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AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE RIDGE AT EAGLE CREST

THIS AMENDMENT made as of the 3RD day of January, 2005 by **THE RIDGE AT EAGLE CREST OWNERS ASSOCIATION**, an Oregon non-profit corporation (the **"Association"**).

RECITALS

A. The Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Ridge at Eagle Crest dated June 5, 1996 was recorded June 5, 1996 in the Records of Deschutes County, Oregon as Document No. 96-20423 (the **"Declaration"**). By various supplemental declarations additional property was annexed to the Declaration.

B. Pursuant to Section 14.1 of the Declaration, the Association has voted to amend the Declaration and replace the Declaration with the attached Amended and Restated Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Ridge at Eagle Crest.

NOW, THEREFORE, the Association hereby adopts the attached Amended and Restated Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Ridge at Eagle Crest which shall hereafter supercede and replace the Declaration referred to above.

THE RIDGE AT EAGLE CREST OWNERS ASSOCIATION,
an Oregon non-profit corporation

By: _____
President

By: _____
Secretary

Certification

The undersigned President and Secretary of The Ridge at Eagle Crest Owners Association certify that the attached Amended and Restated Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Ridge at Eagle Crest has been approved and adopted in accordance with the Declaration and applicable law.

By: _____
President

By: _____
Secretary

STATE OF OREGON)
)ss.
COUNTY OF Deschutes)

This instrument was acknowledged before me this 28th day of January, 2005, by Stuart Wolley, President of The Ridge at Eagle Crest Owners Association, an Oregon corporation, on its behalf.

Lesley D. Edwards
Notary Public
My commission expires: 6/13/2007
Commission No.: 368582

OFFICIAL SEAL
LESLEY D EDWARDS
NOTARY PUBLIC - OREGON
COMMISSION NO. 368582
MY COMMISSION EXPIRES JUNE 13, 2007

STATE OF OREGON)
)ss.
COUNTY OF Deschutes)

This instrument was acknowledged before me this 28th day of January, 2005, by William D. Lyche, Secretary of The Ridge at Eagle Crest Owners Association, an Oregon corporation, on its behalf.

Lesley D. Edwards
Notary Public
My commission expires: 6/13/2007
Commission No.: 368582

OFFICIAL SEAL
LESLEY D EDWARDS
NOTARY PUBLIC - OREGON
COMMISSION NO. 368582
MY COMMISSION EXPIRES JUNE 13, 2007

AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE RIDGE AT EAGLE CREST
(A Planned Unit Development at Eagle Crest)

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AMENDED AND RESTATED DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE RIDGE AT EAGLE CREST

RECITALS:

A. Eagle Ridge Partners, Ltd. was the Declarant under that certain Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Ridge at Eagle Crest dated June 5, 1996 and recorded June 5, 1996 in the records of Deschutes County, Oregon as Document No. 96-20423 (the **"Original Declaration"**). Additional Property was annexed to the Original Declaration by Supplemental Declarations identified in the attached Exhibit A. This Amended and Restated Declaration supercedes and replaces the Original Declaration.

B. Eagle Crest, Inc. (**"Declarant"**), as successor to Eagle Ridge Partners, Ltd., owns or owned approximately 1190 acres within Deschutes County, Oregon, located across Cline Falls Road from the existing Eagle Crest development (**"Eagle Crest"**). Declarant has developed or proposes to develop portions of such property, together with other property that may subsequently be acquired by Declarant, as a Class I planned community under the Oregon Planned Community Act, ORS 94.550-94.783 to be known as **"The Ridge at Eagle Crest"** pursuant to a Master Plan approved by Deschutes County, Oregon. Declarant reserves the right to amend such Master Plan, subject to any approvals required by Deschutes County, Oregon.

C. Purchasers of property within The Ridge at Eagle Crest hereby consent to the Master Plan for The Ridge at Eagle Crest, as the same may hereafter be amended. By adoption of such Master Plan and this Declaration, Declarant is not committing itself to take any action for which definite provision is not made below. One who acquires property in The Ridge at Eagle Crest will have the advantage of any further development of The Ridge at Eagle Crest, but shall not have any legal right to insist that there be development except as provided in this instrument or in the instruments which hereafter may be recorded annexing areas to The Ridge at Eagle Crest and subjecting areas to this Declaration.

D. Declarant anticipates that The Ridge at Eagle Crest may include a variety of different types of development parcels. For example, residential parcels within The Ridge at Eagle Crest may include single-family lots, townhouses, zero lot line or other common wall type structures, condominiums, fractional ownership dwellings, or timeshare interests. Recreation facilities may include facilities that are common areas for The Ridge at Eagle Crest and available only for use by The Ridge at Eagle Crest owners and, in the event of a cross-use agreement, for use by owners within Eagle Crest. Other recreation facilities, including one or more golf courses, may be privately owned by Declarant or third parties and available for use by the public. Finally, The Ridge at Eagle Crest may include one or more commercial developments, all in accordance with the Master Plan, as the same may hereafter be amended.

E. Declarant anticipates that joint use agreements may be entered into between the various owners associations at Eagle Crest and The Ridge at Eagle Crest that would permit the joint use of facilities upon certain terms and conditions.

F. Declarant has recorded the plat of Eagle Crest II, Phase I in the Plat Records of Deschutes County, Oregon. Declarant proposes to subject the property described in such plat, except Lots 65-73, Red Wing Loop road, the parcel marked "Common Area D" and the parcel marked "Developer Area," as shown thereon, to the conditions, restrictions, charges and easements set forth in this Declaration for the benefit of such property and its present and subsequent owners, and to establish such property as the first phase of The Ridge at Eagle Crest and as a separate Neighborhood within The Ridge at Eagle Crest to be known as "Eagle Ridge Homesites." Additional areas and Neighborhoods were annexed to The Ridge at Eagle Crest by the Supplemental Declarations listed in the attached Exhibit A and more areas and Neighborhoods may be annexed in accordance with the provisions set forth in this Declaration.

NOW, THEREFORE, Declarant hereby declares that the property described in the Plat of Eagle Crest II, except Lots 65-73, Red Wing Loop road, the parcel marked "Common Area D" and the parcel marked "Developer

Area," as shown thereon, shall be held, sold and conveyed subject to the following easements, covenants, restrictions and charges, which will run with such property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit of each owner thereof.

Article 1

DEFINITIONS

As used in this Declaration, the terms set forth below shall have the following meanings:

1.1 "**Additional Property**" means any land, whether or not owned by Declarant, which was made subject to the Original Declaration pursuant to the Supplemental Declarations listed on the attached Exhibit A or which hereafter is made subject to this Declaration as provided in Section 2.3 below.

1.2 "**Architectural Review Committee**" or the "**Committee**" means the committee appointed pursuant to Article 8 hereof.

1.3 "**Assessment Unit**" means a factor assigned to each Lot in accordance with Section 11.3 below for purposes of determining such Lot's prorata share of Annual Assessments, Special Assessments, Limited Common Area Assessments and Emergency Assessments.

1.4 "**Assessments**" means all assessments and other charges, fines and fees imposed by the Association on an Owner in accordance with this Declaration, including, without limitation, Annual Assessments, Special Assessments, Emergency Assessments, Limited Common Area Assessments and Individual Assessments as described in Section 11.3 below.

1.5 "**Association**" means the nonprofit corporation to be formed to serve as the owners association as provided in Article 9 below, and its successors and assigns.

1.6 "**Commercial Lot**" and "**Commercial Living Unit**" mean, respectively, any Lot or Living Unit used for nonresidential, commercial purposes, including, without limitation, rental apartment and hotel, motel or lodge-type projects and retail, restaurant, lounge, recreational, service or utility uses, and designated as such in the Declaration annexing such Lot to The Ridge at Eagle Crest.

1.7 "**Commercial Neighborhood**" means any Neighborhood consisting of one or more Commercial Lots or Commercial Living Units.

1.8 "**Common Areas**" means those private ways, lots or tracts designated as such on any plat of the Property, or in this Declaration or any declaration annexing Additional Property to The Ridge at Eagle Crest, including any Improvements thereon, and shall also include Common Easement Areas, Limited Common Areas and any Lots converted to Common Areas as provided in Section 3.3 below.

1.9 "**Common Easement Areas**" means those easements established for the benefit of all property within The Ridge at Eagle Crest pursuant to any plat or declaration annexing additional property to The Ridge at Eagle Crest.

1.10 "**Condominium**" means any property submitted to the Oregon Condominium Act in the manner provided by ORS Chapter100 or its successors.

1.11 "**Declarant**" means Eagle Crest, Inc., an Oregon corporation, as successor to Eagle Ridge Partners, Ltd., and its successors and assigns if such successor or assignee should acquire Declarant's interest in the remainder of the proposed development, or less than all of such property if a recorded instrument executed by Declarant assigns to the transferee all of Declarant's rights under this Declaration.

1.12 "**Golf Course Owner**" means the person or entity operating or owning any Golf Course. In the event there is more than one operator or owner, the term shall mean all such operators and owners.

1.13 "**Golf Course**" means any golf course or courses within or adjacent to the Property.

1.14 "**Improvement**" means every structure or improvement of any kind, including but not limited to a fence, wall, driveway, swimming pool, storage shelter or other product of construction efforts on or in respect to the Property.

1.15 "**Initial Development**" means the real property referred to in Section 2.2 below.

1.16 "**Limited Common Areas**" means those Common Areas for the exclusive use of certain Lots as designated in this Declaration or the declaration annexing property to The Ridge at Eagle Crest, and shall include Neighborhood Common Areas in Neighborhoods that do not have an Association.

1.17 "**Living Unit**" means a building or a portion of a building located upon a Lot within the Property and designated for separate residential occupancy, including a house, apartment or dwelling unit within a multiple occupancy building and a Condominium unit.

1.18 "**Lot**" means a platted or partitioned lot, tract or Condominium unit within the Property, with the exception of any tract or lot marked on a plat of the Property as being common, a private way or open space or so designated in this Declaration or the declaration annexing such property to The Ridge at Eagle Crest. Lot does not include Common Areas, Neighborhood Common Areas or Public Areas.

1.19 "**Master Plan**" means the Master Plan of The Ridge at Eagle Crest approved by Deschutes County, Oregon, as the same may hereafter be amended.

1.20 "**Mortgage**" means a mortgage or a trust deed; "**mortgagee**" means a mortgagee or a beneficiary of a trust deed; and "**mortgagor**" means a mortgagor or a grantor of a trust deed.

1.21 "**Neighborhood**" means any separately designated and developed area constructed upon a portion of the Property and comprised of discrete types of development or use, including, without limitation, the following types of uses:

(a) A Condominium project;

(b) A timeshare or fractional interest project;

(c) A hotel, motel, lodge or similar building or group of buildings;

(d) An apartment or residential rental building or group of buildings;

(e) A residential development of single-family detached houses;

(f) Residential development of multi-plex, townhomes or zero lot line homes;

(g) A commercial development of any kind, including retail, restaurant, lounge or recreational uses; or

(h) Any other separately designated area within The Ridge at Eagle Crest devoted to a discrete purpose.

Any such Neighborhood shall be designated as a Neighborhood in the Neighborhood Declaration, this Declaration or the declaration annexing such portion of the Property to The Ridge at Eagle Crest.

1.22 "**Neighborhood Assessments**" means assessments levied pursuant to a specific Neighborhood Declaration.

1.23 "**Neighborhood Association**" means any association established for a specific Neighborhood pursuant to a Neighborhood Declaration.

1.24 "**Neighborhood Committee**" means a committee appointed or elected for a Neighborhood pursuant to Section 9.13 below.

1.25 "**Neighborhood Common Area**" means the area within a Neighborhood restricted in whole or in part to common use primarily by or for the benefit of the Owners within the Neighborhood and their families, tenants, employees, guests and invitees.

1.26 "**Neighborhood Declaration**" means a declaration of easements, covenants, conditions and restrictions establishing a plan of Condominium ownership or townhouse ownership, fractional ownership, timeshare ownership or otherwise imposing a unified development scheme on a particular Neighborhood.

1.27 "**Neighborhood Parcel**" means the portion of the Property upon which a Neighborhood is located, as indicated, if appropriate, on the plat relating to the Neighborhood and as designated in the Neighborhood Declaration.

1.28 "**Original Declaration**" means the Declaration of Covenants, Conditions, Restrictions and Easements for The Ridge at Eagle Crest dated June 5, 1996 and recorded June 5, 1996 in the records of Deschutes County, Oregon as Document No. 96-20423.

