

When recorded return to:
SCM, Inc
1937 Mountain Quail Drive
Redmond, OR 97756

92-09923

DECLARATION OF RESTRICTIONS
FOR
RIVER SPRINGS ESTATES, P.U.D.

County of Deschutes
State of Oregon

DECLARATION OF RESERVATION, RESTRICTIONS, CONDITIONS, AND COVENANTS covering Lots 1-16 and common areas (Tract A and Tract B) in accordance with the Map recorded in Vol. C, page 631 Plat Map file of the County Clerk, Deschutes County, Oregon hereinafter referred to as RSE, Exhibit "A", attached.

THIS DECLARATION is made as of 5 MARCH, 1992 by SCM, Inc., hereinafter referred to as Declarant.

Declarant is the party having record title interest in the property commonly known as, and referred to herein as, RIVER SPRINGS ESTATES, Exhibit "B", attached. Declarant intends to improve River Springs Estates by (1) providing roads, utilities, and common facilities, and (2) dividing the land into residential lots.

Declarant intends to develop the acreage in one construction phase subject to the jurisdiction of the Association described herein and to the scheme of this Declaration.

Declarant hereby establishes a plan for the individual ownership of each residential lot and ownership by the Association described herein of certain land, improvements, and easements, hereinafter referred to as the "common area".

Declarant has deemed it desirable for the efficient preservation of the values and amenities of the residential lots and the common areas to create an agency known as RIVER SPRINGS ESTATES PROPERTY OWNERS ASSOCIATION, hereinafter referred to as the "Association".

The Association will be delegated and assigned the power to (1) own, maintain, and administer the common areas, (2) administer and enforce the Covenants and Restrictions, and (3) collect and disburse assessments and charges.

Declarant will cause the Association to be incorporated under the laws of the State of Oregon as a non-profit corporation for the

purpose of exercising the above functions. The members of the Association shall be the owners of Lots within River Springs Estates, hereinafter referred to as RSE.

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

It is assumed by the Declarant that the owners of the lots will be motivated to preserve the great natural beauty of the real property through community cooperation and by enforcing not only the letter but also the spirit and intent of the Declarations, it being the intention of the Declarant that the Covenants, Conditions, and Restrictions contained herein shall be understood to be for the purpose of enhancing and protecting the value, desirability, and attractiveness of River Springs Estates.

ARTICLE I

ASSOCIATION

1.1 Association. All of the owners of Lots within River Springs Estates shall be members of the Association and shall be subject to the provisions of the Articles of Incorporation of the Association, Bylaws, this Declaration, and all laws of the State of Oregon pertaining to said Association.

ARTICLE II

COMMON AREAS

2.1 Common Areas. Common areas shall mean and refer to the land, easements, improvements, personal property, and buildings, if any, and any and all other properties owned and maintained by the Association for the benefit and enjoyment of the members of the Association.

2.2 Conveyance. In accordance with Section 8.4 of Article VIII, Declarant shall convey to the Association title to the roadways

and common areas, subject to any reservation of an easement or easements for utilities, including but not limited to, electricity, gas, sewage, telephone, television, and water, which may be determined solely by Declarant to be necessary.

2.3 Maintenance and Improvement. The cost of maintaining and further improving the roadways and common areas shall be shared equally by the Association members as outlined in this Declaration.

2.4 Maintenance. The Association shall maintain the roadways and common areas in a safe and sound manner as specified herein.

(a) Roads. All roads shall be maintained in good condition, and snow shall be removed as authorized by the Board of Directors of the Association.

(b) Common Areas. All common areas shall be maintained in their natural state except that where pedestrian traffic shall be provided for, any improvements, pathways, or other facilities providing for pedestrian traffic shall be kept free and accessible at all times.

2.5 Association Property Rights. Every member of the Association shall have a right and easement of enjoyment in and to the roadways and common areas as defined herein, and such easements shall be appurtenant to and shall pass with the title to every lot, subject, however, to the following provisions:

(a) Dedication. The right of the Association to dedicate or transfer all or any part of the roadways to any public agency, authority, or utility for such purposes and subject to such considerations as may be agreed to by the members. No such dedication shall be effective unless an instrument has been recorded in the appropriate records of Deschutes County, Oregon, signed by the Secretary of the Association evidencing the fact that at least fifty-one per cent (51%) of the members entitled to cast votes have voted approval of the dedication and/or transfer.

(b) Association Rules and Regulations. The Board of Directors of the Association has the right to promulgate reasonable rules and regulations from time to time governing the use of such easements, roadways, and common areas and the exercise of the rights therein by the owners of the Lots, in the interest of securing maximum safe and equitable usage of the roadways and common areas by members of the Association and their invitees and guests.

ARTICLE III

COVENANT FOR MAINTENANCE AND IMPROVEMENT ASSESSMENT

3.1 Assessments. Declarant, for each lot owned by it within RSE and each purchaser of any lot within RSE, by acceptance of a deed

therefor or by execution of a contract of purchase therefor, whether or not it shall be so expressed in any such deed or contract, shall be deemed to covenant and agree to pay the Association assessments as specified in Article VII of this Declaration.

ARTICLE IV

USES PROHIBITED AND PERMITTED

4.1 Use and Occupancy of Private Areas. Each owner shall be entitled to the exclusive use and benefit of each Lot owned by him, except as otherwise expressly provided for herein.

4.2 Open Space. A planned unit development is required by ordinance to maintain 65% of its total area in open space, the stated intent being to preserve, conserve, and protect natural resources. The open space in RSE includes the common areas designated on the plat as Tract A and Tract B and those portions of each individual lot outside a line designated on the plat as the buildable area setback. These areas are collectively referred to hereafter as "Open Space Areas." Activities and uses in the Open Space Areas shall be subject to the covenants, conditions, and restrictions set forth in Section 4.3.

4.3 Open Space Restrictions.

4.3.1 The open space along the Deschutes River, designated as Tract A on the RSE plat, shall be subject to the following covenants, conditions, and restrictions. These covenants, conditions, and restrictions shall burden Tract A, shall be perpetual, and shall run with Tract A. These covenants, conditions, and restrictions shall be enforceable against the owner and any successor in interest to Owner, regardless of however said successor takes title.

4.3.1.1 Subject to the limitations and obligations set forth herein, Tract A shall be used only for recreational purposes and for the preservation and conservation of the existing natural values of the burdened area. Owners shall not use or occupy any portion of Tract A in a manner that would degrade or diminish its natural values. Owners shall affirmatively protect the natural resource value of Tract A, which are identified to be general open space and scenic values, and existing vegetation, including riparian vegetation.

4.3.1.2 Owner shall not place, use, erect, or maintain any structure of any kind, including house trailers or mobile homes.

4.3.1.3 Owner shall not locate tents, travel trailers, or camping facilities of any kind upon Tract A.

4.3.1.4 Owner shall not install above ground utilities or lines upon Tract A.

4.3.1.5 Owner shall not materially alter the general topography or land surface of Tract A, including excavation, road construction, quarrying or removal of rocks, sand, gravel, or oil, except for the construction of trails.

