

**AMENDED AND RESTATED
DECLARATION OF
COVENANTS, CONDITIONS AND
RESTRICTIONS FOR TANAWASHEE
HOMEOWNERS ASSOCIATION**

After recording, return to:
Mosier Heights, LLC
01421 SW Military Road
Portland, OR 97219

Wasco County Official Records **2019-004417**
DEED-CCR
Stn=3 PAULB **12/27/2019 02:45:01 PM**
\$155.00 \$11.00 \$10.00 \$60.00 \$19.00 **\$255.00**

I, Lisa Gambee, County Clerk for Wasco County,
Oregon, certify that the instrument identified herein
was recorded in the Clerk records.

**AMENDED AND RESTATED
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
TANAWASHEE HOMEOWNERS ASSOCIATION**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR TANAWASHEE HOMEOWNERS ASSOCIATION, INC. is made this 26th day of December, 2019, by Tanawashee Homeowners Association. (*the "Association"*), successor to Mosier Heights, LLC ("Declarant").

RECITALS

WHEREAS, the original Declarant, Mosier Heights, LLC, on the 7th day of November, 2015, made a Declaration of Covenants, Conditions and Restrictions pertaining to real property located in the City of Mosier, County of Wasco, State of Oregon, which Declaration was recorded in the Wasco County Clerk's Office on November 12, 2015, instrument number 2015-004466 ("Original Declaration");

WHEREAS, the Declarant and the Association desires to amend, supplement and restate the Original Declaration in its entirety to provide as set forth hereinafter;

WHEREAS, the properties that are subjected to this Amended and Restated Declaration as of the date of its adoption are identified as follows:

The East 2/3 and the North 1/2 of the West 1/3 of Government Lot 4, Section 1, Township 2 North, Range 11 East Willamette Meridian, City of Mosier, Wasco County Oregon.

BUT EXCEPTING THEREFROM

Tracts A and B of the Tanawashee Subdivision, Phase 2 as recorded as Instrument No.

 31478AM

2019-002145 on June 28, 2019, records of Wasco County, in Government Lot 4, Section 1, Township 2 North, Range 11 East, Willamette Meridian, City of Mosier, Wasco County, Oregon.

WHEREAS, all prior recorded declarations, amendments and supplements thereto shall be superseded and replaced by this Declaration;

WHEREAS, the necessary procedures and provisions have been followed in making these amendments including consent by Owners constituting not less than seventy-five percent (75%) of the total votes, in the aggregate, pursuant to the Original Declaration pursuant to the Declaration and ORS 94.580;

WHEREAS, it is necessary for each Owner to be a member of the Association.

NOW, THEREFORE, the Original Declaration is replaced and superseded by the Covenants, Conditions and Restrictions set forth below and the Property is subject to the covenants, conditions, restrictions, easements, charges and liens hereinafter set forth in this Declaration, which shall run with the land, which shall be binding on all parties having or acquiring any right, title, or interest in the Property or any part thereof, and which shall inure to the benefit of the Association and of each Owner.

ARTICLE 1 DEFINITIONS

1.1 Architectural Review Committee or ARC shall refer to that committee constituted and acting pursuant to Article 6 of this Declaration.

1.2 Articles shall mean the Articles of Incorporation for the nonprofit corporation, Tanawashee Homeowners Association, Inc., as filed with the Oregon Secretary of State.

1.3 Association shall mean and refer to Tanawashee Homeowners Association, Inc., its successors and assigns.

1.4 Board shall mean the Board of Directors of the Association.

1.5 Bylaws shall mean and refer to the Bylaws of the Association, adopted pursuant to ORS 94.625 which shall be recorded in the Wasco County, Oregon deed records.

1.6 Common Area shall mean and refer to any areas and improvements thereon, which are intended to be devoted to the common use and enjoyment of the members and which land has been conveyed to the Association.

1.7 Declaration shall mean the covenants, restrictions, and all other provisions set forth in this Declaration of Covenants and Restrictions for Tanawashee.

1.8 Declarant shall mean and refer to Mosier Heights, LLC, its successors or assigns, or any successor or assign to all remainder of his or her interest in the development of the Property.

1.9 Home shall mean and refer to any portion of a structure situated upon the Property designed and intended for use and occupancy as a residence by a single family.

1.10 Lot shall mean and refer to each and any of Lots 1 through 21 of Tanawashee, and any of Lots 22-48 which may be subsequently annexed to the Association, together with any other lots that may be designed as lots intended for residential use on any supplemental declaration and plat submitting additional property to the terms of this Declaration. Provided, however, that *Lot* shall not include other portions of the Property designated on the Plat as Common Area.