1.29 "**Owner**" means the person or persons, including Declarant, owning any Lot in the Property, but does not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Lot. The rights, obligations and other status of being an Owner commence upon acquisition of the ownership of a Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from obligations incurred prior to termination.

1.30 "**Policies and Procedures**" means those policies, procedures, rules and regulations adopted by the Association pursuant to the authority granted in this Declaration, as the same may be amended from time to time.

1.31 "**Property**" means The Ridge at Eagle Crest.

1.32 "**Public Areas**" means areas dedicated to the public or established for public use in any plat of the Property, or so designated in this Declaration or the Declaration annexing such property to The Ridge at Eagle Crest.

1.33 "**Recreational Facilities**" means recreational facilities or amenities owned by Declarant or any third party and located on the Property from time to time, including, but not limited to one or more Golf Courses and clubhouse, and parking for any such facilities.

1.34 "**Residential Lots**" and "**Residential Living Units**" mean, respectively, those Lots or Living Units to be used for residential purposes, exclusive of rental apartment and hotel, motel and lodge-type projects, and designated as such in this Declaration or in the declaration annexing such Lots to The Ridge at Eagle Crest.

1.35 "**Sold**" means that legal title has been conveyed or that a contract of sale has been executed and recorded under which the purchaser has obtained the right to possession.

1.36 "**The Ridge at Eagle Crest**" means the Initial Development and any Additional Property annexed to this Declaration.

1.37 "**This Declaration**" means all of the easements, covenants, restrictions and charges set forth in this Amended and Restated Declaration, together with any Policies and Procedures promulgated hereunder, as the

same may be amended or supplemented from time to time in accordance with the provisions hereof, including the provisions of any supplemental declaration annexing property to The Ridge at Eagle Crest.

1.38 "**Voting Group**" means those Owners who vote on a common slate of directors, as more particularly described in Section 9.10. below.

1.39 "**Voting Unit**" means any one or more of the interests in the Property designated in Section 9.3 below, to which a right to vote in Association matters is allocated.

Article 2

PROPERTY SUBJECT TO THIS DECLARATION

2.1 **Initial Development**. Declarant hereby declares that all of the real property described below is owned and shall be owned, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration:

> All that certain real property located in Deschutes County, Oregon, in that certain plat entitled "Eagle Crest II, Phase I" filed in the plat records of Deschutes County, Oregon, on the 28th day of March, 1996, in Drawer 204, except Lots 65 through 73, Red Wing Loop road, the parcel marked "Common Area D" and the parcel marked "Developer Area," as shown on such plat.

The Initial Development contains 64 single-family Lots and will contain not more than 64 Living Units.

2.2 **Annexation of Additional Property**. The Additional Property annexed to the Original Declaration by the Supplemental Declarations listed on the attached Exhibit A shall be subject to this Declaration in accordance with the terms and provisions of such Supplemental Declarations. Declarant may from time to time and in its sole discretion annex to The Ridge at Eagle Crest as Additional Property any real property now or hereafter acquired by it, and may also from time to time and in its sole discretion permit other holders of real property to annex the real property owned by them to The Ridge at Eagle Crest. The annexation of such real property shall be accomplished as follows:

(a) The owner or owners of such real property shall record a declaration which shall be executed by or bear the approval of Declarant and shall, among other things, describe the real property to be annexed, designate the Neighborhood of which such property is a part, establish land classifications for the Additional Property, establish any additional limitations, uses, restrictions, covenants and conditions which are intended to be applicable to such property, and declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration.

(b) The property included in any such annexation shall thereby become a part of The Ridge at Eagle Crest and this Declaration, and Declarant and the Association shall have and shall accept and exercise administration of this Declaration with respect to such Additional Property.

(c) Notwithstanding any provision apparently to the contrary, a declaration with respect to any Additional Property may:

> (i) establish such new land classifications and such limitations, uses, restrictions, covenants and conditions with respect to such property as Declarant may deem to be appropriate for the development of the Additional Property.
>
> (ii) with respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions with respect to such property as Declarant may deem to be appropriate for the development of such Additional Property.

(d) There is no limitation on the number of Lots or Living Units which Declarant may create or annex to The Ridge at Eagle Crest, except as may be established by applicable ordinances of the Deschutes County, Oregon. Similarly, there is no limitation on the right of Declarant to annex common property, except as may be established by Deschutes County, Oregon.

(e) Upon annexation, additional Lots so annexed shall be entitled to voting rights as set forth in Section 9.3 below.

(f) The formula to be used for reallocating the common expenses if additional Lots are annexed and the manner of reapportioning the common expenses if additional Lots are annexed during a fiscal year are set forth in Section 11.9 below.

2.3 **Improvements**. Declarant does not agree to build any Improvements other than as specified in any Property Report issued pursuant to the Interstate Land Sales Full Disclosure Act, but may elect, at its option, to build additional Improvements.

2.4 **Withdrawal of Property**. Declarant may withdraw property from The Ridge at Eagle Crest by an amendment to this Declaration executed by Declarant and recorded in the Deed Records of Deschutes County, Oregon. All voting rights otherwise allocated to Lots being withdrawn shall be eliminated, and the common expenses shall be reallocated to the remaining Lots as provided in Section 11.9 below. Such withdrawal may be accomplished without prior notice and without the consent of any Owner if such withdrawal (a) is of all or a portion of the Initial Development or Additional Property annexed pursuant to a declaration described in Section 2.3 at any time prior to the sale of the first Lot in the plat of the Initial Development, or in the case of Additional Property, prior to the sale of the first Lot in the property annexed by a supplemental declaration, or (b) if the property to be withdrawn was originally included in error or if the withdrawal is for the purpose of making minor adjustments to boundary lines which do not reduce the total number of Living Units. In addition, Declarant may withdraw any property then owned by Declarant or the Association if such withdrawal is a result of any changes in Declarant's plans for the Property, provided that such withdrawal is not unequivocally contrary to the overall, uniform scheme of development for the Property and is approved by a majority of the voting rights of the Association.

Article 3

NEIGHBORHOOD DESIGNATION AND LAND CLASSIFICATIONS

3.1 **Neighborhood Designation**. Eagle Ridge Homesites, consisting of Lots 1 through 64 of the Initial Development, together with such Additional Property declared to be part of such Neighborhood in any supplemental declaration annexing Additional Property to The Ridge at Eagle Crest, is hereby designated as a Neighborhood within The Ridge at Eagle Crest. Any "Projects" established under the Supplemental Declarations listed in the attached Exhibit A shall be "Neighborhoods" for purposes of this Amended and Restated Declaration.

3.2 **Land Classifications Within Initial Development**. All land within the Initial Development is included in one or another of the following classifications:

(a) Residential Lots, which shall consist of all Lots included within the Initial Development.

(b) Common Areas, which shall be Common Lots B, C and E, and the private ways shown as Cooper's Hawk Drive, Merlin Drive, Gray Flycatcher Court, Harrier Court, Killdeer Court and Cinnamon Teal Drive on the plat of the Initial Development.

(c) There are no Common Easement Areas, Limited Common Areas, Neighborhood Common Areas or Public Areas in the Initial Development.

3.3 **Conversion of Residential or Commercial Lots to Common Areas**. Declarant may elect to build common facilities on one or more Residential or Commercial Lots and designate such Lots as Common Areas

by a declaration recorded in the deed records of Deschutes County. Such declaration shall be executed by Declarant, as owner of the Lots.

3.4 **Consolidation of Lots**. The Owner of two adjoining Lots, with the approval of Declarant and the Architectural Review Committee, may elect to consolidate such Lots into one Lot. The consolidation shall be effected by the Owner's recording in the deed records of Deschutes County a declaration stating that the two Lots are consolidated, which declaration shall include a written consent executed on behalf of the Architectural Review Committee by at least one member the Committee. Thereafter, the consolidated Lots shall constitute one Lot for all purposes of this Declaration, including voting rights and assessments. Once so consolidated, the consolidated Lot may not thereafter be partitioned nor may the consolidation be revoked without the prior approval of the Architectural Review Committee.

Article 4

PROPERTY RIGHTS IN COMMON AREAS

4.1 **Owners' Easements of Enjoyment**. Subject to provisions of this Article, every Owner and his or her invitees shall have a right and easement of enjoyment in and to the Common Areas, which easement shall be appurtenant to and shall pass with the title to every Lot. The use of Limited Common Areas, however, shall be limited to the Owners and invitees of the Lots designated in the supplemental declaration establishing the Limited Common Area.

4.2 **Title to Common Areas**. Title to the Common Areas, except Common Easement Areas, shall be conveyed to the Association by Declarant free and clear of monetary liens prior to the date on which Class B membership in the Association ceases and is converted to Class A membership. Title to Common Easement Areas, subject to the easements set forth in this Declaration, shall pass to the Owners of the respective Lots within which such areas are located, or to the public if part of dedicated street right-of-ways.

4.3 **Common Easement Areas**. Common Easement Areas shall be reserved as signage and visual landscape features, or as otherwise provided in the supplemental declaration establishing the Common Easement Area. Such areas are to be maintained by the Association and no changes in landscaping will be permitted without written authorization by the Architectural Review Committee. No building, wall, fence, paving, landscaping or construction of any type shall be erected or maintained by any Owner so as to trespass or encroach upon the Common Easement Areas. In the event any Common Easement Area is conveyed to the Association, such Common Easement Area shall then become a Common Area.

4.4 **Extent of Owners' Rights**. The rights and easements of enjoyment in the Common Areas created hereby shall be subject to the following and all other provisions of this Declaration:

(a) **Easements**. Declarant grants to the Association for the benefit of the Association and all Owners of Lots within the Property the following easements over, under and upon the Common Areas, including the Common Easement Areas:

(i) An easement on all Common Areas for underground installation and maintenance of power, gas, electric, water and other utility and communication lines and services installed by or with the consent of Declarant or with the approval of the Board of Directors of the Association and any such easement shown on any plat of the Property.

(ii) An easement for construction, maintenance, repair and use of Common Areas, including common facilities thereon.

(iii) An easement for the purpose of making repairs to any Improvements on Common Areas.

Declarant or the Association may (and, to the extent required by law, shall) grant or assign such easements to governmental entities or other utilities performing utility services (including, without limitation, Cline Butte Utility Company) and to communication companies, and the Association may grant free access thereon to police, fire and other public officials and to employees of utility companies and communications companies serving the Property.

(b) **Use of the Common Areas**. The Common Areas shall not be partitioned or otherwise divided into parcels for residential use, and no private structure of any type shall be constructed on the Common Areas. Except as otherwise provided in this Declaration, the Common Areas shall be reserved for the use and enjoyment of all Owners and no private use may be made of the Common Areas, including Common Easement Areas. Nothing in this Declaration shall prevent the placing of a sign or signs upon the Common Areas identifying the Property or any Neighborhood or identifying trails or identifying items of interest, including directional signs, provided such signs are approved by the Architectural Review Committee and comply with any applicable sign ordinances. The Board of Directors of the Association shall have authority to abate any trespass or encroachment upon the Common Area at any time, by any reasonable means and with or without having to bring legal proceedings. A declaration annexing Additional Property may provide that the Owners of such Additional Property do not have the right to use a particular Common Area or facility located on such Common Area. In such case, those Owners will not be required to share in the costs of maintaining the facility, as is more particularly described in Section 11.9.

(c) **Semi-Public Recreational or Service Areas**. The Board of Directors of the Association may elect to designate certain portions of the Common Areas as semi-public recreational or service areas which may be used by members of the public on a fee-paying basis. In such event, Owners shall be permitted to use such facilities or services either on a free basis or for fees that are no higher than those charged to members of the public for an equivalent use or service. Any net proceeds from such facilities or services shall be paid to the Operations Fund.

(d) **Alienation of the Common Areas**. The Association may not encumber, sell or transfer the Common Areas owned directly or indirectly by the Association for the benefit of the Lots unless such encumbrance, sale or transfer has been approved by a majority of the voting rights in the Association. This requirement shall not apply to the easements described in Section 4.4(a) above.

(e) **Limitations on Use**. Use of the Common Areas by the Owners, their family members, guests, tenants and contract purchasers, shall be subject to the provisions of this Declaration and to the following:

(i) The right of the Association to suspend such use rights of an Owner and the Owner's members, guests, tenants and contract purchasers to the extent provided in Article 12 below.

(ii) The right of the Association to adopt, amend and repeal Policies and Procedures in accordance with this Declaration.