4.3.1.6 Owner shall not dump trash, debris, garbage, or other unsightly material upon Tract A.

4.3.1.7 Owner shall not use motorized vehicles of any kind in Tract A, except as may be necessary to fight fires or undertake restoration work.

4.3.1.8 Owner shall maintain the existing vegetation, including riparian vegetation along the river bank, in its natural state, subject only to pruning, cutting, removing, or otherwise disposing of dead, dying, diseased, or insect-infested vegetation undertaken to maintain the health of the vegetation. In the event that said riparian vegetation is diminished or destroyed by natural or unnatural occurrence, Owner shall perform such restoration work as is necessary to restore said vegetation to its natural state.

4.3.1.9 Owner shall take all necessary precautions to prevent erosion that would result in muddying or silting of the river.

4.3.2 The open space on the north boundary of RSE, designated as Tract B, shall be subject to the following covenants, conditions, and restrictions. These covenants, conditions, and restrictions shall burden Tract B, shall be perpetual, and shall run with Tract B. These covenants, conditions, and restrictions shall be enforceable against the owner and any successor in interest to Owner, regardless of however said successor takes title.

4.3.2.1 Subject to the limitations and exceptions set forth herein, Tract B shall be used only for recreational purposes and for the preservation and conservation of its existing natural values. Owner shall not use or occupy any portion of Tract B in a manner that would degrade or diminish its natural values. Owner shall affirmatively protect the natural resource values of Tract B, which are identified to be general open space and scenic values and natural vegetation.

4.3.2.2 Owner shall not place, use, erect, or maintain any structures of any kind, including house trailers or mobile homes, except as allowed under Section 4.3.2.8 for an equestrian facility.

4.3.2.3 Owner shall not locate tents, travel trailers, or camping facilities of any kind upon Tract B.

4.3.2.4 Owner shall not install above ground utilities or lines upon Tract B.

4.3.2.5 Owner shall not materially alter the general topography of land surface of Tract B, including excavation, road construction, quarrying or removal of rocks, sand, gravel, or oil, except as necessary to construct an equestrian facility, should Owner elect to have such a facility, which facility shall not exceed limitations set forth in Section 4.3.2.8.

4.3.2.6 Owner shall not dump trash, debris, garbage, or other unsightly material in the burdened area.

4.3.2.7 Owner shall not use motorized vehicles of any kind on Tract B, except as necessary for construction, repair, and maintenance of an equestrian facility, for the transport of horses to and from the facility, for firefighting, and for restoration work.

4.3.2.8 Owner shall be allowed to but is not required to construct an equestrian facility, including horse barn, corral, and associated feed and watering equipment. Such equestrian facility shall be approved by the Architectural Control Committee. It may comprise indoor and outdoor riding arenas and a limited parking area for trailers, trucks, and/or automobiles, which parking area may be gravelled but not paved.

4.3.2.9 Except as set forth in this Section 4.3.2, Owner shall maintain existing natural vegetation in its natural state, and in the event that such vegetation is diminished or destroyed by natural or unnatural occurrences, shall perform such restoration work as is necessary to restore such vegetation to its natural state. Owner may prune, cut, remove, or otherwise dispose of all dead, dying, diseased, or insect-infested vegetation necessary to maintain the health of such vegetation.

4.3.3 The open space within each individual platted lot but outside the building setback line, as designated on the plat, shall be subject to the following covenants, conditions, and restrictions. These covenants, conditions, and restrictions shall burden those portions of said individual lots located outside the designated building setback lines (hereafter in section 4.3.3 referred to as "burdened areas"), shall be perpetual, and shall run with the burdened areas. These covenants, conditions, and restrictions shall be enforceable against the owner and any successor in interest to the owners, regardless of however said successors take title.

4.3.3.1 Subject to the limitations and exceptions set forth herein, the burdened areas shall be used only for open space and for the preservation and conservation of the existing natural values of the burdened areas. Owners shall not use or occupy any portion of the burdened areas in a manner that would degrade or diminish the natural values of the burdened areas. Owners shall affirmatively protect the natural resource values of the burdened areas, which are identified to be general open space and scenic values and existing vegetation.

4.3.3.2 Owner shall not place, use, erect, or maintain any structure of any kind, including house trailers or mobile homes on the burdened areas.

4.3.3.3 Owner shall not locate tents, travel trailers, or camping facilities of any kind upon the burdened areas.

4.3.3.4 Owner shall not install above ground utilities or lines upon the burdened areas.

4.3.3.5 Owner shall not materially alter the general topography or land surface, including excavation, location of drain fields and septic systems, road construction, quarrying or removal of rocks, sand, gravel, or oil, except for the construction of driveways and except as necessary to install, repair, and maintain utilities.

4.3.3.6 Owner shall not dump trash, debris, garbage, or other unsightly material in the burdened areas.

4.3.3.7 Owner shall not use motorized vehicles of any kind in the burdened areas, except as necessary to construct, maintain, repair, service, and access the dwelling on each lot to which this restriction is appurtenant.

4.3.3.8 Except as set forth in this Section 4.3.3, Owners shall maintain existing natural vegetation in its natural state, and in the event that such vegetation is diminished or destroyed by natural or unnatural occurrences, shall perform such work as is necessary to restore such vegetation to its natural state. Owners may prune, cut, remove, or otherwise dispose of all dead, dying, diseased, or insect-infested vegetation that is necessary for maintaining the health of vegetation.

4.3.4 Notwithstanding any restriction contained herein, Owners may undertake restoration activity on any Open Space Area or portion thereof to restore natural vegetation.

4.3.5 These Open Space covenants, conditions, and restrictions shall not be subject to repeal, review, or revision by the Property Owners Association under this instrument.

4.3.6 Where these Open Space covenants, conditions, and restrictions are more stringent than other covenants, conditions, and restrictions set forth herein, these Open Space covenants, conditions, and restrictions shall take precedence concerning the Open Space Areas burdened by these Open Space covenants, conditions, and restrictions.

4.4 Construction and Alterations of Improvements. Subject to the provisions of Section 4.3, no person, association, or owner shall construct or reconstruct any improvement on any Lot, make any change in any Lot, whether by excavation, fill, alteration of existing drainage, or cutting or removal of vegetation, shrubs, or trees, install utility, outside antennae or other outside wire on a Lot unless such person, association, or owner shall have first obtained consent thereto of the Architectural Control Committee provided for in Article V hereof.

4.5 Maintenance of Lots. Subject to the provisions of Section 4.3, each Lot and the improvements thereon shall be maintained by the owner thereof in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard.

4.6 Temporary Structures. Temporary structures that have been approved by the Architectural Control Committee shall be permitted to be placed on a Lot during the period of construction of a dwelling house thereon. However, any such temporary structure shall be removed within thirty (30) days after the completion of the dwelling house or one (1) year after the date upon which said temporary structure was placed on said Lot, whichever is earlier. Persons may reside on a Lot during the construction of a dwelling only in approved temporary structures.