1.11 Members shall mean and refer to the Owners of Lots in Tanawashee.

1.12 Tanawashee shall mean Lots 1 through up to about 48 and all Common Area included within phases 1, 2, 3, 4, and 5 of Tanawashee.

1.13 Occupant shall mean and refer to the occupant of a Home who shall be either the owner, lessee or any other person authorized by the owner to occupy the premises.

1.14 Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession under a land sale contract. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation.

1.15 Plat shall mean and refer to the Phase 1 and 2 plats of Tanawashee recorded in the Records of Wasco County, Oregon, at Document #2015-2510, on June 30, 2015 and Document #2019-002145 on June 28, 2019. The term shall include subsequent plats of phases 3, 4, and 5 of Tanawashee upon the recordation in the Wasco County, Oregon Plat Records

1.16 Property shall mean and refer to all real property, including Lots 1 through 21, the Common Area and all improvements located on the real property subject to this Declaration, as more particularly set forth above in the Recitals of this Declaration, together with such additional Lots and Common Area as may, from time to time, be annexed to the Association as provided for herein.

1.17 Reserve Account(s) shall mean and refer to an account set up by the Board to hold funds for construction, improvements or maintenance of the Common Area or other.

1.18 Rules and Regulations shall mean and refer to the documents containing rules and regulations and policies adopted by the Board of the Association or the Architectural Review Board as may be from time to time amended.

ARTICLE 2 GENERAL PLAN OF DEVELOPMENT

2.1 Property Subject to this Declaration. The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Mosier, Wasco

County, Oregon and is the Property described above the Recitals of this Declaration, consisting of Lots 1 through 21 and any Common Areas of Tanawashee. Declarant reserves the right to annex additional property into the Association, which shall become subject to this Declaration. Fifth Avenue, Blanchard Boulevard, Asher Street, Penstemon Court, Tanawashee Court, as presently delineated on the Plat, are public streets and not subject to this Declaration.

2.2 Common Area Improvements. Declarant does not at this time intend to build any Common Area improvements.

2.3 Procedure for Expansion of Planned Community. The Declarant has developed the Property with twenty-one (21) buildable residential Lots on which one Home may be located. Through one or more supplemental declarations, the Declarant intends to create a Class I planned community of up to about 48 lots. The initial eleven (11) Lots are a part of Phase 1 of Tanawashee. Lots 12 to 21 are a part of Phase 2 of Tanawashee. The Declarant intends to proceed with the development and annexation of Phases 3, 4 and 5 of Tanawashee. Phase 3 of Tanawashee will consist of approximately eight (8) Lots. Phase 4 of Tanawashee will consist of approximately eleven (11) Lots. Phase 5 of Tanawashee will consist of approximately eight (8) Lots. The planned community will be expanded to include Phases 3, 4 and 5 by Declaration(s) of the Declarant annexing the phases into the planned community. All property, including Lots and Common Area, that is annexed shall be subject to this Declaration immediately upon recordation of the Declaration in the Wasco County, Oregon deed records.

2.4 Maximum Number of Lots. After expansion, there will be a maximum of about forty-eight (48) Lots within Tanawashee.

2.5 Nature and Proposed Use of Common Area. Portions of any Common Area open space will be landscaped and other portions of the open space will not be landscaped. It is contemplated that the landscaping of the Common Area will not be completed prior to conveyance of the first Lot in Phase 1. Instead, the Declarant will complete the landscaping of the Common Area in an orderly and efficient manner as homes adjacent to specific portions of Common Area are constructed and completed. The same is contemplated for subsequent Phases.

2.6 Allocation of Votes After Annexation. If additional Lots are annexed to the planned community, the Owner of each additional Lot shall have voting rights as described in Article 7 effective upon recordation of the Declaration or Plat annexing such additional Lots to the planned community. If the additional Lots are owned by Owners of Lots other than the Declarant, the Owners of the additional Lots will be Class A members. If the Declarant is the Owner of the additional lots, the Declarant shall be a Class B member for each of the additional Lots that are owned by the Declarant.

2.7 Reallocation of Common Expenses for Additional Lots. If additional Lots are annexed to the planned community, and the assessment of Lots has commenced pursuant to Section 10.3, each additional Lot sold shall be subject to current year assessments levied by the Association effective immediately upon recordation of the Declaration and in an amount equal to the current assessment, or in such an amount as determined by the Board pursuant to Section 10.5.6. The initial assessment for additional Lots shall be prorated for the remainder of the then

current fiscal year. If assessments have not commenced at the time the additional Lots are annexed, the additional Lots shall be subject to assessment at such time the Declarant shall determine in accordance with Section 10.3 and in such amounts as determined by the Declarant.