4.5 **Easements Reserved by Declarant**. So long as Declarant owns any Lot, Declarant reserves an easement over, under and across the Common Areas in order to carry out sales and rental activities necessary or convenient for the sale or rental of Lots. In addition, Declarant hereby reserves to itself and for the owners of Lots in all future phases of The Ridge at Eagle Crest a perpetual easement and right-of-way for access over, upon, and across the Common Areas for construction, utilities, communication lines, drainage, irrigation systems, signs and ingress and egress for the benefit of other property owned by Declarant, the Recreational Facilities and future phases of the Property. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Common Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of the Improvements on the Property or other real property owned by Declarant; provided, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to an Owner's Lot by that Owner or the Owner's family, tenants, employees, guests or invitees.

4.6 **Delegation of Use**. Any Owner may delegate, in accordance with the Bylaws of the Association, the Owner's right of enjoyment of the Common Areas to the members of the Owner's family and tenants or contract

purchasers who reside on the Property, whose use of the Common Areas shall be subject to this Declaration and the Policies and Procedures adopted under this Declaration.

Article 5

PROPERTY RIGHTS IN LOTS

5.1 **Use and Occupancy**. The Owner of a Lot in the Property shall be entitled to the exclusive use and benefit of such Lot, except as otherwise expressly provided in this Declaration, but the Lot shall be bound by and the Owner shall comply with the restrictions made applicable to such Lot by this Declaration or by any supplement to this Declaration or any applicable Neighborhood Declaration.

5.2 **Easements Reserved**. In addition to any easements shown on the recorded plats and as set forth in Section 4.5, Declarant hereby reserves the following easements for the benefit of Declarant and the Association:

(a) **Adjacent Common Area**. The Owner of any Lot which blends together visually with any Common Area shall, if the Association elects from time to time to so require, permit the Association to enter upon the Lot to perform the maintenance of such Common Area.

(b) **Right of Entry**. Declarant, the Architectural Review Committee and any representative of the Association authorized by it may at any reasonable time, and from time to time at reasonable intervals, enter upon any Lot for the purpose of determining whether or not the use and/or improvements of such Lot are then in compliance with this Declaration. In addition, the utility service provider and its agents or employees shall have authority to access all parts of the Owner's Lot and the Common Areas on which sewerage or water facilities may be located, for the purpose of operating, maintaining or constructing such facilities, inspecting the condition of pipes and facilities, and completing repairs. The Owner will be given advance notice if possible. In the case of an emergency, as determined solely by the utility service provider, no prior notice will be required. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot.

(c) **Utility Easements**. Easements for installation and maintenance of utilities and drainage facilities may be reserved over portions of certain Lots, as shown on the recorded plat. Within the easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction of flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. The easement area of each Lot and all improvements in it shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible. Notwithstanding the provisions of this paragraph, no such easements shall exist along adjoining side lot lines on which a party wall exists.

5.3 **Subsurface Sewage Disposal Systems**. No septic tank shall be installed on any Lot except with approval of the Architectural Review Committee and the utility service provider. Any such system shall be maintained by the utility service provider at the expense of the Owners of the Lots served by such system, which expenses shall be paid to the utility service provider. Such utility provider shall have an easement upon each Lot for purposes of operating, maintaining and repairing such system.

Article 6

GOLF COURSE

6.1 **Golf Course Easements and Indemnity**. Declarant hereby reserves for itself and for the benefit of any Golf Course Owner the easements set forth in this Section 6.1. Declarant reserves the right to grant or deed such easement rights to the person or entity operating or owning any Golf Course which is part of or adjacent to the Property and to impose such additional restrictions relating to such easements at that time and from time to time as may reasonably be required to effectuate the purposes of such easements. The reservation of such easements is

made for the benefit of Declarant, the Golf Course Owner, the users of the Golf Courses and for associated management, maintenance and service personnel, for Golf Course and related recreational purposes.

(a) **Private Ways**. All Common Area private ways shall be subject to an easement for Golf Course purposes, including signs, cart paths, irrigation systems and the right of ingress and egress for construction and maintenance and for players during the regular course of play on the Golf Course.

(b) **Golf Cart Path Easement**. Any easements for golf cart paths or trails designated as such on any plat of the Property or any declaration annexing Additional Property shall be used for golf cart paths, pedestrian walkways, maintenance and vehicle access, and unhindered access between such paths and any Golf Course. Nothing shall be placed in or maintained on any golf cart path easement which shall interfere with utilization thereof as a playable part of the Golf Course, and all landscaping and other Improvements within a golf cart path easement shall require the approval of the Architectural Review Committee. The Golf Course Owner shall be responsible for maintaining such paths or trails.

(c) **Golf Course Easements over Adjoining Lots**. Any Golf Course easements over adjoining Lots designated as such on any plat or declaration annexing Additional Property will be developed as part of the Golf Course for purposes of landscaping or the placement of golf course facilities and may be used as part of the Golf Course. No Owner may landscape or place any Improvement, rope or barrier within a Golf Course easement without the prior written consent of the Golf Course Owner and the approval of the Architectural Review Committee. Nothing in this provision shall be construed as requiring the Golf Course Owner to water or landscape such easement areas.

(d) **Golf Balls**. Each Lot, Common Area and Neighborhood Common Area adjoining or adjacent to any Golf Course shall be subject to an easement permitting (i)golf balls to come upon such property, and (ii) for golfers at reasonable times and in a reasonable manner to come upon such property to retrieve golf balls.

6.2 **Design Review**. With respect to any Improvement constructed on any Lot adjoining a Golf Course, in addition to design review by the Architectural Review Committee pursuant to Article 8, such Improvement shall be subject to architectural review by the Golf Course Owner.

6.3 **Waiver and Indemnity**. In some cases, golf balls may have sufficient force and velocity to do serious harm to persons, pets, Improvements or personal property. Each Owner, for such Owner's family members, visitors, invitees and guests, assumes such risk and waives each right such person otherwise would have against Declarant, the Association, the Architectural Review Committee and the Golf Course Owner, operator and designer, to the fullest extent permissible by law, for each injury resulting from the design of any such Golf Course, or the location of a Lot, Common Area or Neighborhood Common Area in relation to the Golf Course, and agrees to indemnify and hold declarant, the association, the architectural review committee and the Golf Course Owner, operator and designer harmless from and against all claims and liability, including without limitation, legal fees and costs, in the event any person while on a Lot, Common Area or Neighborhood Common Area, receives any injury, or suffers property damage and thereafter seeks to recover against such persons or entities for compensation for such injury or damage, whether directly or indirectly, or as a result of a third-party claim or cross claim. Each Owner and such Owner's family members, invitees, guests and visitors, waives each and every claim or right they may have to claim that the normal and customary operation of any such Golf Course constitutes a nuisance, or that any aspect of any such Golf Course operation should be limited to any specific hours of the day or to any specific days of the week. Each such person assumes the risks which are associated with the game of golf and the flight of golf balls over and upon their Lot, the Common Areas and Neighborhood Common Areas, including, without limitation, the possibility of damage to their property, real or personal, and injury to themselves, their family, pets, friends, invited guests, visitors or any other person.

6.4 **Ownership and Operation of Golf Course**. All persons, including all Owners, are hereby advised that no representations or warranties have been or are made by Declarant or any other person with regard to the continuing existence, ownership or operation of the Golf Course, if any, and no purported representation or warranty in such regard, either written or oral, shall ever be effective without an amendment to this Declaration executed or joined into by Declarant. Further, the ownership and/or operation of the Golf Course, if any, may change at any time and from time to time by virtue of, but without limitation, (a) the sale to or assumption of

operations of the Golf Course by an independent entity or entities; (b) the creation or conversion of the ownership and/or operating structure of the Golf Course to an "equity" club or similar arrangement whereby the Golf Course or the rights to operate it are transferred to an entity which is owned or controlled by its members; or (c) the transfer of ownership or control of the Golf Course to one or more affiliates, shareholders, employees, or independent contractors of Declarant. No consent of the Association or any Owner shall be required to effectuate such transfer or conversion.

6.5 **Right to Use**. Neither membership in the Association nor ownership or occupancy of a Lot shall confer any ownership interest in or right to use the Golf Course. Rights to use the Golf Course will be granted only to such persons, and on such terms and conditions, as may be determined from time to time by the Golf Course Owner. The Golf Course Owner shall have the right, from time to time in its sole and absolute discretion and without notice, to amend or waive the terms and conditions of use of the Golf Course, including, without limitation, eligibility for and duration of use rights, categories of use and extent of use privileges, and number of users, and shall also have the right to reserve use rights and to terminate use rights altogether, subject to the provisions of any outstanding membership documents.

6.6 **View Impairment**. Neither Declarant, the Association nor the Golf Course Owner guarantees or represents that any view over and across the Golf Course from adjacent Lots will be preserved without impairment. The Golf Course Owner, if any, shall have no obligation to prune or thin trees or other landscaping, and shall have the right, in its sole and absolute discretion, to add trees and other landscaping to the Golf Course from time to time. In addition, the Golf Course Owner may, in its sole and absolute discretion, change the location, configuration, size and elevation of the tees, bunkers, fairways and greens on the Golf Course from time to time. Any such additions or changes to the Golf Course may diminish or obstruct any view from the Lots and any express or implied easements for view purposes or for the passage of light and air are hereby expressly disclaimed.

6.7 **Limitations on Amendments**. In recognition of the fact that the provisions of this Article are for the benefit of the Golf Course Owner, no amendment to this Article and no amendment in derogation of any rights reserved or granted to the Golf Course Owner by other provisions of this Declaration may be made without the written approval of the Golf Course Owner. The foregoing shall not apply, however, to amendments made by Declarant.

6.8 **Jurisdiction and Cooperation**. It is Declarant's intention that the Association and the Golf Course Owner shall cooperate to the maximum extent possible in the operation of the Property. The Association shall have no power to promulgate rules and regulations affecting activities on or use of the Golf Course.

Article 7

RESTRICTIONS ON USE OF RESIDENTIAL LOTS

7.1 **Structures Permitted**. No structures shall be erected or permitted to remain on any Residential Lot except structures containing Living Units and structures normally accessory thereto. The foregoing provision shall not exclude construction of a private greenhouse, storage unit, private in-ground swimming pool or structure for the storage of a boat and/or camping trailer for personal use, provided the location of such structure is in conformity with the applicable governmental regulations, is compatible in design and decoration with the dwelling structure constructed on such Residential Lot, and has been approved by the Architectural Review Committee. Private wells are not permitted.

7.2 **Residential Use**. Residential Lots shall only be used for residential purposes. Except with the consent of the Board of Directors of the Association, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Residential Lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Residential Lot. Nothing in this paragraph shall be deemed to prohibit (a) activities relating to the rental or sale of Living Units, (b) the right of Declarant or any contractor or homebuilder to construct Living Units on any Residential Lot, to store construction materials and equipment on such Residential Lots in the normal course of construction, and to use any Living Unit as a sales or rental office or model home or apartment for purposes of sales or rental in The Ridge at Eagle Crest, and (c) the right of the Owner of a Residential Lot to maintain his professional personal library, keep his personal

business or professional records or accounts, handle his personal business or professional telephone calls or confer with business or professional associates, clients or customers, in his Living Unit. The Board of Directors shall not approve commercial activities otherwise prohibited by this paragraph unless the Board of Directors determines that only normal residential activities would be observable outside of the Living Unit and that the activities would not be in violation of applicable governmental ordinances.

7.3 **Offensive or Unlawful Activities**. No noxious or offensive activities shall be carried on upon any Residential Lot, nor shall anything be done or placed on any Residential Lot which interferes with or jeopardizes the enjoyment of other Residential Lots or the Common Areas, or which is a source of annoyance to residents. No unlawful use shall be made of a Residential Lot nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction thereof shall be observed.

7.4 **Animals**. No animals of any kind shall be raised, bred or kept in or upon any Residential Lot, except dogs, cats and such other household pets as may be approved by the Association, and then only provided they are not kept, bred or maintained for any commercial purposes or in unreasonable numbers and provided they are not prohibited by any Neighborhood Declaration or supplemental declaration annexing Additional Property to the Property. The Association may adopt reasonable regulations designed to minimize damage and disturbance to other Owners and occupants, including regulations requiring damage deposits, waste removal, leash controls, noise controls, occupancy limits based on size and facilities of the unit and fair share use of the Common Areas. Nothing in this provision shall prevent the Association from requiring removal of any animal that presents an actual threat to health or safety of residents or from requiring abatement of any nuisance or unreasonable source of annoyance.