4.7 Type of Residence. No residence other than a single family dwelling containing a minimum of 1500 square feet of living area for private use shall be constructed on any Lot, except as otherwise consented to by the Architectural Control Committee, in accordance with Subsection (d) of Section 4.13 of this Article IV.

4.8 Type of Construction. All structures shall be constructed of brick, stone, or wood (or wood product). All roofing material shall have the appearance of wood shingles or tile and shall be made of fireproof material.

4.9 Appearance. All garbage, refuse, trash, cuttings, containers for garbage or refuse, fuel tanks, clothes drying apparatus or lines, and other service facilities shall be screened from view from neighboring lots and common areas in a manner approved by the Architectural Control Committee.

4.10 Signs. No signs shall be placed or kept on a Lot other than a sign ten (10) inches by twenty-four (24) inches of a natural wood material with black lettering stating the name and/or Lot address number. Only signs approved by the Architectural Control Committee shall be used to advertise a Lot for sale.

4.11 Utilities. No above ground utilities, open ditches, or visible pipes or wires shall be used to connect improvements with supplying facilities, except that this provision shall not be applicable to Declarant for utilities previously installed.

4.12 Offensive or Commercial Activities. No offensive or commercial activity shall be carried on in RSE or on any Lot thereon nor shall anything be placed or constructed on any Lot or anything done on a Lot which shall interfere with or jeopardize the enjoyment of the other Lots, common areas, or roadways within RSE.

4.13 View. The height of improvements or added vegetation and trees on a Lot shall not materially restrict the view of other Lot owners. The Architectural Control Committee shall be the sole judge of suitability of such heights. If the Architectural Control Committee determines that there is such restriction of the view of other Lot owner or owners, it shall deliver written notice to the offending owner. If after thirty (30) days the improvement, vegetation, or trees are not removed or reduced in height as directed by the Architectural Control Committee, the Committee shall have the right to authorize its duly appointed agent to enter the offending Lot and complete the removal or reduction and to charge the owner of said Lot the reasonable cost for the work done. This section is not to be read as justification to create views not present when the Lot was originally purchased or to reduce natural growth of trees which shall have been present when the Lot was originally purchased.

4.14 Lighting. No exterior lighting or noise-making devices shall be installed or maintained on any Lot so as to interfere with the enjoyment of other Lots/owners within RSE. All exterior lighting shall require written consent by the Architectural Control Committee prior to the installation thereof.

4.15 General Restrictions. Subject to the provisions of Section 4.3, unless the Architectural Control Committee has consented in writing to a variation, the following general restrictions shall apply:

(a) No Lot, roadway, or part of any common area shall be used as a parking or storage place on a permanent basis for commercial trucks or vehicles, trailers, truck campers, boats, boat trailers, recreational vehicles, snowmobiles, or other off road vehicles. Notwithstanding the foregoing, recreational vehicle

equipment may be stored in outbuildings, garages, or carports approved by the Architectural Control Committee. In addition, the Lot owner or his guests may park a boat trailer, pickup camper, travel trailer, or recreational vehicle on his Lot for a period not to exceed five (5) consecutive days or a total of thirty (30) days per year.

(b) No motorized vehicles other than automobiles, pickup trucks, registered recreational vehicles, and farm equipment may be operated on the Lots and roadways of RSE. This shall be construed to prohibit the use of snow mobiles and all nonregistered and/or off road vehicles within RSE. Section 4.2 applies.

(c) No Lot, roadway, or part of any common area shall be used as a place to burn trash, cuttings, or other items. Barbeque fires are permitted above ground only.

(d) No Lot shall contain more than one dwelling house. However, if under the same ownership and occupied by either employees or relatives of the Lot owner, a second dwelling may be approved by the Architectural Control Committee.

(e) No Lot shall be used as a place to raise domestic or exotic animals of any kind except a reasonable number of household pets, which shall not be kept, bred, or raised for commercial purposes and shall not be permitted to become a nuisance to other Lot owners. Pets shall not be allowed to run free except on the owner's lot. On each of Lots 13, 14, 15, and 16, owners may keep not more than two horses, for personal use and belonging to them, which shall be corralled or stabled on the two acre building site. Section 4.3 applies.

(f) No perimeter fencing of any kind shall be placed on any Lot. Decorative or safety fencing within the two acre building site of each Lot shall be permitted subject to approval of the Architectural Control Committee.

(g) No sale of Lots of RSE except as platted shall be permitted.

(h) No more than twelve (12) months construction time shall elapse for the completion of a permanent dwelling after commencement of said construction.

(i) All driveways shall be composed of gravel or asphalt. Only one driveway shall be permitted per Lot, except that circular driveways shall be permitted where determined by the Architectural Control Committee to be reasonable and appropriate. No driveway shall exceed ten (10) feet in width in the portion of a Lot between the two acre building site and the roadway to which it connects.

- (j) Exposed metal or metal trim on any dwelling or on any other improvement placed on any Lot must be anodized or painted to blend with the exterior colors of each residence and must be nonreflective.
- (k) All landscaping must be approved by the Architectural Control Committee prior to the installation thereof. Landscaping shall not occur on the areas burdened by open space restrictions except pursuant to Section 4.3.4 to improve degraded natural areas.
- (l) Septic tanks and drain fields must meet Deschutes County Health Department standards.
- (m) No firearms of any kind shall be discharged upon any Lot, roadway, or common area within RSE.
- (n) All Lot owners must comply with applicable land use laws and with the laws and regulations of the State of Oregon, County of Deschutes, and Redmond Fire District applicable to fire protection, building construction, and public health.

4.16 Farming Activities. The sixty acre parcel of Odin Falls Ranch P.U.D Phase I adjacent to RSE may be subjected to farming activities.

ARTICLE V

ARCHITECTURAL CONTROL COMMITTEE

5.1 Architectural Control Committee. An Architectural Control Committee is hereby established. It shall consist of four (4) members and initially shall be composed of Carol A. McKee and Samuel C. McKee and two persons to be named by Declarant. The majority of the Committee may designate a representative to act for it. In case of the death or resignation of any members of the Committee, the remaining members shall have authority to designate successors. Neither the members of the Committee nor its designated representative shall be entitled to any compensation for services performed by such member(s). In the event that the deaths or resignations of all members of the Committee shall occur without successors having been appointed, the Board of Directors of the Association shall have authority to designate successors by appropriate vote of the Lot owners. Upon the occurrence of the earlier of the date which is seven (7) years after the date of the first sale of a Lot or the date upon which fifty per cent (50%) of the Lots have been sold, the terms of the initial members of the Architectural Control Committee shall cease and thereafter selection of their successors shall be

made by the Board of Directors of the Association for a term to be decided by said Board. Members may be removed and replaced at any time by the Board of Directors; except that Declarant or its designated representative shall be a member of the Architectural Control Committee so long as there are Class B members pursuant to this Declaration.

5.2 Rules and Regulations. The Committee, subject to approval by the Board of Directors, may make such rules and regulations of general applicability governing the extent to which any of the restrictions provided for herein may be waived or permitted. Notwithstanding the foregoing, said rules and regulations shall not become effective if fifty per cent (50%) or more of the owners of Lots disagree in writing with the proposed rules and regulations within thirty (30) days of receiving written notice thereof.