2.8 Assessments for Lots. Because all Lots of Tanawashee are located on public roads within Tanawashee, maintained by the City of Mosier, the Association or individual owners will not incur expenses related to snow removal and sanding (excepting private roads, if any), unless the City has the right to charge for for some or all of said work.

ARTICLE 3 OWNERSHIP AND EASEMENTS

3.1 Nonseverability. The interest of each Owner in the use and benefit of the Common Area shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by the Owner separately from the interest in the Common Area. Any conveyance of any Lot shall automatically transfer the right to use the Common Area without the necessity of express reference in the instrument of conveyance. There shall be no judicial partition of the Common Area. Each Owner, whether by deed, gift, devise, or operation of law, for such Owner's benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interests, and causes of action for judicial partition of any interest in the Common Area and agrees that no action for judicial partition shall be instituted, prosecuted, or reduced to judgment. Ownership interests in the Common Area and Lots are subject to the easements granted and reserved in this Declaration. Each of the easements granted or reserved herein shall be deemed to be established upon the recordation of this Declaration and shall thenceforth be deemed to be covenants running with the land for the use and benefit of the Owners and their Lots and shall be superior to all other encumbrances applied against or in favor of any portion of Tanawashee.

3.2 Ownership of Lots. Title to each Lot in Tanawashee shall be conveyed in fee to an Owner. If more than one person and/or entity owns an undivided interest in the same Lot, such persons and/or entities shall constitute one Owner.

3.3 Ownership of Common Area. The Declarant may convey the Common Area to the Association anytime after this Declaration is recorded, but in any event the Declarant shall convey the Common Area to the Association within sixty (60) days after 75% of the eventual total Lots have been conveyed to purchasers. Additional Common Area adjacent to Lots in Tanawashee which are subsequently annexed will be conveyed to the Association within ninety (90) days after such annexation. In the event the Common Area is ever assessed for property tax purposes separately from the Lots, the Association, by and through its Board, shall take such steps as may be necessary to assess all Owners equally for their share of such taxes and to pay such property taxes on a current basis.

3.4 Easements. Individual deeds to Lots may, but shall not be required to, set forth the easements specified in this Article.

3.4.1 Easements on Plat. The Common Area and Lots are subject to the easements and rights-of-way shown on the Plat.

3.4.2 Easements for Common Area. Every Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot. Such easement is subject to ORS 94.665, as may be amended from time to time.

3.4.3 Easements Reserved by Declarant. As long as Declarant owns any Lot, Declarant reserves an easement over, under, and across the Common Area in order to carry out sales activities necessary or convenient for the sale of Lots. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress to, from, over, in, upon, under, and across the Common Area 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 in such a way as not to interfere unreasonably with the occupancy, use, enjoyment, or access to an Owner's Lot by such Owner or such Owner's family, tenants, employees, guests, or invitees.

3.4.4 Additional Utility and Drainage Easements. Notwithstanding anything expressed or implied to the contrary, this Declaration shall be subject to all easements granted by Declarant for the installation and maintenance of utilities and drainage facilities necessary for the development of Tanawashee. No structure, planting, or other material that may damage or interfere with the installation or maintenance of utilities, that may change the direction of flow of drainage channels in the easements, or that may obstruct or retard the flow of water through drainage channels in the easement areas shall be placed or permitted to remain within any easement area.

3.4.5 Association's Easements. Declarant grants to the Association and its duly authorized agents and representatives such easements over the Lots and Common Area as are necessary to perform the duties and obligations of the Association, as set forth in this Declaration, the Bylaws, and the Articles, as the same may be amended.

3.4.6 Easement to Governmental Entities. Declarant grants a nonexclusive easement over the Common Area to all governmental and quasi-government entities, agencies, utilities, and their agents for the purposes of performing their duties as utility providers.

3.4.7 Perimeter Easement Benefitting Association. Declarant grants to the Association and its duly authorized agents and representatives an easement over that perimeter portion of each Lot that is included within the building setbacks set by applicable ordinances for the purposes of installation, maintenance, repair, and replacement of utilities, communication lines, and drainage. The Board may grant or convey the easements reserved herein to any governmental body or agency and/or any public or private utility company or provider, on a two-thirds vote of the Board members at a duly called and held Board meeting.