7.5 **Maintenance of Structures and Grounds**. Each Owner shall maintain the Owner's Residential Lot and Improvements thereon in a clean and attractive condition, in good repair and in such fashion as not to create a fire or other hazard. Such maintenance shall include, without limitation, painting, repair, replacement and care for roofs, gutters, downspouts, exterior building surfaces, walks and other exterior improvements and glass surfaces. All repainting or restaining and exterior remodeling shall be subject to prior review and approval by the Architectural Review Committee. In addition, each Owner shall keep all shrubs, trees, grass and plantings of every kind on the Owner's Residential Lot neatly trimmed, property cultivated and free of trash, weeds and other unsightly material. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes shall likewise be the responsibility of each Owner and shall be restored within a reasonable period of time.

7.6 **Prohibited Vehicles**. No mobile home, recreational vehicle (including campers) exceeding 1,500 pounds in gross weight, trailer of any kind, truck with a rated load capacity greater than 3/4 ton, or boat, shall be kept, placed, maintained or parked for more than six hours or such other period as may be permitted pursuant to the Association Policies and Procedures on any Residential Lot or Common Area except in enclosed garages, areas designated by the Board of Directors of the Association, or screened from view in a manner approved by the Architectural Review Committee. No motor vehicle of any type may be constructed, reconstructed or repaired in such a manner as will be visible from neighboring property. No stripped down, partially wrecked, inoperative or junk motor vehicle, or sizeable part thereof, shall be permitted to be parked on any Residential Lot or Common Area.

7.7 **Parking and Street Obstructions**. Parking of vehicles of any type whatsoever on any portion of the streets within the Property shall be permitted only as set forth in the Association Policies and Procedures. No Owner shall do anything which will in any manner prevent the streets within the Property from at all times being free and clear of all obstructions and in a safe condition for vehicular use.

7.8 **Signs**.

(a) **General Prohibition; Exceptions**. No sign or billboard of any kind (including but not limited to, commercial or political signs) shall be displayed to the public view on any Residential Lot, except for:

(i) directional signs established by Declarant or the Association;

(ii) such signs as may be required for legal proceedings;

(iii) during the time of construction of any Improvement, one job identification sign, the size, color and design of which shall have been approved by the Architectural Review Committee; and

(iv) signs, billboards and other advertising devices or structures used by Declarant in connection with the development, subdivision, advertising and sale of any interest in a Lot.

The size and design of such signs shall be in accordance with the Design Guidelines established by the Architectural Review Committee.

(b) **Architectural Review Committee Regulation**. Signs advertising any interest in a Lot "for sale" or "for rent" shall be prohibited unless, in the sole discretion of the Architectural Review Committee such prohibition as applied to a specific Lot would work an unusual hardship, in which case a waiver may be granted. If such a waiver is approved, such signs shall be customary and reasonable dimensions and of a professional type and dignified appearance, and placed only in such location(s) as specified by the Architectural Review Committee. If at the time of such waiver the Association has specified the size, design and content of such "for sale" or "for rent" signs, only such approved size, design and content shall be used.

7.9 **Outside Storage**. Woodpiles, storage areas, machinery and equipment shall be prohibited upon any Residential Lot, unless obscured from view of neighboring property and streets by a fence or appropriate screen approved by the Architectural Review Committee. Colored tops and covers shall be of a color approved by the Architectural Review Committee. Trash cans and other moveable rubbish containers shall be allowed to be visible from the street or adjacent Residential Lot within the Property only during the days on which rubbish is collected and after 9 p.m. of the preceding evening.

7.10 **Completion of Construction**. The construction of any building on any Residential Lot, including painting and all exterior finish, shall be completed within nine (9) months from the beginning of construction so as to present a finished appearance when viewed from any angle and the Living Unit shall not be occupied until so completed. In the event of undue hardship due to weather conditions or other causes beyond the reasonable control of the Owner, this time period may be extended for a reasonable length of time upon written approval from the Architectural Review Committee. The building area shall be kept reasonably clean and in workmanlike order during the construction period. All unimproved Residential Lots shall be kept in a neat and orderly condition, free of brush, vines, weeds and other debris, and grass thereon shall be cut or mowed at sufficient intervals to prevent creation of a nuisance or fire hazard.

7.11 **Landscape Completion**. Landscaping plans for each Residential Lot shall be submitted to the Architectural Review Committee and shall be in compliance with sod and planting limitations and tree preservation guidelines as may be established by such Committee or the Association from time to time. Such landscaping must be completed within one year from the date of issuance of the certificate of occupancy for the Living Unit constructed thereon. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval of the Architectural Review Committee.

7.12 **Temporary Structures**. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuildings nor any uncompleted building shall be used on any Residential Lot at any time as a residence either temporarily or permanently.

7.13 **Antennas and Satellite Disks**. Exterior antennas and satellite receiver and transmission disks shall not be permitted to be placed upon any Residential Lot except as approved by the Architectural Review Committee.

7.14 **Limitations on Open Fires**. No incinerators or other open fires (except outdoor cooking facilities such as propane grills or portable barbecue units) shall be kept or maintained on any Residential Lot.

7.15 **Pest Control**. No Owner shall permit any thing or condition to exist upon any Lot which shall induce, breed or harbor infectious plant diseases or noxious insects or vermin.

7.16 **Minimum Dwelling Size**. No dwelling intended or used as the primary dwelling on a Residential Lot may be constructed or maintained unless the interior floor area of such dwelling (excluding garage) contains at least 1,800 square feet. The maximum permissible interior floor area shall be limited only by constraints of the building site area and other reasonable limitations as may be established by the Architectural Review Committee.

7.17 **Grades, Slopes and Drainage**. Each Owner of a Residential Lot shall accept the burden of, and shall not in any manner alter, modify or interfere with, the established drainage pattern and grades, slopes and courses related thereto over any Residential Lot or Common Area without the express written permission of the Architectural Review Committee, and then only to the extent and in the manner specifically approved. No structure, plantings or other materials shall be placed or permitted to remain on or within any grades, slopes, or courses, nor shall any other activities be undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow, or obstruct or retard the flow of water through drainage channels.

7.18 **Exterior Lighting**. All exterior lighting of a Residential Lot shall be subject to approval of the Architectural Review Committee.

7.19 **Paths and Trails**. No Owner, other than Declarant or the Association, may create any paths or trails within the Property without the prior written approval of the Architectural Review Committee.

7.20 **Time-sharing or Fractional Interest Ownership Prohibited**. No purchaser of a Residential Lot, or interest therein, or use thereof, shall receive a right in perpetuity, for life, or for a term of years, to the recurrent, exclusive use or occupancy of such property annually or on some other periodic basis if four or more such use or occupancy periods over a period of three years or more have been created with respect to such Lot, and any such attempted conveyance shall be void; provided, however, this restriction shall not be interpreted to prevent joint ownership of Lots not including such exclusive use periods.

7.21 **Association Policies and Procedures**. In addition, the Association from time to time may adopt, modify or revoke such Policies and Procedures governing the conduct of persons and the operation and use of Residential Lots and the Common Areas as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property. A copy of the Policies and Procedures, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be furnished by the Association Board of Directors to each Owner and shall be binding upon all Owners and occupants of all Residential Lots upon the date of delivery. The method of adoption of such Policies and Procedures shall be as provided in the Bylaws of the Association.

7.22 **Application to Additional Property**. The provisions of Sections 7.1 through 7.21 shall not apply to Commercial Lots nor to Residential Lots if the declaration annexing the Residential Lots so specifies. The declaration annexing such Additional Property to this Declaration may establish additional or different restrictions governing the use of such Lots.

Article 8

ARCHITECTURAL REVIEW COMMITTEE

8.1 **Architectural Review**. No Improvement shall be commenced, erected, placed or altered on any Lot, except Lots owned by Declarant, until the construction plans and specifications showing the nature, shape, heights, materials, colors and proposed location of the Improvement have been submitted to and approved in writing by the Architectural Review Committee. It is the intent and purpose of this Declaration to assure quality of workmanship and materials, to assure harmony of external design with the existing Improvements and as to location with respect to topography and finished grade elevations, and to avoid plan repetition. The procedure and specific requirements for review and approval of residential construction may be set forth in Design Guidelines adopted from time to time by the Architectural Review Committee. The Committee may charge a reasonable fee to cover the cost of processing the application. In all cases which the Architectural Review Committee consent is required by this Declaration, the provisions of this Article shall apply. This review is in addition to design review by the Golf Course Owner with respect to Lots adjoining the Golf Course as provided in Section 6.2 above.

8.2 **Committee Decision**. The Architectural Review Committee shall render its decision with respect to the construction proposal within thirty (30) working days after it has received all material required by it with respect to the application. In the event the Committee fails to render its approval or disapproval within forty-five (45) working days after the Committee has received all material required by it with respect to the proposal, or if no suit to enforce this Declaration has been commenced within one year after completion thereof, approval will not be required and the related provisions of this Declaration shall be deemed to have been fully complied with.

8.3 **Committee Discretion**. The Architectural Review Committee may, at its sole discretion, withhold consent to any proposed work if the Committee finds the proposed work would be inappropriate for the particular Lot or incompatible with the design standards that the Committee intends for The Ridge at Eagle Crest or any specific Neighborhood therein. Consideration such as siting, shape, size, color, design, height, solar access, impairment of the view from other Lots with The Ridge at Eagle Crest or other effect on the enjoyment of other Lots or the Common Area, disturbance of existing terrain and vegetation, wildlife protection and any other factors which the Committee reasonably believes to be relevant, may be taken into account by the Committee in determining whether or not to consent to any proposed work. In the case of any Lot adjoining the Golf Course, the Committee shall forward the plans to the Golf Course Owner for review and approval. If rejected by the Golf Course Owner, the Committee shall similarly reject the plans.

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

8.5 **Membership: Appointment and Removal**. The Architectural Review Committee shall consist of as many persons, but not less than three, as the Declarant may from time to time appoint. The Declarant may remove any member of the Committee from office at its discretion at any time and may appoint new or additional members at any time. The Association shall keep on file at its principal office a list of the names and addresses of the members of the Committee. Declarant may at any time delegate to the Board of Directors of the Association the right to appoint or remove members of the Architectural Review Committee. In such event, or in the event Declarant fails to appoint an Architectural Review Committee, the Board of Directors shall assume responsibility for appointment and removal of members of the Architectural Review Committee, or if it fails to do so, the Board of Directors shall serve as the Architectural Review Committee.

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

8.7 **Liability**. Neither the Architectural Review Committee nor any member of the Committee shall be liable to any Owner, occupant, builder or developer for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Committee or a member of the Committee, provided only that the member has, in accordance with the actual knowledge possessed by him or her, acted in good faith.

8.8 **Nonwaiver**. Consent by the Architectural Review 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.

8.9 **Appeal**. At any time after Declarant has delegated appointment of the members of the Architectural Review Committee to the Board of Directors of the Association pursuant to Section 8.5, any Owner adversely affected by action of the Architectural Review Committee may appeal such action to the Board of Directors of the Association. Appeals shall be made in writing within ten (10) days of the Committee's action and shall contain specific objections or mitigating circumstances justifying the appeal. A final, conclusive decision shall

be made by the Board of Directors of the Association within fifteen (15) working days after receipt of such notification.

8.10 **Effective Period of Consent**. The Architectural Review Committee's consent to any proposed work shall automatically be revoked one year after issuance unless construction of the work has been commenced or the Owner has applied for and received an extension of time from the Committee.

8.11 **Estoppel Certificate**. Within fifteen (15) business days after written request is delivered to the Architectural Review Committee by any Owner, and upon payment to the Committee of a reasonable fee fixed by the Committee to cover costs, the Committee shall provide such Owner with an estoppel certificate executed by a member of the Committee and acknowledged, certifying with respect to any Lot owned by the Owner, that as of the date of the certificate, either: (a) all Improvements made or done upon or within such Lot by the Owner comply with this Declaration, or (b) such Improvements do not so comply, in which event the certificate shall also identify the noncomplying Improvements and set forth with particularity the nature of such noncompliance. Any purchaser from the Owner, and any mortgagee or other encumbrancer, shall be entitled to rely on such certificate with respect to the matters set forth in the certificate, such matters being conclusive as between Declarant, the Architectural Review Committee, the Association and all Owners, and such purchaser or mortgagee.

Article 9

ASSOCIATION

Declarant shall organize an association of all of the Owners within The Ridge at Eagle Crest. Such Association, its successors and assigns, shall be organized under the name "The Ridge at Eagle Crest Owners Association" or such similar name as Declarant shall designate, and shall have such property, powers and obligations as are set forth in this Declaration for the benefit of the Property and all Owners of property located therein.