5.3 Architectural Control Committee Consent. In all cases in which Architectural Control Committee consent is required, the following provisions shall apply:

(a) Application for Approval of Improvements. Any owner, except the Declarant and its designated agents, proposing to perform any work of any kind whatever which requires the prior approval of the Architectural Control Committee in accordance herewith, shall apply to such Committee for approval by notifying the Committee of the nature of the proposed work, said notification to be delivered with the following information, in duplicate, or as directed by the Architectural Control Committee:

- (i) A plot plan of the Lot showing the location of all existing and proposed improvements;
- (ii) Floor plans;
- (iii) Drawing showing all elevations;
- (iv) A description of the exterior materials and color, with color samples if required by the Committee; and
- (v) The owner's proposed construction schedule.

(b) Basis for Approval of Improvement. The Architectural Control Committee shall grant the requested approval only if:

- (i) The owner shall have complied strictly with the provisions of subsection (a) above;
- (ii) the Architectural Control Committee finds that the plans and specifications conform to the RSE restrictions, particularly to the requirements and restrictions of this section, and to the Architectural Control Committee rules in effect at the time such plans were submitted to it; and
- (iii) Members of the Architectural Control Committee, in their sole discretion, find that the proposed improvement would be compatible with the standards of RSE and the purposes of the RSE restrictions as to quality of work-

manship and materials, as to harmony of external design with existing structures, and as to location with respect to topography and finished grade elevation.

(c) Form of Approval. All approvals under subsection (b) shall be in writing; provided, however, that any request for approval which has not been rejected within thirty (30) days from the date of submission thereof to the Committee shall be deemed approved. One set of plans as finally approved shall be retained by the Committee as a permanent record.

(d) Proceeding with Work. Upon receipt of approval from the Committee pursuant to subsection (c) above, the owner shall, as soon as practicable, satisfy all conditions thereof and diligently proceed with commencement and completion of all construction, reconstruction, refinishing, alterations, and excavations pursuant to said approval, said commencement to be, in all cases, within one (1) year from the date of such approval. If the owner shall fail to comply with this subsection, any approval given pursuant to subsection (c) above shall be deemed revoked unless the Committee, upon written request of the owner made prior to the expiration of said one (1) year period, extends the time for such commencement. No such extension shall be granted except upon a finding by the Committee that there has been no change in the circumstances upon which the original approval was granted.

(e) Inspection of Work. Inspection of work and correction of defects therein shall proceed as follows:

(i) Upon the completion of any construction, reconstruction, alteration, or refinishing of the exterior of any improvement, or upon the completion of any other work for which approved plans are required under this article, the owner shall give written notice thereof to the Architectural Control Committee;

(ii) Within thirty (30) days thereafter the Architectural Control Committee, or its duly authorized representative, may inspect such improvement to determine whether it was constructed, reconstructed, altered, or refinished in substantial compliance with the approved plans. If the Committee finds that such construction, reconstruction, alteration, or refinishing was not done in substantial compliance with the approved plans, it shall notify the owner in writing of such noncompliance within such thirty (30) day period, specifying the particulars of noncompliance and shall require the owner to remedy such noncompliance; and

(iii) If for any reason the Architectural Control Committee fails to notify the owner of any noncompliance within thirty (30) days after said receipt of said notice of completion from the owner, the improvement shall be deemed to be in accordance with said approved plans.

5.4 Nonwaiver. Consent by the Architectural Control Committee to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

5.5 Liabilities. Neither the Architectural Control Committee nor any member thereof shall be liable to any owner for any damages, loss, prejudice suffered or claimed on account of any act, or failure to act, by the Committee or any member thereof, provided only that the members, in accordance with actual knowledge possessed by them, have acted in good faith.

ARTICLE VI

PROPERTY OWNERS ASSOCIATION

6.1 Establishment of Association. The Declarant shall establish the RIVER SPRINGS ESTATES PROPERTY OWNERS ASSOCIATION, a non-profit Oregon corporation, in order to provide a means for carrying out this Declaration. Said Association and the members thereof shall be governed by the Articles of Incorporation of the Association, Bylaws, this Declaration, and such other documents governing the operation of the Association as provided by the laws of the State of Oregon.

6.2 Membership. Every owner who is subject by the covenants of record to assessment by the Association as provided for herein shall be a member of the Association. Membership shall terminate upon the transfer of a fee simple title to a Lot or of the contract purchaser's interest by a contract purchaser who qualifies as a member. If an owner sells the Lot by contract of sale, the owner's membership shall terminate and the contract purchaser's membership shall commence.

6.3 Voting Rights. The Association shall have two classes of voting membership:

(a) Class A. Class A members shall be those members defined in section 6.2 of this Article VI with the exception of the Declarant. Class A members shall be entitled to one (1) vote for each Lot in which they hold the interests required for membership by Section 6.2. When more than one person or entity holds such interest or interests in any Lot all such persons or entities shall be members, and the vote for such Lot shall be exercised as they among themselves shall determine, but in no event shall more than one vote be cast with respect to any one Lot.

(b) Class B. The Class B member shall be the Declarant. The Class B member shall be entitled to two votes for each Lot in which it holds the interest required for membership by Section

6.2, provided that Class B membership shall cease and become converted to Class A membership on January 1, 2010. From and after January 1, 2010, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interest required for membership under Subsection (a).

6.4 Duties of the Association. The Association shall have the obligations and duties, subject to and in accordance with this Declaration, to do and perform the following for the benefit of the owners and for the maintenance and improvement of RSE.

(a) Roadways and Common Areas. To accept all roadways and common areas conveyed, leased, or otherwise transferred to it by Declarant or by any other person or organization pursuant to the terms of the RSE Covenants, Conditions, and Restrictions.

(b) Operation of Roadways and Common Areas. To operate and maintain or provide for the operation of maintenance of the roadways and common areas, which are conveyed, leased, or otherwise transferred to the Association and to keep all improvements of whatever kind and for whatever purpose, from time to time, located thereon in good order and repair. To operate and maintain or provide or contract for the operation and maintenance of roadways outside of River Springs Estates which provide access to River Springs Estates, in such manner and upon such terms and conditions, as the Association determines to be appropriate.

(c) Entry for Maintenance Purposes. To enter upon and maintain or provide for the maintenance of any structure or improvement on any Lot which is not maintained by the owner responsible therefor in accordance with the requirements of the RSE Covenants, Conditions, and Restrictions.

(d) Payment of Taxes. To pay all real property taxes and assessments levied upon any property conveyed, leased, or otherwise transferred to the Association, to the extent not assessed to the owners. Such taxes and assessments may be contested or compromised by the Association, provided, however, that they are paid or a bond insuring the payment is posted prior to the sale or other disposition of any property to satisfy the payment of such taxes.

(e) Public Service. To contract for or provide (to the extent adequate services are not provided by a public authority) such services, facilities, and maintenance of quasi-public nature as may be deemed necessary or desirable for the effectuation of the purposes of the RSE Covenants, Conditions, and Restrictions. In connection with the provision of such facilities and services, the Association may contract with or assign its duties to any public authority, governmental body, or special district.