3.5 Declarant's Right to Dedicate Common Area and Grant Easements; Board's Authority After Title Transferred to Association. Declarant reserves the right and power to dedicate and/or convey any portion or all of the roads to any governmental body or agency, and to transfer Common Areas to Association. Declarant's rights and power under this Section 3.5 shall expire at Turnover. Thereafter, the Board shall have the same powers reserved to Declarant and

may exercise such power upon a two-thirds or greater vote of the Board members at any duly called and held Board meeting. The provisions of this Section 3.5 shall control over any provisions to the contrary contained in any other Section of the Declaration.

ARTICLE 4 LOTS AND HOMES

4.1 Residential Use. Lots shall only be used for residential purposes. Except with the Board's consent no trade, craft, business, profession, commercial, or similar activity of any kind shall be conducted on any Lot, and no goods, equipment, vehicles, materials, or supplies used in connection with any trade, service, or business shall be kept or stored on any Lot. Nothing in this Section 4.1 shall be deemed to prohibit (a) activities relating to the sale of residences, (b) the right of Declarant or any contractor or homebuilder to construct residences on any Lot, to store construction materials and equipment on such Lots in the normal course of construction, and to use any residence as a sales office or model home for purposes of sales in Tanawashee, (c) the right of the Owner of a Lot to maintain such Owner's personal business or professional library, keep such Owner's personal business or professional records or accounts, handle such Owner's personal business or professional telephone calls and correspondence, or occasionally confer with business or professional associates, clients, or customers in such Owner's residence, and (d) the right of the Owner of a Lot to conduct business from the Owner's residence via the internet so long as the Owner does not conduct commercial activities that are observable outside of the residence, or that regularly attract or invite commercial traffic into Tanawashee such as customers and vendors, or that would be in violation of applicable local government ordinances. The Association may adopt reasonable rules and regulations regarding the commercial activities permitted under this paragraph.

4.2 Landscaping. Each Owner other than the Declarant shall obtain the ARC's prior approval of all landscaping plans before commencing installation of any landscaping. Landscaping for all portions of a Lot shall commence within six months after the completion of construction on the Lot or purchase by the initial Owner other than Declarant of a dwelling and shall be completed within a further six months after such commencement. All landscaping on any Lot shall be maintained and cared for in a manner that is consistent with Declarant's or the ARC's original approval of such landscaping. Owners are encouraged to remove maple trees, but no oak tree with trunk thickness at the ground in excess of 4 inches, or other tree with trunk thickness in excess of 6 inches, may be removed from any Lot or trimmed in a way that threatens its viability without the prior written approval of the ARC unless it is diseased, or poses an immediate danger to persons or property, or is within the "firesafe" zone, or is within ten feet of an existing or approved proposed building or five feet of a paved surface, and the ARC so notified. Shrubs that have been planted as part of an approved landscaping plan may be removed so long as they are replaced by similar. The ARC will approve reasonable tree removals or trimming for the purpose of enhancement or preservation of significant views. No tree not approved for removal is to be disturbed or damaged in any way that threatens its viability. Weeds and diseased or dead lawn, groundcover, or shrubs shall be removed and immediately replaced. Lawns, trees and shrubs shall be properly maintained. All landscaping shall be irrigated in a horticulturally proper manner, subject to water use restrictions or moratoria by government bodies or agencies.

4.3 Maintenance of Lots and Homes. Each Owner shall maintain such Owner's Lot and all improvements thereon in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard. Such maintenance shall include, without limitation, maintenance of windows, doors, garage doors, walks, patios, chimneys, and other exterior improvements and glass surfaces. All repainting or restaining and exterior remodeling shall be subject to prior review and approval by the ARC. Each Owner shall repair damage caused to such Owner's Lot or improvements located thereon by fire, flood, storm, earthquake, riot, vandalism, or other causes within a reasonable period.

4.4 Rental of Homes. An Owner may rent or lease such Owner's Home or a portion thereof, provided that the following conditions are met:

4.4.1 Written Rental Agreements Required. The Owner and the tenant enter into a written rental or lease agreement specifying that (i) the tenant shall be subject to all provisions of the Declaration, Bylaws, and Rules and Regulations, and (ii) a failure to comply with any provision of the Declaration, Bylaws, and Rules and Regulations shall constitute a default under the rental or lease agreement;

4.4.2 Minimum Rental Period. The period of the rental or lease is not less than 7 days;

4.4.3 Tenant Must be Given Documents. The Owner gives each non-vacation rental tenant a copy of the Declaration, Bylaws, and Rules and Regulations.