9.1 **Organization**. Declarant shall, before the first Lot is conveyed to an Owner, organize the Association as a nonprofit corporation under the general nonprofit corporation laws of the State of Oregon. The Articles of Incorporation of the Association shall provide for its perpetual existence, but in the event the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event all of the property, powers and obligations of the incorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, and such vesting shall thereafter be confirmed as evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws of the Association as if they had been made to constitute the governing documents of the unincorporated association.

9.2 **Membership**. Every Owner of one or more Lots within the Property shall, immediately upon creation of the Association and thereafter during the entire period of such Owner's ownership of one or more Lots within the Property, be a member of the Association. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

9.3 **Voting Rights**. Voting rights within the Association shall be allocated as follows:

(a) **Residential Lots and Commercial Lots**. Residential Lots shall be allocated one Voting Unit per Living Unit located on such Lot. Condominium units shall be entitled to one Voting Unit for each Condominium unit. A single-family Residential Lot shall be allocated one vote regardless whether the Living Unit has been constructed on such Lot. Each Commercial Lot shall be entitled to the number of Voting Units set forth in the declaration annexing the Commercial Lot to The Ridge at Eagle Crest.

(b) **Classes of Voting Membership**. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Class B member and shall be entitled to Voting Units for each Lot owned computed in accordance with Section 9.3(a) above. When more than one person holds an interest in any Lot, all such persons shall be members. Except as may otherwise be specified in the declaration annexing such Lot to The Ridge at Eagle Crest or in the Neighborhood Declaration pertaining to such Lot, the vote for such Lot shall be exercised as they among themselves determine. In no event, however, shall more Voting Units be cast with respect to any Lot than as set forth in Section 9.3(a) above.

Class B. The Class B member shall be the Declarant and shall be entitled to three times the Voting Units computed under Section 9.3(a) for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) Declarant has completed development of all Lots and Common Areas permitted under the Master Plan, and Lots representing seventy-five percent (75%) of the Voting Units computed in accordance with this section have been sold and conveyed to Owners other than Declarant; or

(ii) At such earlier time as Declarant may elect in writing to terminate Class B membership.

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

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

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

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

(d) Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit of the Owners within the Property.

The powers and obligations of the Association may from time to time be amended, repealed, enlarged or restricted by changes in this Declaration made in accordance with the provisions herein, accompanied by changes in the Articles of Incorporation or Bylaws of the Association made in accordance with such instruments and with the nonprofit corporation laws of the State of Oregon.

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

(a) **Maintenance and Services**. The Association shall provide maintenance and services for the Property as provided in Article 10 and other provisions of this Declaration.

(b) **Insurance**. The Association shall obtain and maintain in force policies of insurance as provided in this Declaration or the Bylaws of the Association.

(c) **Rulemaking**. The Association shall make, establish, promulgate, amend and repeal Policies and Procedures as provided in Section 7.21 of this Declaration.

(d) **Assessments**. The Association shall adopt budgets and impose and collect Assessments as provided in Article 11 of this Declaration.

(e) **Enforcement**. The Association shall perform such acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce the provisions of this Declaration and the Policies and Procedures adopted by the Association, including, without limitation, enforcement of the decisions of the Architectural Review Committee.

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

(g) **Borrow Money, Hold Title and Make Conveyances**. The Association may borrow and repay moneys for the purpose of maintaining and improving the Common Areas, subject to Section 4.4(d) above, and encumber the Common Areas as security for the repayment of such borrowed money. The Association may acquire, hold title to and convey, with or without consideration, real and personal property and interests therein, including but not limited to easements across all or any portion of the Common Area, and shall accept any real or personal property, leasehold or other property interests within The Ridge at Eagle Crest conveyed to the Association by Declarant.

(h) **Transfer, Dedication and Encumbrance of Common Area**. Except as otherwise provided in Section 4.4(d) above, the Association may sell, transfer or encumber all or any portion of the Common Area to a person, firm or entity, whether public or private, and dedicate or transfer all or any portion of the Common Area to any public agency, authority, or utility for public purposes.

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

(j) **Joint Use Agreements**. The Board of Directors of the Association may enter into joint use agreements with other associations, entities or persons relating to the joint use of recreational or other facilities, including the joint use of the Common Areas.

(k) **Implied Rights and Obligations**. The Association may exercise any other right or privilege reasonably to be implied from the existence of any right or privilege expressly given to the Association under this Declaration or reasonably necessary to effectuate any such right or privilege.

9.6 **Liability**. Neither a member of the Board of Directors nor an officer of the Association shall be liable to the Association, any Owner or any third party for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his duties, so long as the individual acted in good faith, believed that the conduct was in the best interests of the Association, or at least was not opposed to its best interests, and in the case of criminal proceedings, had no reason to believe the conduct was unlawful. In the event any member of the Board of Directors or any officer of the Association is threatened with or made a party to any proceeding because the individual was or is a director or officer of the Association, the Association shall defend such individual against such claims and indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

9.7 **Interim Board**. Declarant shall have the right to appoint an interim board of three directors, who shall serve as the Board of Directors of the Association until replaced by Declarant or until their successors take office at the next annual meeting following termination of Class B membership. At such meeting the interim directors shall resign and be replaced by their successors, who shall be designated as provided in this Declaration and the Bylaws of the Association.

9.8 **Turnover Meeting**. Declarant shall call a meeting of the Association for the purpose of turning over administrative responsibility for the Property to the Association not later than one hundred twenty (120) days after Lots representing seventy-five percent (75%) of the Voting Units computed in accordance with Section 9.3(a) above have been sold and conveyed to Owners other than Declarant. If the Declarant fails to call the turnover meeting as required by this section, any Owner or mortgagee of a Lot may call the meeting by giving notice as provided in the Bylaws.

9.9 **Declarant Control After Turnover**. After the turnover meeting described in Section 9.8 above, Declarant shall continue to have the voting rights described in Section 9.3(b) above and the right to appoint interim directors as provided in Section 9.7 until termination of the Class B membership.

9.10 **Election of Directors; Voting Groups**. In order to ensure that groups of Owners with dissimilar interests are represented on the Board of Directors and to avoid allowing Owners within similar Neighborhoods to elect the entire Board of Directors, thereby excluding representation of other Owners, Voting Groups consisting of one or more Neighborhoods with similar interests will be established for electing certain members of the Board of Directors. Effective as of the next annual meeting following the termination of Class B membership, the Board of Directors shall be composed of seven (7) directors elected as follows:

(a) An at-large director elected by all of the Owners in accordance with the voting rights established under Section 9.3 of this Declaration.

(b) Two (2) directors elected by the voting rights of the Owners within Voting Group 1. Voting Group 1 shall initially consist of the following Neighborhoods: Eagle Ridge Homesites, Highland Ridge Homesites, The Falls, Eagle Springs and Scenic Ridge.

(c) Two (2) directors elected by the voting rights of the Owners within Voting Group 2. Voting Group 2 shall initially consist of the following Neighborhoods: Forest Greens, Forest Ridge and Creekside.

(d) Two (2) directors elected by the voting rights of the Owners within Voting Group 3. Voting Group 3 shall initially consist of the following Neighborhoods: Highland Parks, EagleCreek and DesertSky.

With respect to any Additional Property annexed after the date hereof, such Additional Property may be assigned to a Voting Group, if any, by Declarant if the annexation occurs prior to the termination of Class B membership. If the annexation occurs after termination of Class B membership, the Board of Directors may assign the Additional Property to a Voting Group, if any.

9.11 **Contracts Entered into by Declarant or Prior to Turnover Meeting**. Notwithstanding any other provision of this Declaration, any leases or contracts (including management contracts, service contracts and employment contracts) entered into by the Declarant or the Board of Directors on behalf of the Association prior to the turnover meeting described in Section 9.8 above shall have a term of not in excess of three (3) years. In addition, any such lease or contract shall provide that it may be terminated without cause or penalty by the Association or Board of Directors upon not less than thirty (30) nor more than ninety (90) days' notice to the other party given at any time after the turnover meeting described in Section 9.8 above.

9.12 **Neighborhood Associations**. Nothing in this Declaration shall be construed as prohibiting the formation of Neighborhood Associations within The Ridge at Eagle Crest, including, without limitation, Condominium associations, neighborhood associations, fractional interest associations, timeshare associations and associations of commercial owners. By a majority vote, the Owners of Lots within a Neighborhood may elect to establish a Neighborhood Association for such Neighborhood. The Board of Directors of the Association shall assist the Neighborhood Associations in the performance of their duties and obligations under their respective Neighborhood Declarations, and the Association shall cooperate with each Neighborhood Association so that each of those entities can most efficiently and economically provide their respective services to Owners. It is contemplated that from time to time either the Association or a Neighborhood Association may use the services of the other in the furtherance of their respective obligations, and they may contract with each other to better provide for such cooperation. The payment for such contract services or a variance in services provided may be reflected in an increased Assessment by the Association for the particular Neighborhood or by an item in the Neighborhood

Association's budget which shall be collected through Neighborhood Assessments and remitted to the Association. If a Neighborhood Association fails or is unable to perform a duty or obligation required by its Neighborhood Declaration, then the Association may, after reasonable notice and an opportunity to cure given to the Neighborhood Association, perform such duties or obligations until such time as the Neighborhood Association is able to resume such functions, and the Association may charge the Neighborhood Association a reasonable fee for the performance of such functions.

9.13 **Neighborhood Committees**. With respect to any Neighborhood within The Ridge at Eagle Crest that does not have a Neighborhood Association, the Board of Directors of the Association may appoint a Neighborhood Committee composed of three (3) to five (5) Owners of Lots within such Neighborhood, which committee shall be responsible for establishing any Policies and Procedures pertaining to Limited Common Areas for such Neighborhood, for decisions pertaining to the operation, use, maintenance, repair, replacement or improvement of such Limited Common Areas, and for such other matters pertaining to the Neighborhood as the Board of Directors may elect to delegate to the Neighborhood Committee. Following the termination of the Class B membership, the Board of Directors of the Association shall provide for election of such committee members by Owners of Lots within such Neighborhood.

Article 10

MAINTENANCE, UTILITIES AND SERVICES

10.1 **Maintenance and Lighting of Common Areas**. The Association shall be responsible for exterior lighting for and perform all maintenance upon the Common Areas, Common Easement Areas, Limited Common Areas and landscaping within dedicated rights of way, including but not limited to grass, trees, walks, private roads, entrance gates, street lighting and signs, parking areas, walkways and trails, unless the maintenance thereof is assumed by a public body. Such areas shall be maintained in a good and workmanlike manner such as to carry out the purpose for which such areas are intended.

10.2 **Maintenance of Utilities**. The Association shall perform or contract to perform maintenance of all private utilities within Common Areas, such as sanitary sewer service lines, domestic water service lines and storm drainage lines, except to the extent such maintenance is performed by the utilities furnishing such services. Each Owner shall be responsible for the cost of maintaining utility lines within his Lot.

10.3 **Security**. The Association may, but shall not be obligated to, maintain or support certain activities within the Properties designed to make the Properties safer than they otherwise might be. **Neither the Association, Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants that the Association, its board of directors and committees, Declarant, and any successor Declarant are not insurers and that each person using the Property assumes all risks for loss or damage to persons, to units and to the contents of Lots and Living Units resulting from acts of third parties.**

10.4 **Services**. The Association may provide or contract for such services as the Board may reasonably deem to be of benefit to the Property, including, without limitation, garbage and trash removal for Common Areas.

10.5 **Neighborhood Maintenance**. The Association may, in the discretion of the Board of Directors, assume the maintenance responsibilities set out in any Neighborhood Declaration for any Neighborhood located on the Property, after giving the responsible Neighborhood Association reasonable notice and an opportunity to correct its deficient maintenance. In such event, all costs of such maintenance shall be assessed only against those Owners of Lots in the Neighborhood to which the services are provided and shall be Individual Assessments for purposes of this Declaration. The assumption of this responsibility may take place either by contract or because, in the opinion

of the Board of Directors, the level and quality of service then being provided is not consistent with the community-wide standard of The Ridge at Eagle Crest.

10.6 **Owner's Responsibility**. Except as otherwise provided in this Declaration, applicable Neighborhood Declarations, or by written agreement with the Association, all maintenance of the Lots and all structures, landscaping, parking areas, and other Improvements thereon, shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in accordance with the community-wide standard of The Ridge at Eagle Crest. The Association shall, in the discretion of the Board of Directors, assume the maintenance responsibilities of such Owner if, in the opinion of the Board of Directors, the level and quality of maintenance being provided by such Owner does not satisfy such standard, and the Neighborhood Association or the Neighborhood in which the Lot is located has failed to adequately provide such maintenance. Before assuming the maintenance responsibilities, the Board of Directors shall notify the Owner and any applicable Neighborhood Association in writing of its intention to do so, and if such Owner or the Neighborhood Association has not commenced and diligently pursued remedial action within thirty (30) days after mailing of such written notice, then the Association may proceed. The expenses of such maintenance by the Association shall be reimbursed to the Association by the Owner, together with interest as provided in Section 12.6 below. Such charges shall be an Individual Assessment and lien on the Lot as provided in Sections 11.8 and 12.3 below.