(f) Insurance. To obtain and maintain in force such policies of insurance to provide fire and extended coverage, bodily injury liability, property damage, and indemnity or other bonds as the Association shall deem necessary or expedient to carry out its functions as set forth in this Declaration.

(g) Rule Making. To make, establish, promulgate, amend, and repeal the RSE Rules and Regulations.

(h) Architectural Control Committee. To appoint and remove members of the Architectural Control Committee, subject to the limitation of Article IV, and to insure that at all reasonable times there is available a duly constituted and appointed Architectural Control Committee.

(i) Enforcement of Restrictions and Rules. To take such other action, whether or not expressly authorized by the RSE Covenants, Conditions, and Restrictions, as may be reasonably necessary to enforce the RSE Covenants, Conditions, and Restrictions, the RSE rules and regulations, and the Architectural Control Committee's Rules and Regulations.

(j) Other. To carry out the duties of the Association set forth in other sections of this Declaration.

6.5 Powers and Authority of the Association. The Association shall have all of the powers of a non-profit corporation organized under the laws of the State of Oregon and operating for the benefit of its members, subject only to such limitations upon the exercise of such powers as are expressly set forth in the Articles of Incorporation of the Association and in this Declaration. It shall have the power to do and perform any and all lawful things which may be authorized, required, or permitted to be done by the Association under and by virtue of this Declaration, and to do and perform any and all acts which may be necessary or proper for, or incidental to, the exercise of any of the express powers of the Association or for the peace, health, comfort, safety, or general welfare of the owners. Without in any way limiting the generality of the foregoing, the Association shall have the power and authority at any time:

(a) Recreational Fees. To charge such fees for the use of recreational facilities as the Board of Directors may deem necessary or desirable.

(b) Right of Entry and Enforcement. To enter upon any Lot, without liability to any owner, for the purpose of enforcing any of the provisions of the Declaration, for the purpose of maintaining and repairing any such area, if for any reason whatsoever the owner thereof fails to maintain and repair such

area as is required by this Declaration. The Association shall also have the power and authority, from time to time, in its own name, on its own behalf or on the behalf of any owner or owners that consent thereto, to commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of the RSE Covenants, Conditions, and Restrictions as set forth in this Declaration, and to enforce, by mandatory injunction or otherwise, all of the provisions of this Declaration.

(c) Easements and Rights of Way. To grant and convey to any third party easements, rights of way, parcels or strips of land, in, on, over, or under any roadway or common area conveyed, leased, or otherwise transferred to the Association, for the purpose of constructing, erecting, operating, or maintaining thereon, therein, and thereunder (1) roads, streets, walks, driveways, parkways, and park areas, (2) underground wires and conduits or other devices for the transmission of electricity for lighting, heating, power, telephone, and other purposes, (3) public sewers, storm water drain pipes, water systems, heating and gas lines or pipes, and (4) similar public or quasi-public improvements or facilities.

(d) Employment of Agents. To employ the services of a manager or other employee(s) to manage and carry out the affairs of the Association, and to the extent not inconsistent with the laws of the State of Oregon and upon such conditions as are otherwise deemed advisable by the Association, to delegate to the manager any of its powers.

6.6 The RIVER SPRINGS ESTATES Rules and Regulations

(a) Rule-making Power. The Board of Directors of the Association may, from time to time, and subject to the provisions of the Covenants, Conditions, and Restrictions described in this Declaration, adopt, amend, and repeal rules and regulation to be known as the "RIVER SPRINGS ESTATES Rules and Regulations", governing, among other things, use of roadways and common areas under vehicular travel, restrictions on the type or types of vehicles which may be permitted to use the roadways and common areas, and restrictions on the maintenance of landscaping or other improvements on any property which obstruct the vision of motorists or create a hazard for vehicular or pedestrian traffic.

(b) Recordation of Rules and Regulations. A copy of the said Rules and Regulations, as they may from time to time be adopted, amended, or repealed, shall be mailed or otherwise delivered to each owner, and may be recorded. Whether or not recorded, said Rules and Regulations shall have the same force and effect as if they were set forth and were a part of this Declaration.

6.7 Liability of Members of the Board. No member of the Board of Directors shall be personally liable to any owner or to any

other person, including Declarant, for any error or omission of the Association, its representatives, and employees, provided that such member has, upon the basis of such information as may be possessed by him, acted in good faith.

6.8. Amendment. The provisions of this Article VI shall not be amended without the vote or written consent of a four-fifths (4/5) majority of all of the owners.

ARTICLE VII

FUNDS AND ASSESSMENTS

7.1 Operating Fund. There shall be an operating fund into which the Association shall deposit all monies paid to it as (1) operation and maintenance assessments; (2) special assessments; (3) miscellaneous fees; and (4) income and profits attributable to the operating fund, and from which the Association shall make disbursements in performing the functions for which the foregoing assessments are levied. An annual statement shall be distributed to all members of the RSE Property Owners Association.

7.2 Operation and Maintenance Assessment.

(a) Regular Assessment. At least thirty (30) days prior to the commencement of each fiscal year the Board of Directors shall estimate the costs and expenses to be incurred by the Association during such fiscal year in performing its functions as described in this Declaration (including a reasonable provision for contingencies and replacements) and shall subtract from such estimation an amount equal to the estimated balance (exclusive of any reserves) in the operating fund at the start of such fiscal year that is attributable to operation and maintenance assessments for the proper fiscal year. The sum or net estimate so determined shall be assessed to the owners of Lots as an operation and maintenance assessment by dividing the total estimate by the total number of Lots and assessing the resulting amount to the owner of each Lot.

(b) Additional Assessments. If at any time during the fiscal year the maintenance assessment proves inadequate for any reasons, including nonpayment of any owner's share thereof, the Board may levy a further assessment in the amount of such actual or estimated inadequacy, which amount shall be assessed to the owners individually in the manner set forth in Subsection (a) above. If at any time the Board determines it to be appropriate to operate and maintain or provide or contract for the operation and maintenance of roadways outside of River Springs Estates which provide access to River Springs Estates, the Board may levy a further assessment in the amount of such actual or estimated

costs and expenses to cover such operation and maintenance, which amount shall be assessed to the owners individually in the manner set forth in Subsection (a) above.

(c) Initial Annual Assessment. The first annual assessment will be levied in 1992 and will not exceed twenty-five dollars (\$25) per lot. Said first annual assessment shall be due upon the purchase of the Lot by the owner thereof. Each year thereafter, the amount and due date of the annual assessment will be determined by the Board of Directors of the Association and promptly communicated to the owners in writing at least thirty (30) days prior to said due date.