4.5 Animals. No animals, livestock, or poultry of any kind, other than a reasonable number of household pets that are not kept, bred, or raised for commercial purposes and that are reasonably controlled so as not to be a nuisance, shall be raised, bred, kept, or permitted within any Lot. Owners whose pets cause any inconvenience or unpleasantness to other Owners shall take all steps reasonably necessary to prevent recurrence thereof and Owners whose pets damage other Owners' Lots or personal property shall reimburse such other Owners for reasonable costs actually incurred by such other Owners in repairing such damage. An Owner shall ensure that such Owner's dog is leashed when on the Property and outside of such Owner's Lot. An Owner may be required to remove a pet on the receipt of the third notice in writing from the Board of a violation of any rule, regulation, or restriction governing pets within the Property.

4.6 Nuisance. No noxious, harmful, or offensive activities shall be carried out on any Lot or Common Area. Nor shall anything be done or placed on any Lot or Common Area that interferes with or jeopardizes the enjoyment of, or that is a source of annoyance to, the Owner or other Occupants.

4.7 Parking. Boats, trailers, commercial vehicles, motor homes, campers, travel trailers and other recreational vehicles or equipment, regardless of weight, shall not be parked on any part of the Common Area, or on any streets on or adjacent to the Property except temporarily for up to 24 hours. For the sake of enhancing neighborhood appearance, the garage on each Lot should be used to park whenever possible the occupant's primary passenger vehicle(s), but parking said vehicle(s) in the driveway is permitted. If the driveway is large enough to accommodate two vehicles, the City Code requirement that there be at least two off-street parking spaces for each

dwelling unit is satisfied. No inoperable, dilapidated or junk vehicles of any nature may be kept upon any Lot except in a fully enclosed garage. The exterior storage beyond 24 hours of boats, trailers, motorcycles, ATV's, commercial vehicles, motor homes, pickup truck bed campers, travel trailers and other recreational vehicles or equipment, regardless of weight, (collectively, without limitation by reason of enumeration **Equipment**) of any nature is prohibited on all Lots, whether or not screened from public view. No Equipment, automobile or other vehicle shall be parked or stored on lawns. Subject to more restrictive rules and regulations that may be adopted by the Board or the ARC, the temporary storage of recreational vehicles in a driveway for the purpose of loading or unloading for a period not to exceed twenty-four (24) hours is permitted. No commercial vehicles, including trucks and trailers, or automobiles with commercial signage, may be stored or parked overnight on or in front of a Lot except in an enclosed garage or otherwise screened from view. Stock body "Sprinter"- type vans lacking commercial signage shall not be considered commercial, motor home, or recreational vehicles, but should be garaged or otherwise screened from view whenever possible.

4.8 Vehicles in Disrepair. No Owner shall permit any vehicle that is in a state of disrepair or that is not currently licensed to be abandoned or to remain parked on the Common Area or on any street on or adjacent to the Property at any time and may not permit them on a Lot for a period in excess of 48 hours. A vehicle shall be deemed in a "state of disrepair" when the Board reasonably determines that its presence offends the occupants of the neighborhood. If an Owner fails to remove such vehicle within five days following the date on which the Association mails or delivers to such Owner a notice directing such removal, the Association may have the vehicle removed from the Property and charge the expense of such removal to the Owner as a Reimbursement Assessment, which may be collected and enforced as any other assessments imposed pursuant to the Declaration and Bylaws.

4.9 Signs. No signs shall be erected or maintained on any Lot except that not more than one "For Sale" sign placed by the Owner or by a licensed real estate agent, not exceeding 24 inches by 36 inches, may be temporarily displayed on any Lot. The restrictions contained in this Section 4.9 shall not prohibit the temporary placement of "political" signs, not exceeding 24 inches by 36 inches, on any Lot by the Owner or Occupant. Provided, however, political signs shall be removed within three days after the election day pertaining to the subject of the sign. Real estate signs shall be removed within three days after the sale closing date.

4.10 Rubbish and Trash. No Lot or part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate containers for proper disposal and out of public view. Yard rakings, dirt, and other material resulting from landscaping work shall not be dumped onto streets, the Common Area, or any other Lots. No incinerators, burn barrels or open burn piles shall be permitted on any Lot. If an Owner fails to remove any trash, rubbish, garbage, yard rakings, or any similar materials from any Lot, any streets, or the Common Area where deposited by such Owner or the Occupants of such Owner's Lot after notice has been given by the Board to the Owner, the Association may have such materials removed and charge the expense of such removal to the Owner. Such charge shall constitute a Reimbursement Assessment, which may be collected and enforced as any other assessments imposed pursuant to the Declaration and Bylaws.

