligible to vote on such change.

(d) Any such change shall become effective only upon the filing in the records of deeds of Deschutes County, Oregon,

of a certificate of the secretary of the Association setting forth in full the amendment, repeal, or additional provision approved as provided in this section and certifying that said change has been approved in the manner required herein.

12.2 JOINT OWNERS. In any case in which two or more persons share the ownership of any unit, regardless of the form of ownership, the responsibility of such persons to comply with the provisions of the Master Plan and the Ridge at Indian Ford declarations shall be joint and several. The vote or consent of any one or more of such persons shall constitute the vote or consent of the entire ownership interests, provided however, that in the event that such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Association and the vote or right of consent involved shall then be disregarded completely in determining the number of votes or consents given with respect to such matter.

12.3 CONSTRUCTION; SEVERABILITY; NUMBER; CAPTIONS. The Master Plan shall be construed as an entire document to accomplish the purposes detailed in the statement of "OBJECTIVES." Nevertheless, each provision of the Master Plan shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision. As used herein the singular shall include the plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of the Master Plan.

12.4 DISCLAIMER. The amending and filing of this Master Plan shall not be construed to evidence the intention of the Association to become a Planned Community as defined by the Oregon Revised Statutes or to become subject to the provisions applicable to a Planned Community, except only as expressly set forth herein.

12.5 NOTICES. Any notice permitted or required by the Master Plan or any the Ridge at Indian Ford Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed to have been accomplished 24 hours after the notice has been deposited in the United States mail, with postage prepaid, addressed as follows:

238 - 2797

If to the Association or the Architectural Review Committee:

The Ridge at Indian Ford Association
P.O. Box 219
Sisters, Oregon 97759

or to such other address as the Association may designate in the rules and regulations of The Ridge at Indian Ford. If to a unit owner, at the address given by him at the time of his purchase of a unit or at the address of his unit within the Ridge at Indian Ford. The address of any person may be changed by him at any time by notice in writing delivered as provided herein.

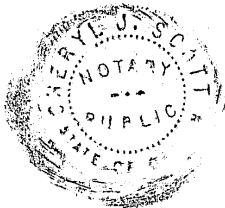
IN WITNESS WHEREOF, the Declarant has caused this Declaration setting forth the Master Plan of the Ridge at Indian Ford Ranch to be executed this 25th day of June, 1991.

BAY RIVER DEVELOPMENT CORP., INC.

Steven E. McGhehey

STATE OF OREGON, County of Deschutes, ss:

On July 1, 1991, the undersigned, a Notary Public in and for said County and State, personally appeared Steven E. McGhehey known to me as President of BAY RIVER DEVELOPMENT CORP., INC., and that he executed the within instrument and acknowledged to me that he executed the same on behalf of said corporation.



Cheryl J. Scott
Notary Public for Oregon
My Commission Expires 6-9-93

STATE OF OREGON) ss.
COUNTY OF DESCHUTES)

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES IN AND FOR
COUNTY OF DESCHUTES, CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

91 JUL -1 PM 4:55

MARY SUE PENHOLLOW
COUNTY CLERK

BY: B. Buck DEPUTY
NO. 91-18559 FEE 1.25
DESCHUTES COUNTY OFFICIAL RECORDS