7.3 Special Assessments for Capital Improvement. In addition to the annual assessments specified in Section 7.2 above, the Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying in whole or in part the cost of any improvements on the property owned by the Association. Any such special assessment that exceeds five thousand dollars (\$5000.00) in cost in the aggregate in any assessment year shall require the affirmative vote of the majority of the members who are entitled to vote, voting in person or by proxy, at a meeting duly called for this purpose after thirty (30) days advance, written notice. At the meeting, the presence of members or of proxies entitled to cast sixty per cent (60%) of all the votes of the membership of the Association shall constitute a quorum. If a quorum is not present in person or by proxy, a new meeting may be called by the Directors. If at least two (2) meetings have been called for the purpose of approval of a special assessment in which a quorum has not been present in person or by proxy, a quorum shall be deemed to be present at the third or any subsequent such meeting called by the Directors for such purpose if any member shall be present in person or by proxy.

7.4 Uniform Rate of Assessment. Both annual and special assessments for operation and maintenance shall be assessed at a uniform rate per Lot or fraction thereof owned by any member, and such assessments may be collected on an annual, quarterly, or monthly basis at the discretion of the Board of Directors of the Association.

7.5 Enforcement of Assessments. Each assessment levied hereunder shall be a separate, distinct, and personal debt and obligation of the owner or owners of the Lot or Lots against which the same is assessed. In the event of a default in payment of any such assessment and in addition to any other remedies herein or by law provided, the Association may enforce each such obligation by either of the following procedures:

(a) Enforcement by Suit. The Association may bring a suit at law to enforce each such assessment obligation. Any judgement rendered in any such action shall include a sum for reasonable attorney's fees and such amount as the court may adjudge against the defaulting owner.

(b) Enforcement by Lien. A any time within ninety (90) days after the occurrence of any such default, the Association may make a demand for payment to the defaulting owner. Said demand shall state the date and amount of the delinquency. If such delinquency is not paid within ten days after delivery of such notice, the Association may elect to file a claim of lien against the Lot of such delinquent owner. Such claim of lien shall state (1) the name of the delinquent owner; (2) the legal description and street address of the Lot against which claim of lien is made; (3) the amount claimed to be due and owing (without any proper offset allowed); (4) that the claim of lien is made by the Association pursuant to the terms of the RSE Covenants, Conditions, and Restrictions contained in this Declaration; and (5) that a lien is claimed against the Lot in an amount equal to the amount of the stated delinquency.

Upon recordation of a duly executed original or copy of such claim of lien by the recorder of the county in which the lot is located, the lien claimed therein shall immediately attach and become effective subject only to the limitations hereinafter set forth. Each default shall constitute a separate basis for a claim of lien or a lien. Any such lien may be foreclosed by appropriate action in court or in the manner provided by law for foreclosure under the laws of the State of Oregon as the same may be amended. In the event such foreclosure is by action in court, reasonable attorney's fees shall be allowed to the extent permitted by law.

(c) Assessment Certificate. A certificate executed under penalty of perjury by any two members of the Board of Directors of the Association and acknowledged by one of them shall be conclusive upon the Association and the owners in favor of any and all persons who rely thereon in good faith as to the matters therein contained, and any owner shall be entitled to such certificate setting forth the amount of any due and unpaid assessment with respect to his Lot (or the fact that all assessments due are paid if such is the case) within ten days after demand therefor and upon payment of a reasonable fee not to exceed ten dollars (\$10.00).

7.6 Subordination of the Lien to Mortgages. The lien of assessments provided for herein shall be inferior, junior, and subordinate to the lien of all mortgages and trust deeds now placed upon said property or any part thereof. Sale or transfer of any Lot that is subject to any mortgage or trust deed pursuant

to a decree of foreclosure under this mortgage or any proceeding in lieu of foreclosure thereof shall extinguish the lien of such assessments as to the amounts thereof which became due prior to such sale or transfer; and such lien shall attach to the net proceeds of the sale, if any, remaining after such mortgages or other prior liens and charges have been satisfied. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE VIII

MISCELLANEOUS PROVISIONS

8.1 Duration of Restrictions. The Covenants, Conditions, and Restrictions contained in this Declaration shall continue and remain in full force and effect at all times with respect to all property included within RSE, the owners, and the Association (subject, however, to the right to amend and repeal as provided for in Section 8.2, below) until January 1, 2010. However, unless within one (1) year prior to January 1, 2010, an instrument directing the termination of the Covenants, Conditions, and Restrictions contained in this Declaration is signed by the owners of not less than two-thirds (2/3) of the Lots and is recorded, the Covenants, Conditions, and Restrictions contained in this Declaration, as in effect immediately prior to the expiration date, shall, subject to the provisions of Section 8.2, below, continue in effect automatically for successive periods of twenty (20) years unless within one (1) year prior to the expiration of such period the Covenants, Conditions, and Restrictions contained in this Declaration are terminated as set forth in this Section 8.1 of Article VIII.

8.1.1 Duration of Open Space Restrictions. Notwithstanding any other provisions contained herein, the Open Space covenants, conditions, and restrictions set forth in Section 4.3 of this instrument shall be perpetual in duration. Said restrictions shall be extinguished only upon declaration by a judicial or administrative body having subject matter jurisdiction that the use for which Deschutes County permits CU-91-82 and TP-91-758 was granted has been abandoned.

8.2 Amendment of Restrictions. Except as otherwise provided in this Declaration, the Covenants, Conditions, and Restrictions contained herein may be amended or repealed at any time by complying with the following requirements:

(a) The vote or written consent of three-fifths (3/5) majority of the Board of Directors approving the proposed amendment or repeal;

(b) Recordation of a certificate of the Secretary or an Assistant Secretary of the Association setting forth in full the amendment or repeal and certifying that said amendment or repeal has been approved by a three-fifths (3/5) majority of the Board;

(c) Written consent of the owners evidenced by recordation of a written instrument setting forth in full said amendment or repeal and executed by owners owning not less than three-fourths (3/4) of the residential Lots within RSE.

(d) For a period of twenty (20) years from the date of this Declaration, the written consent of the Declarant which may be evidenced by Declarant's joining in the execution of the instrument required by Subsection (c) above.

8.2.1 The Open Space covenants, conditions, and restrictions set forth in Section 4.3 shall not be subject to amendment or revision.

8.3 Enforcement and Nonwaiver.

(a) Right of Enforcement. Except as otherwise provided herein, Declarant, the Association, or any owner or owners shall have the right to enforce any and all of the Covenants, Conditions, and Restrictions now or hereafter imposed by this Declaration, as amended, upon the owners or upon any property within RSE.

(b) Violations and Nuisance. Every act or omission whereby a Covenant, Condition, or Restriction contained in this Declaration is violated, in whole or in part, is hereby declared to be a nuisance and may be enjoined or abated, whether or not the relief sought is for negative or affirmative action, by Declarant, the Association, or an owner or owners. However, any other provision to the contrary notwithstanding, only the Declarant, the Board of Directors, or their duly authorized agents may enforce by self-help any Covenant, Condition, or Restriction herein set forth.

(c) Violation of Law. Any violation of any state, county, municipal, or local law, ordinance, or regulation pertaining to the ownership, occupation, or use of any property within RSE is hereby declared to be a violation of the Covenants, Conditions, and Restrictions contained herein and subject to any and all of the enforcement procedures herein set forth.