4.11 Fences and Hedges. No fences or boundary hedges shall be installed or replaced without prior written approval of the ARC. All such fences and hedges shall have convenient access ways to allow the Association to carry out its exterior maintenance and landscaping responsibilities.

4.12 Service Facilities. Service facilities (garbage containers, fuel tanks, clotheslines, etc.) shall be screened so that such facilities are not visible at any time from the street or a neighboring property. All telephone, electrical, cable television, and other utility installations shall be placed underground in conformance with applicable law and subject to approval by the ARC.

4.13 Antennas and Satellite Dishes. Except as otherwise provided by law or this section, no exterior antennas, satellite dishes, microwave, aerial, tower, or other devices for the transmission or reception of television, radio, or other forms of sound or electromagnetic radiation shall be erected, constructed, or placed on any Lot. With prior written consent from the ARC, exterior satellite dishes or antennas with a surface diameter of two feet or less and antennas designed to receive television broadcast signals only may be placed on any Lot if they are not visible from the street and are screened from neighboring Lots. The Board or ARC may adopt reasonable rules and regulations governing the installation, safety, placement, and screening of such antennas, satellite dishes, and other transmission devices. Such rules shall not unreasonably delay or increase the cost of installation, maintenance, or use or preclude reception of a signal of acceptable quality. (The ARC, in its sole discretion, may determine what constitutes a signal of acceptable quality.) Such rules may prohibit installation of exterior satellite dishes or antennas if signals of acceptable quality can be received by placing antennas inside a Home without causing an unreasonable delay or cost increase.

4.14 Exterior Lighting or Noise-making Devices. Except with the consent of the ARC, no exterior lighting or noise-making devices, other than security and fire alarms, shall be installed or maintained on any Lot. Exterior lighting installed on any Lot with the consent of the ARC shall be shielded and indirect and of such controlled focus and intensity that such lighting will not disturb the residents of adjacent Lots. All outdoor lighting must comply with the City's Outdoor Lighting Ordinance.

4.15 Solar Collectors. No active solar collector or apparatus may be installed on any Lot unless such installation is first approved in writing by the ARC, which shall consider the aesthetic and sun reflection effects on neighboring structures. Solar collectors or apparatus must be installed flat against the roof, and should not cover more than 50% of the sun side roof surface. The ARC may in its discretion deny such requests for approval.

4.16 Firewood Storage. No firewood or woodpile shall be kept outside a structure.

4.17 Basketball Hoops. No Owner may install a basketball hoop on any Lot without the ARC's prior approval. The ARC may, in its discretion, prohibit such basketball hoops. Basketball hoops shall be prohibited in the Common Area and on any Lot if the area of play is intended to be the street or any Common Area.

4.18 Grades, Slopes, and Drainage. There shall be no interference with the established

drainage patterns or systems over or through any Lot within Tanawashee so as to affect any other Lot or Common Area or any real property outside Tanawashee unless adequate alternative provision is made for proper drainage and is approved by the ARC. The term “established drainage” shall mean the drainage swales, conduits, inlets, and outlets designed and constructed for Tanawashee.

4.19 ARC Access to Lots to Trim Trees and Shrubs. The ARC shall have unfettered authority, but not the obligation, to cause the Association to trim or top trees, shrubs, or hedges located on any Lot that is creating a nuisance, is damaging, or is a threat to Common Area or that increases the cost of insurance for the Association.

4.20 Damage or Destruction to Home and/or Lot. If all or any portion of a Lot or Home is damaged by fire or other casualty, the Owner shall clean up the premises within 30 days, and then either (a) restore the damaged improvements or (b) remove all damaged improvements, including foundations, and leave the Lot in a clean and safe condition. Any restoration proceeding under (a) above must be performed so that the improvements are in substantially the same condition in which they existed before the damage, unless the owner complies with the provisions of Article 6. The Owner must commence such work within 60 days after the damage occurs and must complete the work within six months thereafter.

4.21 Right of Maintenance and Entry by Association. If an Owner fails to perform maintenance and/or repair that such Owner is obligated to perform pursuant to this Declaration, and if the Board determines, after notice, that such maintenance and/or repair is necessary to preserve the attractiveness, quality, nature, and/or value of Tanawashee the Board may cause such maintenance and/or repair to be performed and may enter any such Lot whenever entry is necessary in connection with the performance thereof. An Owner may request, and the Board shall conduct, a hearing on the matter. The Owner’s request shall be in writing delivered within five days after receipt of the notice, and the hearing shall be conducted within not less than five days nor more than 20 days after the request for a hearing is received. Entry shall be made with as little inconvenience to an Owner as practicable and only after advance written notice of not less than 48 hours, except in emergency situations. The costs of such maintenance and/or repair shall be chargeable to the Owner of the Lot as a Reimbursement Assessment, which may be collected and enforced as any other assessments authorized hereunder.