Article 11

ASSESSMENTS

11.1 **Purpose of Assessments**. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of The Ridge at Eagle Crest and for the improvement, operation and maintenance of the Common Areas.

11.2 **Types of Assessments**. The Association may levy Annual Assessments, Special Assessments, Emergency Assessments, Limited Common Area Assessments and Individual Assessments, all as more particularly described below.

11.3 **Apportionment of Assessments**. Lots owned by Declarant or by any successor developer or builder who has purchased one or more parcels from Declarant for development and resale shall not be subject to Assessments until such time as the Lot is occupied for a residential or a commercial use, as applicable. The Lots of any successor developer or builder shall not be exempt from Assessments unless Declarant shall have notified the Association in writing that the Lots are exempt. All other Lots shall pay a prorata share of the Annual Assessments, Special Assessments, Emergency Assessments and Limited Common Area Assessments commencing upon the date such Lots are made subject to this Declaration. The prorata share shall be based upon the total amount of each such Assessment divided by the total number of Assessment Units of Lots subject to Assessment, times the number of Assessment Units assigned to such Lots as follows:

(a) **Residential Lots**. Each Residential Lot (including Condominium Units) shall be assigned one Assessment Unit for each Living Unit located on the Lot. A single family Residential Lot shall be assigned one Assessment Unit, regardless whether the Living Unit has been constructed on the Lot.

(b) **Commercial Lots**. Each Commercial Lot shall be assigned Assessment Units for such Lot on such basis as may be determined in the declaration annexing the Commercial Lot to The Ridge at Eagle Crest.

Notwithstanding the provisions of this section, however, a supplemental declaration annexing a specific Common Area facility may specify a special allocation of assessing the costs of operating and maintaining the facility on such Common Area in order to more fairly allocate such cost, taking into the account the extent of use or other factors.

11.4 **Annual Assessments**. The Board of Directors of the Association shall from time to time and at least annually prepare an operating budget for the Association, taking into account the current costs of maintenance and services and future needs of the Association, any previous overassessment and any common profits of the

Association. In addition, the budget shall take into account the number of Assessment Units as of the first day of the fiscal year for which the budget is prepared and the number of Assessment Units reasonably anticipated to become subject to assessment during the fiscal year. The budget shall provide for such reserve or contingency funds as the Board deems necessary or as may be required by law, but not less than the reserves required by Section 11.11 below. Annual Assessments for such operating expenses and reserves ("Annual Assessments") shall then be apportioned among the Lots as provided in Section 11.3 above. The method of adoption of the budget and the manner of billing and collection of Assessments shall be as provided in the Bylaws.

11.5 **Special Assessments**. In addition to the Annual Assessment authorized above, the Board of Directors may levy during any fiscal year a Special Assessment ("**Special Assessment**"), applicable to that year only, for the purpose of deferring all or any part of the cost of any construction or reconstruction, unexpected repair, or acquisition or replacement of a described capital improvement, or for any other one-time expenditure not to be paid for out of Annual Assessments. Special Assessments which in the aggregate in any fiscal year exceed an amount equal to five percent of the budgeted gross expenses of the Association for the fiscal year may be levied only if approved by a majority of the Voting Units voting on such matter, together with the written consent of the Class B member, if any. Prior to the turnover meeting, any Special Assessment for acquisition or construction of new capital improvements or additions must be approved by not less than fifty percent (50%) of the Class A voting rights, together with the written consent of the Class B member. Special Assessments shall be apportioned as provided in Section 11.3 above and may be payable in lump sum or in installments, with or without interest or discount, as determined by the Board of Directors.

11.6 **Emergency Assessments**. If the Annual Assessments levied at any time are, or will become, inadequate to meet all expenses incurred under this Declaration for any reason, including nonpayment of any Owner's Assessments on a current basis, the Board of Directors of the Association shall immediately determine the approximate amount of such inadequacy and issue a supplemental budget, noting the reason therefor, and levy an Emergency Assessment for the amount required to meet all such expenses on a current basis ("**Emergency Assessment**"). Any Emergency Assessment which in the aggregate in any fiscal year would exceed an amount equal to five percent of the budgeted gross expenses of the Association for the fiscal year may be levied only if approved by not less than a majority of the Voting Units voting on such matter, together with the written consent of the Class B member, if any. Emergency Assessments shall be apportioned as set forth in Section 11.3 above and payable as determined by the Board of Directors.

11.7 **Limited Common Area Assessments**. Annual Assessments, Special Assessments and Emergency Assessments relating to maintenance, upkeep, repair, replacement or improvements to Limited Common Areas ("**Limited Common Area Assessments**") shall be assessed exclusively to the Lots having the right to use such Limited Common Areas.

11.8 **Individual Assessments**. Any common expense or any part of a common expense benefitting fewer than all of the Lots may be assessed exclusively against the Lots benefitted ("Individual Assessment"). Individual Assessments include, without limitation, charges for services provided under Sections 9.5(i), 9.12, 10.5 and 10.6. Individual Assessments shall also include default assessments levied against any Lot to reimburse the Association for costs incurred in bringing such Lot or its Owner into compliance with the provisions of this Declaration or the Policies and Procedures of the Association and for fines or other charges imposed pursuant to this Declaration for violation thereof. Unless otherwise provided by the Board of Directors, Individual Assessments shall be due 30 days after the Board of Directors has given written notice thereof to the Owners subject to Individual Assessments.

11.9 **Annexation of Additional Property**. When Additional Properties are annexed to The Ridge at Eagle Crest, the Lots included therein shall become subject to Assessments from the date of such annexation, except for those Lots exempt from assessment pursuant to Section 11.3 above. All other Lots shall pay such Assessments in the amount then being paid by other Lots. The Board of Directors of the Association, however, at its option may elect to recompute the budget based upon the additional Lots subject to assessment and additional Common Areas and recompute Annual Assessments for all Lots, including the new Lots, for the balance of the fiscal year. Notwithstanding any provision of this Declaration apparently to the contrary, a declaration annexing Additional Property may provide that such Additional Property does not have the right to use a particular Common Area or

facility located thereon, in which case such Additional Property shall not be assessed for the costs of operating, maintaining, repairing, replacing or improving such Common Area or facility.

11.10 **Operations Fund**. The Association shall keep all funds received by it as Assessments, other than reserves described in Section 11.11, separate and apart from its other funds, in a bank account in the State of Oregon in the name of the Association to be known as the "**Operations Fund.**" The Association shall use such fund exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents within the Property and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas and of the Lots situated upon the Property, including but not limited to:

(a) Payment of the cost of maintenance, utilities and services as described in Article 10.

(b) Payment of the cost of insurance as described in the Bylaws of the Association.

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

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

11.11 **Reserve Fund**.

(a) **Establishment of Account**. Declarant shall conduct a reserve study as described in paragraph (c) of this section and establish a bank account in the State of Oregon in the name of the Association (the "**Reserve Fund**") for replacement of common properties that will normally require replacement in whole or in part in more than three (3) and less than thirty (30) years, for exterior painting if the Common Areas or other property to be maintained by the Association include exterior painted surfaces, and for other items, whether or not involving Common Areas, if the Association has responsibility to maintain the items. The Reserve Fund need not include those items that could reasonably be funded from operating Assessments or for those items for which one or more Owners are responsible for maintenance and replacement under the provisions of this Declaration or the Bylaws.

(b) **Funding of Reserve Fund**. The Reserve Fund shall be funded by Assessments against the individual Lot assessed for maintenance of the items for which the Reserve Fund is being established, which sums shall be included in the regular Annual Assessment for the Lot. The Reserve Fund shall be established in the name of the Association. The Association is responsible for administering the Reserve Fund and making periodic payments into it.

(c) **Reserve Studies**. The reserve portion of the initial Assessment determined by Declarant shall be based on a reserve study described in this paragraph (c) or other sources of information. The Board of Directors annually shall conduct a reserve study, or review and update an existing study, to determine the Reserve Fund requirements and may adjust the amount of payments as indicated by the study or update and provide other reserve items that the Board of Directors, in its discretion, may deem appropriate. The reserve study shall include:

(i) Identification of all items for which reserves are to be established;

(ii) The estimated remaining useful life of each item as of the date of the reserve study;

(iii) The estimated cost of maintenance, repair or replacement of each item at the end of its useful life;

(iv) A thirty (30) year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.

(d) **Use of Reserve Fund.** The Reserve Fund shall be used only for the purposes for which the reserves have been established and shall be kept separate from other funds. After termination of the Class B membership, however, the Board of Directors may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet unexpected increases in expenses if the Board of Directors has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board of Directors shall adopt by resolution a written payment plan providing for repayment of the borrowed funds within a reasonable period. Nothing in this section shall prohibit prudent investment of the Reserve Fund. In addition to the authority of the Board of Directors under paragraph (c) of this section, following the second year after termination of the Class B membership, the Association may elect to reduce or increase future Assessments for the Reserve Fund by an affirmative vote of not less than seventy-five percent (75%) of the voting power of the Association and may, on an annual basis by a unanimous vote, elect not to fund the Reserve Fund. Assessments paid into the Reserve Fund are the property of the Association and are not refundable to sellers or Owners of Lots. Sellers of the Lots, however, may treat their outstanding share of the Reserve Fund as a separate item in any sales agreement.

11.12 **Creation of Lien and Personal Obligation of Assessments.** Declarant, for each Lot owned by it within the Property, does hereby covenant, and each Owner of any Lot by acceptance of a conveyance thereof, whether or not so expressed in any such conveyance, shall be deemed to covenant to pay to the Association all Assessments or other charges as may be fixed, established and collected from time to time in the manner provided in this Declaration or the Association Bylaws. Such Assessments and charges, together with any interest, late charges, expenses or attorneys' fees imposed pursuant to Section 12.6, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment or charge is made. Such Assessments, charges and other costs shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Article 12 below.

11.13 **Voluntary Conveyance.** In a voluntary conveyance of a Lot the grantee shall be jointly and severally liable with the grantor for all unpaid Assessments against the grantor of the Lot up to the time of the grant or conveyance, without prejudice to the grantee's right to recover from the grantor the amounts paid by the grantee therefor. However, upon request of an Owner or Owner's agent for the benefit of a prospective purchaser, the Board of Directors shall make and deliver a written statement of the unpaid Assessments against the prospective grantor of the Lot effective through a date specified in the statement, and the grantee in that case shall not be liable for any unpaid Assessments against the grantor not included in the written statement.

Article 12

ENFORCEMENT

12.1 **Use of Common Areas.** In the event any Owner shall violate any provision of this Declaration, the Bylaws of the Association or other Policies and Procedures adopted by the Association governing the use of Common Areas, then the Association, acting through its Board of Directors, shall notify the Owner in writing that the violations exist and the Owner is responsible for them, and may, after reasonable notice and opportunity to be heard, do any or all of the following: (a) suspend the Owner's voting rights and right to use the Common Areas for the period that the violations remain unabated, or for any period not to exceed sixty (60) days for any infraction of its Policies and Procedures, (b) impose reasonable fines upon the Owner, based upon a resolution adopted by the Board of Directors that is delivered to the Owner of each Lot, mailed to the mailing address of each Lot or mailed to the mailing address designated in writing by the Owner of each Lot, which fines shall be paid into the Operations Fund as Individual Assessments, or (c) bring suit or action against such Owner to enforce this Declaration. Nothing in this section, however, shall give the Association the right to deprive any Owner of access to and from the Owner's Lot.