(d) Enforcement of Open Space Covenants, Conditions, and Restrictions. Notwithstanding any other provision contained herein, the Open Space covenants, conditions, and restrictions set forth herein may be enforced by Deschutes County or pursuant to ORS 215.185 (1991 Oregon Revised Statutes) or any similar provision of state law by any member of the public whose interest in real property is or may be affected (hereafter interested

party) as if said provisions were an explicit condition of approval of the River Springs Estates development.

In the event that Deschutes County or any interested party determines that Owners are in violation of any of the terms of the Open Space covenants, conditions, and restrictions, then Deschutes County or such interested party shall give written notice to Owners of such violation and demand corrective action to cure the violation and, where the violation involves injury to a described Open Space Area resulting from any use or activity inconsistent with the purpose of said covenants, conditions, and restrictions, to restore the portion of the described open space injured. If Owner fails to cure the violation within thirty (30) days after receipt of notice thereof from Deschutes County, or under circumstances where the violation cannot reasonably be cured within the thirty day period, fails to begin curing such violation within the thirty day period, or fails to continue diligently to cure such violation until finally cured, Deschutes County or any interested party may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of the Open space covenants, conditions, and restrictions, to enjoin the violation, ex parte as necessary, by temporary or permanent injunction, and to abate any condition created on the Property in violation of the Open Space covenants, conditions, and restrictions.

Any costs incurred by Deschutes County in enforcing the terms of the Open Space covenants, conditions, and restrictions against Owner, including without limitation, costs of suit and attorney fees shall be borne by Owner.

Enforcement of the terms of the Open Space covenants, conditions, and restrictions shall be at the discretion of Deschutes County and any interested party, and any forbearance by Deschutes County or such interested party to exercise its rights under the Open Space covenants, conditions, and restrictions in the event of any breach of terms of the Open Space covenants, conditions, and restrictions shall not be deemed or construed to be a waiver by Deschutes County or any interested party of such terms or any subsequent breach of the same or any other term of the Open Space covenants, conditions, and restrictions. No delay or omission by Deschutes County or any interested party in the exercise of any right or remedy upon any breach by Owner will impair such right or remedy or be construed as a waiver.

Deschutes County shall have the right, in connection with enforcement of the Open space covenants, conditions, and restrictions, to enter upon the Open Space Areas described herein at reasonable times in order to monitor Owner's compliance with and otherwise enforce the terms of the Open Space covenants, conditions, and restrictions; provided that such entry shall be upon prior reasonable notice to Owner and Deschutes County shall not unreasonably interfere with Owner's use and quiet enjoyment of the Open Space Areas.

Enforcement actions under the Open Space covenants, conditions, and restrictions may be taken only against an Owner having title to the Open Space areas and any person having a possessory right under such an Owner.

Violation of any covenant, restriction, or obligation concerning any Open Space Area burdened by open space restrictions set forth in Paragraph 4.3 shall constitute a nuisance pursuant to the Deschutes County Code. Violation of any covenant, restriction, or obligation concerning any Open Space Area shall constitute a violation of the Deschutes County Code.

Enforcement under this paragraph shall be cumulative with any other enforcement option set forth herein.

(e) Remedies Cumulative. Each remedy provided by this Declaration, as amended, is cumulative and not exclusive.

(f) Nonwaiver. The failure to enforce the provisions of any Covenant, Condition, or Restriction contained in this Declaration shall not constitute a waiver of any right to enforce any such provisions of said Declaration.

8.4 Transfer of Roadways and Common Areas.

(a) Transfer. At any time, Declarant may, subject to the applicable provisions of Section 4.3, convey, lease, or otherwise transfer to the Association, and the Association must accept the roadways and common areas subject to the following:

(i) The lien of property taxes and assessments not delinquent;

(ii) Such easements and rights of way on, over, or under all or any part thereof as may be reserved to Declarant or granted to any owner or other person;

(iii) Such easements and rights of way on, over, or under all or any part thereof as may be reserved to Declarant for maintenance or improvement of any roadway or common area contiguous to such areas;

(iv) Such easements and rights of way on, over, or under all or any part thereof as may be reserved to Declarant or granted to or for the benefit of any person, governmental entity, private or public corporation, or other organization or any Lot, for the purpose of constructing, erecting, operating, and maintaining thereon, therein, and thereunder, at that time or at any time in the future:

(a) roads, streets, walks, driveways, parkways, and park areas;

(b) underground wires, conduits, and other necessary attachments for the transmission of electricity for lighting, heating power, telephone, television, and other purposes;

(c) public sewers, sewer disposal systems, storm water drains, land drains and pipes, water systems, heating and gas lines or pipes, and any and all equipment in connection therewith;

(v) The obligation imposed, directly or indirectly, by virtue of any statute, law, ordinance, resolution, or regulation of the United States of America, State of Oregon, or any other political subdivision or public organization having jurisdiction over such property; and

(vi) Any other lien, encumbrance (including deeds of trust) or defective title of any kind whatsoever which would not materially prejudice the owners in their use and enjoyment of such property.

(b) Common Areas Prior to Transfer. Prior to the time that any real property constituting part of RSE that is owned by Declarant, including roadways and common areas, is transferred to the Association by the Declarant, the Declarant shall be obligated to maintain such real property, and owners shall have a license to use such property but only to the extent that such obligation would exist and such use would be permitted if such property had been transferred to the Association.

8.5 Condemnation of Common Areas. If at any time all or any portion of the common areas or any interest therein be taken for any public or quasi-public use, under the statute, by right of eminent domain, or by private purchase in lieu of eminent domain, the entire award and condemnation shall be paid to the holder or holders of the fee title to such area as their interest may appear. Any such award to the Association shall be deposited into the operating fund. No owner shall be entitled to any portion of such award, and no owner shall be entitled to participate as a party, or other-wise, in any proceedings relating to such condemnation, such right of condemnation being herein reserved exclusively for the Association or other holder of the fee title which shall, in its name alone, represent the interests of all of the owners to the extent such owners have any interest at all.

8.6 Obligation of Owners. No owner may avoid the burdens or obligations imposed on him by the Covenants, Conditions, and Restrictions contained in this Declaration through non-use of any roadways or common areas or by the abandonment of his Lot. Upon the conveyance, sale, assignment, or other transfer of a Lot to a new owner, the transferring owner shall not be liable for an assessment levied with respect to such Lot after the date of such transfer, and no person, after the termination of his status as owner and prior to his again becoming an owner, shall incur any of the obligations or enjoy any of the benefits of a owner under this Declaration.

8.7 Delivery of Notices and Documents. A notice or other document relating to or required by this Declaration may be delivered either personally or by mail. If by mail, it shall be deemed to have been delivered twenty-four (24) hours after a copy of same has been deposited in the United States mail, postage prepaid, addressed as follows: if to the Declarant, Association, or Architectural Control Committee, at 1937 Mountain Quail Drive, Redmond, Oregon 97756; if to any owner to the address of any Lot within RSE owned in whole or in part by him; provided, however, that such address may be changed by the Association by recording a notice of change of address and by an owner, the Architectural Control Committee, or Declarant by notice in writing delivered to the Association.