4.22 Association Rules and Regulations. The Board from time to time may adopt, modify, or revoke such Rules and Regulations governing the conduct of persons and the operation and use of Lots and the Common Area as it may deem necessary or appropriate to assure the peaceful and orderly use and enjoyment of the Property and the administration and operation of the Association. A copy of the Rules and Regulations, upon adoption, and a copy of each amendment, modification, or revocation thereof, shall be delivered by the Board promptly to each Owner and shall be binding upon all Owners and occupants of all Lots on the date of delivery or actual notice thereof. The method of adoption of such Rules and Regulations shall be provided in the Bylaws of the Association. Subject to the Board’s approval or consent, the ARC may adopt rules and regulations pertinent to its functions.

4.23 Ordinances and Regulations. The standards and restrictions set forth in this Article

4 shall be the minimum required. To the extent that local governmental ordinances and regulations are more restrictive or provide for a higher or different standard, such local governmental ordinances and regulations shall prevail.

4.24 Temporary Structures. No structure of a temporary character or any trailer, basement, tent, shack, garage, barn, or other outbuilding shall be constructed, installed, placed, used or allowed to remain on any Lot, either temporarily or permanently.

4.25 Declarant Exemptions. Declarant shall be exempt from the application of Section 4.9.

4.26 Fire Mitigation Plan.

Adequate water supply is available for the subdivision. Good access has been provided for emergency vehicles.

Owners are required to follow the following guidelines to mitigate fire danger:

1. Roofing is to be made of Class A fire resistant or non-combustible material.
2. Trees must be trimmed away from the roof.
3. Trees within 30' of buildings must be limbed up 8' from the ground and all dead material removed.
4. There must be breaks in the tree canopy.
5. Ground covers must not be taller than 4 inches.
6. Plantings within 30' of a structure should be fire resistant as listed in "Fire Resistant Plants for Home Landscapes" by the Pacific Northwest Extension Service.
7. Plantings should not be continuous but have breaks between them.
8. No flammable material may be stored within 20' of a structure.
9. Irrigation systems are required to irrigate plant material within 30' of a structure.
10. Yards are to be kept free of debris.
11. All chimneys must be capped with spark arresters meeting NFPA standards.
12. Fire resistant materials are recommended for all structural projections such as decks. No vegetation is allowed under structural projections such as decks.

ARTICLE 5 COMMON AREA

5.1 Use of Common Areas. Use of the Common Area is subject to the provisions of the Declaration, Bylaws, Articles, and the Rules and Regulations adopted by the Board. There shall be no obstruction of any part of the Common Area. Nothing shall be stored or kept in the Common Area without the prior written consent of the Board. No alterations or additions to the Common

Area shall be permitted without the prior written consent of the Board. Nothing may be disturbed or taken from any archeologically sensitive areas.

There shall be no parking, loading, unloading, or “standing” of any kind or of any type of vehicle on the Common Area for any length of time, except in designated parking spaces and in accordance with rules and regulations adopted by the Declarant or the Board.

5.2 Maintenance of Common Areas. The Association shall be responsible for the exclusive management and control of the Common Area and any improvements thereon, and shall keep the same in good, clean, attractive and sanitary condition, order and repair, including, but not limited to, the removal of snow, trash and debris, the maintenance, cleaning and repair of the streets, parking areas, landscaped and un-landscaped land located on the Common Area. In order to carry out its maintenance obligations, the Association may enter into contracts with a property management company (the *Management Company*), pursuant to which contract the Management Company will assume the maintenance obligations of the association as provided herein. Any and all expenses incurred by the Management Company, on behalf of and pursuant to its contract with the Association, in connection with the management and maintenance of the Common Area and administration of the Association shall be deemed to be common expenses including without limitation, expenses incurred for: Common Area landscaping and lawn care; snow shoveling and plowing of Association roads; sanding of Association roads; improvements to the Common Area; Common Area security lighting; utility services; enforcement of this Declaration (including attorneys’ fees) and maintenance and management salaries and wages.

5.3 Alterations to Common Area. Only the Association shall construct, reconstruct, or alter any improvement located on the Common Area. A proposal for any construction of or alteration, maintenance, or repair to any such improvement may be made at any Board meeting. The Board may adopt a proposal, subject to the limitations contained in the Bylaws and this Declaration.