12.2 **Nonqualifying Improvements and Violation of General Protective Covenants.** In the event any Owner constructs or permits to be constructed on his Lot an Improvement contrary to the provisions of this Declaration, or causes or permits any Improvement, activity, condition or nuisance contrary to the provisions of this Declaration to remain uncorrected or unabated on the Owner's Lot, then the Association acting through its Board of Directors shall notify the Owner in writing of any such specific violations of this Declaration and shall require the

Owner to remedy or abate the same in order to bring his Lot, the Improvements thereon and the use thereof, into conformance with this Declaration. If the Owner is unable, unwilling or refuses to comply with the Association's specific directives for remedy or abatement, or the Owner and the Association cannot agree to a mutually acceptable solution within the framework and intent of this Declaration, after notice and opportunity to be heard and within sixty (60) days of written notice to the Owner, then the Association acting through its Board of Directors, shall have the right to do any or all of the following:

(a) Assess reasonable fines against such Owner based upon a resolution adopted by the Board of Directors that is delivered to each Lot, mailed to the mailing address of each Lot or mailed to the mailing address designated by the Owner of each Lot in writing, which fines shall constitute Individual Assessments for purposes of this Declaration;

(b) Enter the offending Lot and remove the cause of such violation, or alter, repair or change the item which is in violation of this Declaration in such a manner as to make it conform thereto, in which case the Association may assess such Owner for the entire cost of the work done, which amount shall be payable to the Operations Fund as an Individual Assessment, provided that no items of construction shall be altered or demolished in the absence of judicial proceedings, or

(c) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration.

12.3 **Default in Payment of Assessments; Enforcement of Lien**. If an Assessment or other charge levied under this Declaration is not paid within thirty (30) days of its due date, such Assessment or charge shall become delinquent and shall bear interest from the due date at the rate set forth below. In such event the Association may exercise any or all of the following remedies:

(a) The Association may suspend such Owner's voting rights and right to use the Common Areas until such amounts, plus other charges under this Declaration, are paid in full and may declare all remaining periodic installments of any Annual Assessment immediately due and payable. In no event, however, shall the Association deprive any Owner of access to and from the Owner's Lot.

(b) The Association shall have a lien in accordance with ORS 94.709 against each Lot for any Assessment levied against the Lot, including any fines or other charges imposed under this Declaration or the Bylaws against the Owner of the Lot and may foreclose such lien in the manner provided in ORS 94.709.

(c) The Association may bring an action to recover a money judgment for unpaid Assessments under this Declaration without foreclosing or waiving the lien described in paragraph(b) above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

(d) The Association shall have any other remedy available to it by law or in equity.

12.4 **Notification of First Mortgagee**. The Board of Directors shall notify any first mortgagee of any individual Lot of any default in performance of this Declaration by the Lot Owner which is not cured within sixty (60) days after notice of default to the Owner.

12.5 **Subordination of Lien to Mortgages**. The lien of the Assessments or charges provided for in this Declaration shall be subordinate to the lien of any mortgage or deed of trust on such Lot which was made in good faith and for value and which was recorded prior to the recordation of the notice of lien. Sale or transfer of any Lot shall not affect the Assessment lien, but the sale or transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a decree of foreclosure or nonjudicial sale thereunder shall extinguish any lien of an Assessment notice of which was recorded after the recording of the mortgage or trust deed. Such sale or transfer, however, shall not release the Lot from liability for any Assessments or charges thereafter becoming due or from the lien of such Assessments or charges.

12.6 **Interest, Expenses and Attorneys' Fees.** Any amount not paid to the Association when due in accordance with this Declaration shall bear interest from the due date until paid at a rate three percentage points per annum above the prevailing Portland, Oregon prime rate at the time, or such other rate as may be established by the Board of Directors, but not to exceed the lawful rate of interest under the laws of the State of Oregon. A late charge may be charged for each delinquent Assessment in an amount established from time to time by resolution of the Board of Directors, which resolution is delivered to each Lot, mailed to the mailing address of each Lot or mailed to the mailing address designated by the Owner in writing, together with all expenses incurred by the Association in collecting such unpaid assessments, including attorneys' fees (whether or not suit is instituted). In the event the Association shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice, and a fee for preparing the notice of lien established from time to time by resolution of the Board of Directors of the Association. In the event the Association shall bring any suit or action to enforce this Declaration, or to collect any money due under this Declaration or to foreclose a lien, the Owner-defendant shall pay to the Association all costs and expenses incurred by it in connection with such suit or action, including a foreclosure title report, and the prevailing party in such suit or action shall recover such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof or in connection with any bankruptcy proceedings or special bankruptcy remedies.

12.7 **Assignment of Rents.** As security for the payment of all liens arising pursuant to this Article 12, each Owner hereby gives to and confers upon the Association the right, power and authority, during the continuance of such ownership, to collect the rents, issues and profits of the Owner's Lot, reserving unto the Owner the right, prior to any default by such Owner in performance of that Owner's obligation under this Declaration or the Bylaws to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Association may, at any time after ten (10) days written notice to such Owner, either in person, by agent or by a receiver to be appointed by a court of competent jurisdiction, and without regard to the adequacy of any security for such indebtedness, enter upon and take possession of such Owner's Lot or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, in payment of any indebtedness to the Association or in performance of any agreement hereunder, and in such order as the Association may determine. Such action shall not cure nor waive any default hereunder or invalidate any act done pursuant to this Declaration. The assignment of rents and powers described in the foregoing paragraph shall not affect, and shall in all respects be subordinate to, the rights and powers of the holder of any first or second mortgage on any Lot, or any part thereof, to do the same or similar acts.

12.8 **Nonexclusiveness and Accumulation of Remedies.** An election by the Association to pursue any remedy provided for violation of this Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted under this Declaration. The remedies provided in this Declaration are not exclusive but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to the Association. In addition, any aggrieved Owner may bring an action against another Owner or the Association to recover damages or to enjoin, abate or remedy any violation of this Declaration by appropriate legal proceedings.

12.9 **Mediation.**

(a) Except as otherwise provided in this section, before initiating litigation, arbitration or an administrative proceeding in which the Association and an Owner have an adversarial relationship, the party that intends to initiate litigation, arbitration or an administrative proceeding shall offer to use any dispute resolution program available within Deschutes County, Oregon, that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. The written offer must be hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party.

(b) If the party receiving the offer does not accept the offer within ten (10) days after receipt of the offer, such acceptance to be made by written notice, hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party, the initiating party may commence the litigation, arbitration or administrative proceeding. The notice of acceptance of the offer to participate in the program must contain the name, address and telephone number of the body administering the dispute resolution program.

(c) If a qualified dispute resolution program exists within Deschutes County, Oregon and an offer to use the program is not made as required under paragraph (a) of this section, then litigation, arbitration or an administrative proceeding may be stayed for thirty (30) days upon a motion of the noninitiating party. If the litigation, arbitration or administrative action is stayed under this paragraph, both parties shall participate in the dispute resolution process.

(d) Unless a stay has been granted under paragraph (c) of this section, if the dispute resolution process is not completed within thirty (30) days after receipt of the initial offer, the initiating party may commence litigation, arbitration or an administrative proceeding without regard to whether the dispute resolution is completed.

(e) Once made, the decision of the court, arbitrator or administrative body arising from litigation, arbitration or an administrative proceeding may not be set aside on the grounds that an offer to use a dispute resolution program was not made.

(f) The requirements of this section do not apply to circumstances in which irreparable harm to a party will occur due to delay or to litigation, arbitration or an administrative proceeding initiated to collect Assessments, other than Assessments attributable to fines.

Article 13

MORTGAGES

13.1 **Reimbursement of First Mortgagees**. First mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Area. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

13.2 **Right of First Mortgagees Relating to Maintenance**. At any time that the Common Areas are not maintained or repaired by the Association to the extent reasonably necessary to protect and preserve the value of the Property for security purposes, then the record mortgagee, upon giving written notice as provided in this section, shall be entitled to exercise the rights of the Owner of the Lot as a member of the Association to vote at all regular and special meetings of the members of the Association for a period of one year following the date of such notice. During this one-year period, the Association shall give notice of all regular and special meetings to both the Owner and the mortgagee, and the Owner may attend such meetings as an observer. Notice from the mortgagee under this section shall quote this Section 13.2 and shall be sent postage prepaid by certified United States mail, return receipt requested, to the Owner with a copy by regular mail to the Association at the last known address of each.

Article 14

MISCELLANEOUS PROVISIONS

14.1 **Amendment and Repeal**.

(a) **How Proposed**. Amendments to or repeal of this Declaration shall be proposed by either a majority of the Board of Directors or by Owners holding thirty percent (30%) or more of the Association's voting rights. The proposed amendment or repeal must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment or repeal.

(b) **Approval Required**. This Declaration, or any provision thereof, as from time to time in effect with respect to all or any part of the Property, may be amended or repealed by the vote or written consent of Owners representing not less than seventy-five percent (75%) of the Lots, based upon the voting rights assigned to each such Lot, together with the written consent of the Class B member, if such Class B membership has not been terminated as provided in this Declaration. In no event shall an amendment under this section create, limit or

diminish special Declarant rights without Declarant's written consent, or change the boundaries of any Lot or any uses to which any Lot is restricted under this Declaration or change the method of determining liability for common expenses, the method of determining the right to common profits or the method of determining voting rights of any Lot unless the Owners of the affected Lots unanimously consent to the amendment. Declarant may not amend this Declaration to increase the scope of special Declarant rights reserved in this Declaration after the sale of the first Lot unless Owners representing seventy-five percent (75%) of the total vote, other than Declarant, agree to the amendment.

(c) **Recordation**. Any such amendment or repeal shall become effective only upon recordation in the Deed Records of Deschutes County, Oregon of a certificate of the president and secretary of the Association setting forth in full the amendment, amendments or repeal so approved and certifying that such amendment, amendments or repeal have been approved in the manner required by this Declaration and ORS 94.590, and acknowledged in the manner provided for acknowledgment of deeds.

14.2 **Regulatory Amendments**. Notwithstanding the provisions of Section 14.1 above, until termination of the Class B membership Declarant shall have the right to amend this Declaration and the Articles of Incorporation and Bylaws of the Association in order to comply with the requirements of any applicable statute, ordinance or regulation of the Federal Housing Administration, the U.S. Department of Housing and Urban Development, the Veterans Administration, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon which insures, guarantees or provides financing for a planned community or lots in a planned community or regulates the development or sale of real property.

14.3 **Duration**. This Declaration shall run with the land and shall be and remain in full force and effect at all times with respect to all property included within the Property and the Owners thereof for an initial period of thirty (30) years commencing with the date on which the Original Declaration was recorded. Thereafter, this Declaration shall continue to run with the land and be and remain in full force and effect at all times with respect to all property within the Property and the Owners thereof for successive additional periods of ten (10) years each. The continuation from the initial or any additional period into the next subsequent period shall be automatic and without the necessity of any notice, consent or other action whatsoever; provided, however, that this Declaration may be terminated at the end of the initial or any additional period by resolution approved not less than six (6) months prior to the intended termination date by the vote or written consent of Owners owning not less than seventy-five percent (75%) of the Voting Units in the Association. Any such termination shall become effective only if a certificate of the president or secretary of the Association, certifying that termination as of a specified termination date has been approved in the manner required in this Declaration, is duly acknowledged and recorded in the Deed Records of Deschutes County, Oregon, not less than six (6) months prior to the intended termination date. Such termination shall not have the effect of denying any Owner access to the Owner's Lot unless such Owner and any mortgagee of such Lot have consented in writing to the termination.

14.4 **Joint Owners**. Unless otherwise provided in a Neighborhood Declaration, in any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event 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 proportion of votes or consents given with respect to such matter.

14.5 **Lessees and Other Invitees**. Lessees, invitees, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration restricting or regulating the Owner's use, improvement or enjoyment of his Lot and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner himself.

14.6 **Notice of Sale or Transfer of Title**. Any Owner selling or otherwise transferring title to his or her Lot shall give the Association written notice within seven (7) days after such transfer of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Association may reasonably require. The transferor shall continue to be jointly and severally responsible with the transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Board, notwithstanding the transfer of title.

14.7 **Nonwaiver**. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

14.8 **Construction; Severability; Number; Captions**. This Declaration shall be liberally construed as an entire document to accomplish the purposes thereof as stated in the introductory paragraphs hereof. Nevertheless, each provision of this Declaration 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 in this Declaration, the singular shall include the plural and the plural the singular, and 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 this Declaration.

14.9 **Notices and Other Documents**. Any notice or other document permitted or required by this Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed made twenty-four (24) hours after having been deposited in the United States mail as certified or registered mail, with postage prepaid, addressed as follows: If to Declarant or the Association, PO Box 1215, Redmond, Oregon 97756; if to an Owner, at the address given by the Owner at the time of purchase of a Lot, or at the Lot. The address of a party may be changed at any time by notice in writing delivered as provided in this section.