8.8 Construction and Severability; Singular and Plural; Titles.

(a) Restrictions Construed Together. All of the Covenants, Conditions, and Restrictions contained in this Declaration shall be liberally construed together to promote and effectuate the fundamental concepts of RSE set forth in the preamble of this Declaration.

(b) Restrictions Severable. Notwithstanding the provisions of Subsection (a) above, the Covenants, Conditions, and Restrictions contained in this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion thereof shall not affect the validity or enforceability of any other provision.

(c) Singular Includes Plural. The singular shall include the plural and the plural the singular unless the context requires the contrary, and the masculine, feminine, or neuter gender shall each include the masculine, feminine, and neuter gender as the context requires.

(d) Captions. All captions or titles used in this Declaration are intended solely for convenience of reference and shall not affect that which is set forth in any of the terms or provisions of this Declaration.

8.9 Signature by the Board County Commissioners. Signature by the Board of County Commissioners is solely for the purpose of accepting the open space area covenants, conditions, and restrictions as fulfillment of certain conditions of Declarant's land use approval for the RSE plat. The Board by its signature does not otherwise indicate that these Covenants, Conditions, and Restrictions comply with applicable state and local land use laws.

IN WITNESS WHEREOF, the undersigned Declarant has executed
this Declaration this 5th day of MARCH, 1992.

SCM, INC.

Samuel C. McKee
SAMUEL C. MCKEE
Secretary/Treasurer

STATE OF OREGON)
)
County of Deschutes)

The foregoing instrument was acknowledged before me
this 5th day of March, 1992, by SAMUEL C. MCKEE,
Secretary/Treasurer of SCM, INC., on behalf of the corporation.

Barbara Duncanson
Notary Public for Oregon
My Commission expires: 10-16-92



DATED this 30th day of March, 1992.

BOARD OF COUNTY COMMISSIONERS
OF DESCHUTES COUNTY, OREGON

TOM THROOP, Commissioner

NANCY POPE SCHLANGEN, Commissioner

DICK MAUDLIN, Chairman

ATTEST:

Andrea L. Blum
Recording Secretary

STATE OF OREGON)
): ss.
County of Deschutes)

Dated: March 30, 1992

The foregoing instrument was acknowledged before me by TOM THROOP,
NANCY POPE SCHLANGEN and DICK MAUDLIN.

Andrea L. Blum
Notary Public for Oregon
My Commission expires: 10-9-92



The undersigned Mortgagees covenant for themselves and for any future assignees that with respect to mortgages and land sale contracts in which each Mortgagee currently holds a mortgagee's interest or land sales contract vendor's interest in any property covered by the RSE plat, such mortgagees' and land sale contract vendor's interests are subject to and subordinate at all times to the Open Space covenants, conditions and restrictions and the rights of Deschutes County and/or any Interested Parties to enforce the provisions of those Open Space covenants, conditions and restrictions. Mortgagees specifically covenant that the Open Space covenants, conditions and restrictions shall not be extinguished in the event that any Mortgagee exercises its right to foreclose its security interest or otherwise looks to the Property as a remedy for a breach of the obligations secured by the mortgage or land sale contract vendor's interest in the property.

Those mortgages and land sale contract interests are identified as follows:

Mortgage dated April 19, 1978, and recorded April 26, 1978 in Deschutes County Records Book 243, Page 346, between Bill Mayfield, as Mortgagor, and Deschutes-Odin Falls Ranch, as Mortgagee, as it may have been subsequently corrected and assigned of record (hereafter referred to as "Deschutes-Odin Falls Mortgage #1").

Mortgage dated June 1, 1978 and recorded June 2, 1978 in Deschutes County Records Book 246, Page 073 between William R. Mayfield and Robert H. Mayfield, tenants in common, as Mortgagor and Bill Mayfield as Mortgagee, as it may have been subsequently corrected and assigned of record (hereafter referred to as "Deschutes-Odin Falls Ranch Mortgage #2").

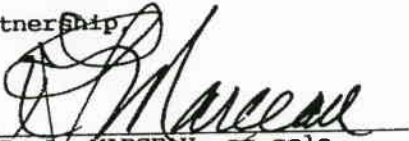
Mortgage dated December 16, 1979 and recorded on January 14, 1980, in Book 284, page 377, between a tenancy in common including William R. Mayfield and Robert H. Mayfield, William A. Anderson and Cheryl L. Anderson, and Anderson Land and Cattle Company, as Mortgagor, and William R. Mayfield and Robert H. Mayfield, as tenants in common, as Mortgagees, as it may have been subsequently corrected and assigned of record, hereafter referred to as "Odin Falls Ranch Mortgage").

Land Sale Contract, dated March 8, 1991 and recorded March 11, 1991, in Deschutes County Records Book 230, page 190, between Odin Falls Ranch, Vendor, and S.C.M., Inc., an Oregon corporation, as Vendee, as it may have been subsequently corrected and assigned of record (hereafter referred to as "Odin Falls Ranch Land Sale Contract").

By their signatures to this Agreement, the current holders of the mortgagee's interest affirm their mortgagee's and/or land sale contract vendor's interests under the mortgages and land sale contracts identified above and, if signing in other than a

personal capacity, affirm their authority to bind their respective principals."

DESCHUTES-ODIN FALLS RANCH, a
partnership

By: 

R. L. MARCEAU, as sole
successor trustee for the
owners of Deschutes-Odin
Falls Ranch

For: Deschutes-Odin Falls
Mortgage #1


WILLIAM R. MAYFIELD

For: Deschutes-Odin Falls
Ranch Mortgage #2
Odin Falls Ranch
Mortgage
Odin Falls Ranch Land
Sale Contract


ROBERT H. MAYFIELD

Deschutes-Odin Falls
For: Deschutes-Odin Falls
Mortgage #2
Odin Falls Ranch
Mortgage
Odin Falls Ranch
Land Sale Contract

STATE OF OREGON)
 : ss.
County of Deschutes

The foregoing instrument was acknowledged before me this 25th
day of March, 1992, by R. L. MARCEAU, as sole successor

trustee for the owners of Deschutes-Odin Falls Ranch.

Larry M. Greathouse
Notary Public for Oregon
My Commission Expires: 4-13-94

STATE OF OREGON)
County of Deschutes ss.

The foregoing instrument was acknowledged before me this 24
day of March, 1992, by WILLIAM R. MAYFIELD.

Donald J. Lee
Notary Public for Oregon
My Commission Expires: 2/11/94

STATE OF OREGON)
County of Deschutes ss.

The foregoing instrument was acknowledged before me this 24
day of March, 1992, by ROBERT H. MAYFIELD.

Donald J. Lee
Notary Public for Oregon
My Commission Expires: 2/11/94

RE26:McKee

STATE OF OREGON)
COUNTY OF DESCHUTES) ss.

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

92 APR -1 AM 9:49

MARY SUE PENHOLLOW
COUNTY CLERK

BY. B B Bink DEPUTY
92-09923
NO. FEE 155
DESCHUTES COUNTY OFFICIAL RECORDS