EXHIBIT A

Supplemental Declarations

Supplemental Declaration	Recorded in the Office of the County Recorder, Deschutes County, Oregon, in:	Recording Date
Termination Declaration for Common Area Lot C At The Ridge At Eagle Crest	Volume 526/Page #1414 No. 98-56511	12/15/1998
Declaration Annexing Phase 2 Of Eagle Ridge Homesites to The Ridge at Eagle Crest	Volume 427/Page #0814 No. 96-39642	10/25/1996
Declaration Annexing Phase 3 Of Eagle Ridge Homesites to The Ridge at Eagle Crest	Volume 445/Page #0397 No 97-13197	4/18/1997
Declaration Annexing Phase 4 Of Eagle Ridge Homesites to The Ridge at Eagle Crest	Volume 458/Page #0572 No. 97-28752	8/13/1997
Declaration Annexing Phase 5 Of Eagle Ridge Homesites to The Ridge at Eagle Crest	Volume 469/Page #2514 No. 97-42541	11/14/1997
Declaration Annexing Phase 6 Of Eagle Ridge Homesites to The Ridge at Eagle Crest	Volume 482/Page #2557 No. 98-08485	3/4/1998
Amended & Restated Declaration Annexing Phase 6 Of Eagle Ridge Homesites to The Ridge At Eagle Crest	Volume 497/Page #0949 No. 98-24354	6/9/1998
Declaration Annexing Phase 7 Of Eagle Ridge Homesites to The Ridge At Eagle Crest	Volume 512/Page #2514 No. 98-41832	9/21/1998
Declaration Annexing Phase 8 Of Eagle Ridge Homesites to The Ridge At Eagle Crest	Volume 1999/Page #14335 No. 99-14335	3/23/1999
Declaration Annexing Phase 9 Of Eagle Ridge Homesites to The Ridge At Eagle Crest	Volume 1999/Page #39097 No. 99-39097	8/10/1999
Declaration Annexing Phase 10 Of Eagle Ridge Homesites to The Ridge at Eagle Crest	Volume 2000/Page #15381 No. 00-19860	4/21/2000

Supplemental Declaration	Recorded in the Office of the County Recorder, Deschutes County, Oregon, in:	Recording Date
Declaration Annexing Phase 11 Of Eagle Ridge Homesites to The Ridge At Eagle Crest	Volume 2000/Page #51828	8/25/2000
Amended Declaration Annexing Phase 11 Of Eagle Ridge Homesites to The Ridge At Eagle Crest	Volume 2000/Page #51828	12/27/2000
Declaration Annexing Phase 1 Of Highland Ridge Homesites to The Ridge At Eagle Crest	Volume 2002/Page #06683	2/4/2002
Termination Declaration of Highland Ridge Homesites Phase 1 At The Ridge At Eagle Crest	Volume 2002/Page #08681	2/12/2002
Declaration Annexing Phase 1 Of Highland Ridge Homesites to The Ridge At Eagle Crest	Volume 2002/Page #08682	2/12/2002
Declaration Annexing Phase 2 Of Highland Ridge Homesites to The Ridge At Eagle Crest	Volume 2003/Page #32727	5/16/2003
Declaration Annexing Phase 2A Of Highland Ridge Homesites to The Ridge At Eagle Crest	Volume 2005/Page #02332	1/14/2005
Declaration Annexing Phase 3 Of Highland Ridge Homesites to The Ridge At Eagle Crest	Volume 2004/Page #11644	3/3/2004
Amended and Restated Declaration Annexing Phase 3 of Highland Ridge Homesites to The Ridge At Eagle Crest	Volume 2004/Page #68616	11/16/2004
Declaration Annexing Phase 1 Of EagleCreek to The Ridge At Eagle Crest	Volume 1999/Page #11499 No. 96-39643	3/8/1999
Declaration Annexing Phase 1 Re-record Of EagleCreek to The Ridge At Eagle Crest	Volume 427 Page #0817 No. 96-20423	6/5/1996
Declaration Annexing Phase 2 Of EagleCreek to The Ridge At Eagle Crest	Volume 456/Page #1873 No. 97-26915	7/30/1997
Declaration Annexing Phase 3 Of EagleCreek to The Ridge At Eagle Crest	Volume 507/Page #0942 No. 98-35481	8/12/1998

Supplemental Declaration	Recorded in the Office of the County Recorder, Deschutes County, Oregon, in:	Recording Date
Declaration Annexing Phase 4 Of EagleCreek to The Ridge At Eagle Crest	Volume 526/Page #1417 No. 98-56512	12/15/1998
Declaration Annexing Phase 5 Of EagleCreek to The Ridge At Eagle Crest	Volume 1999/Page #51236	10/22/1999
Declaration Annexing Phase 6 Of EagleCreek to The Ridge At Eagle Crest	Volume 2000/Page #22208	6/6/2000
Declaration Annexing Phase 7 Of EagleCreek to The Ridge At Eagle Crest	Volume 2000/Page #37945	9/20/2000
Declaration Annexing Phase 8 Of EagleCreek to The Ridge At Eagle Crest	Volume 2003/Page #85426	12/16/2003
Declaration Annexing Phase 1 Of Forest Greens to The Ridge At Eagle Crest	Volume 429/Page #2978 No. 96-42953	11/20/1996
First Amendment To Declaration Annexing Phase 1 Of Forest Greens to The Ridge At Eagle Crest	Volume 440/Page #1533 No. 97-07861	3/10/1997
Declaration Annexing Phase 2 Of Forest Greens to The Ridge At Eagle Creest	Volume 449/Page #0856 No. 97-18192	5/28/1997
Declaration Annexing Phase 2A Of Forest Greens to The Ridge At Eagle Crest	Volume 458/Page #2893 No. 97-29713	8/20/1997
Termination Declaration of Phase 3 Of Forest Greens At The Ridge At Eagle Crest	Volume 499/Page #1192 No. 98-26736	6/23/1998
Declaration Annexing Phase 3 Of Forest Greens to The Ridge At Eagle Crest	Volume 477/Page #2308 No. 98-02948	1/26/1998
Declaration Annexing Phase 3 Replat Of Forest Greens to The Ridge At Eagle Crest	Volume 499/Page #1184 No. 98-26735	6/23/1998

Supplemental Declaration	Recorded in the Office of the County Recorder, Deschutes County, Oregon, in:	Recording Date
Declaration Annexing Phase 4 Of Forest Greens to The Ridge At Eagle Crest	Volume 1999/Page #28193	6/7/1999
Declaration Annexing Phase 5 Of Forest Greens to The Ridge At Eagle Crest	Volume 1999/Page #58365	12/9/1999
Termination Declaration Lots 97, 98, 99 and Common Lot B Of Phase 5 - Forest Greens At The Ridge At Eagle Crest	Volume 2001/Page #27716	6/11/2001
Declaration Annexing Lots 115, 116, 117, and 118 Of Forest Greens Phase 5A to The Ridge At Eagle Crest	Volume 2001/Page #27717	6/11/2001
Amended and Restated Declaration Annexing Forest Greens Phase 5A to The Ridge At Eagle Crest	Volume 2001/Page #42909	8/30/2001
Declaration Annexing Forest Greens Phase 6 to The Ridge At Eagle Crest	Volume 2001/Page #58761	11/29/2001
Declaration Annexing Forest Ridge Phase 1 to The Ridge At Eagle Crest	Volume 2000/Page #39953	10/2/2000
Declaration Annexing Forest Ridge Phase 1A to The Ridge At Eagle Crest	Volume 2001/Page #27718	6/11/2001
Declaration Annexing Forest Ridge Phase 2 to The Ridge At Eagle Crest	Volume 2001/Page #034227	7/16/2001
Amended and Restated Declaration Annexing Forest Ridge Phase 2 to The Ridge At Eagle Crest	Volume 2001/Page #48472	10/2/2001
Amendment to Declarations Annexing Forest Ridge Phase 1, Phase 1A, and Phase 2 to The Ridge At Eagle Crest	Volume 2002/Page #11753	2/28/2002
Declaration Annexing Scenic Ridge Homesites to The Ridge at Eagle Crest	Volume 2003/Page #02855	1/14/2003

Supplemental Declaration	Recorded in the Office of the County Recorder, Deschutes County, Oregon, in:	Recording Date
Declaration Annexing Phase 1 Of Creekside to The Ridge At Eagle Crest	Volume 2003/Page #43034	6/26/2003
Declaration Annexing Phase 2 Of Creekside to The Ridge At Eagle Crest	Volume 2003/Page #83374	12/5/2003
Declaration Annexing Phase 3 Of Creekside to The Ridge At Eagle Crest	Volume 2004/Page #29971	5/21/2004
Declaration Annexing Phase 4 Of Creekside to The Ridge At Eagle Crest	Volume 2004/Page #60875	10/11/2004
Declaration Annexing Phase 1 Of DesertSky to The Ridge At Eagle Crest	Volume 2003/Page #63672	9/15/2003
Declaration Annexing Phase 1 Re-record Of DesertSky to The Ridge At Eagle Crest	Volume 2003/Page #51157	7/30/2003
Declaration Annexing Phase 2 Of DesertSky to The Ridge At Eagle Crest	Volume 2004/Page #10136	2/26/2004
Declaration Annexing Phase 2 Re-record Of DesertSky to The Ridge At Eagle Crest	Volume 2004/Page #12883	3/9/2004
Declaration Annexing Highland Parks to The Ridge At Eagle Crest	Volume 2004/Page #14901	3/19/2004
Amended and Restated Declaration Annexing Highland Parks to The Ridge At Eagle Crest	Volume 2004/Page #24537	4/29/2004
Declaration Annexing Highland Parks Phase 2 to The Ridge At Eagle Crest	Volume 2004/Page #48322	8/13/2004
Declaration Annexing Highland Parks Phase 3 to The Ridge At Eagle Crest	Volume 2004/Page #60878	10/11/2004

Supplemental Declaration	Recorded in the Office of the County Recorder, Deschutes County, Oregon, in:	Recording Date
Declaration Annexing Phase 1 Of The Falls to The Ridge At Eagle Crest	Volume 483/Page #0249 No. 98-08697	3/6/1998
Amended and Restated Declaration Annexing Phase 1 Of The Falls to The Ridge At Eagle Crest	Volume 496/Page #1471 No. 98-23450	6/4/1998
Declaration Annexing Phase 2 Of The Falls to The Ridge At Eagle Crest	Volume 1999/Page #25616	5/24/1999
Declaration Annexing Phase 3 Of The Falls to The Ridge At Eagle Crest	Volume 2000/Page #19580	5/18/2000
Declaration Annexing Phase 4 Of The Falls to The Ridge At Eagle Crest	Volume 2001/Page #48713	10/3/2001
Declaration Annexing Phase 4 Re-record Of The Falls to The Ridge At Eagle Crest	Volume 2001/Page #46071	9/20/2001
Declaration Annexing Phase 5 Of The Falls to The Ridge At Eagle Crest	Volume 2001/Page #64035	12/27/2001
Declaration Annexing Phase 6 Of The Falls to The Ridge At Eagle Crest	Volume 2002/Page #27934	5/22/2002
Declaration Annexing Phase 7 Of The Falls to The Ridge At Eagle Crest	Volume 2004/Page #41673	7/15/2004
Declaration Annexing Phase 7 Re-record Of The Falls To The Ridge At Eagle Crest	Volume 2004/Page #49673	8/19/2004
Declaration Annexing The Falls Clubhouse to The Ridge At Eagle Crest	Volume 2003/Page #02856	1/14/2003
Declaration Annexing Lot 65 to The Ridge At Eagle Crest	Volume 437/Page #2617 No. 97-04705	2/12/1997
Declaration Annexing Lots 72 and 71 to The Ridge At Eagle Crest	Volume 496/Page #1478 No. 98-23451	6/4/1998

Supplemental Declaration	Recorded in the Office of the County Recorder, Deschutes County, Oregon, in:	Recording Date
Declaration Annexing Eagle Springs to The Ridge At Eagle Crest	Volume 2000/Page #25089	6/23/2000
Declaration Annexing Common Area to The Ridge At Eagle Crest	Volume 2000/Page #52186	12/28/2000
Declaration Annexing Common Area to The Ridge At Eagle Crest	Volume 2002/Page #05399	1/28/2002
Declaration Annexing Common Easement Area to The Ridge At Eagle Crest	Volume 2002/Page #08683	2/12/2002
Declaration Annexing Lot 3 to Eagle Springs at The Ridge At Eagle Crest	Volume 2002/Page #32488	6/14/2002
First Amendment to Declaration Annexing Eagle Springs to The Ridge At Eagle Crest	Volume 2002/Page #47088	8/29/2002
Declaration Annexing Lots 4 - 18 Eagle Springs Homesites to The Ridge At Eagle Crest	Volume 2003/Page #36877	6/3/2003
Termination Declaration for Common Area to The Ridge At Eagle Crest	Volume 526/Page #1414 No. 98-56511	12/15/1998