5.4 Funding. Expenditures for alterations, maintenance, or repairs to an existing improvement for which a reserve has been collected shall be made from the Reserve Account. As provided in Section 10.5, the Board may levy a special assessment to fund any construction, alteration, repair, or maintenance of an improvement (or any other portions of the Common Area) for which no reserve has been collected or for which the Reserve Account is insufficient to cover the cost of the proposed improvement.

5.5 Condemnation of Common Area. If all or any portion of the Common Area is taken for any public or quasi-public use under any statute, by right of eminent domain, or by purchase in lieu of eminent domain, the Board shall receive and expend the entire award in a manner that, in the Board’s discretion, is in the best interest of the Association and the Owners. The Association shall represent the interest of all Owners in any negotiations, suit, action, or settlement in connection with such matters.

5.6 Damage or Destruction of Common Area. If all or any portion of the Common Area is damaged or destroyed by an Owner or any of Owner’s guests, Occupants, tenants, licensees, agents, or members of Owner’s family in a manner that would subject such Owner to liability for

such damage under Oregon law, such Owner hereby authorizes the Association to repair such damage. The Association shall repair the damage and restore the area in workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association in the discretion of the Board. Reasonable costs incurred in connection with effecting such repairs shall become a special assessment on the Lot and against the Owner who caused or is responsible for such damage.

5.7 Power of Association to Sell, Dedicate, or Transfer Common Area. As provided in ORS 94.665, the Association may sell, dedicate, transfer, grant a security interest in, or grant an easement for installation and maintenance of utilities or for similar purposes with respect to, any portion of the Common Area. Except for grants of easements for utility-related purposes, no such sale, dedication, transfer, or grant of a security interest shall be effective unless approved by 80% of the votes of both Class A and Class B members as long as there is Class B membership. Provided further, if there is only one class of votes, such sale, dedication, transfer, or grant of a security interest (other than a grant of an easement for utility-related purposes) must be approved by 80% of the votes held by Owners other than Declarant.

ARTICLE 6 ARCHITECTURAL REVIEW COMMITTEE

6.1 Architectural Review. No improvement shall be commenced, erected, placed, or altered on any Lot 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 ARC. This Article's purpose is to assure quality of workmanship and materials and harmony between exterior design and the existing improvements and landscaping and as to location with respect to topography and finished grade elevations. The ARC shall not be responsible for determining compliance with structural and building codes, solar ordinances, zoning codes, or other governmental regulations, all of which are the applicant's responsibility. The procedure and specific requirements for review and approval of construction shall be set forth in the Design Guidelines and Standards adopted from time to time by the ARC (as attached). The provisions of this Article shall apply in all instances in which this Declaration requires the ARC's consent.

6.2 Architectural Review Committee, Appointment and Removal. Declarant reserves the right to appoint and remove all members of the ARC and all replacements thereto until Tanawashee is 100% built out. The ARC shall consist of no fewer than three members and no more than five members. Each ARC member shall serve one-year terms and may be re-appointed at the discretion of Declarant. After buildout, Declarant shall assign to the Board the right to appoint and remove members of the ARC. Board members and persons who are not Owners but who have special expertise regarding the matters that come before the ARC may serve as all or some of the ARC's members. In the Board's sole discretion, non-Owner members of the ARC may be paid. The Board may appoint itself as the ARC or any of its members to the ARC. If an ARC has not been appointed, the Board shall serve as the ARC.

6.3 Majority Action. Except as otherwise provided in this Declaration, a majority of the members of the ARC shall have the power to act on behalf of the ARC, without the necessity of a

meeting and without the necessity of consulting the remaining member or members of the ARC. The ARC may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

6.4 Duties. The ARC shall consider and act on the proposals and/or plans submitted pursuant to this Article. The ARC, from time to time and at its sole discretion, may adopt architectural rules, regulations, and guidelines (*Architectural Standards*). The Architectural Standards shall implement the provisions of this Declaration for architectural review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes and materials, and similar features that may be used in Tanawashee; provided, however, that the Architectural Standards shall not be in derogation of the minimum standards established by this Declaration.

6.5 ARC Decision. The ARC shall render its written decision approving or denying each application submitted to it within 15 working days after its receipt of all materials required with respect to such application. If the ARC fails to render such written decision within 30 days of its receipt of all required materials or request an extension, the application shall be deemed approved. The ARC shall be entitled to request one or more extensions of time, not to exceed 45 days. In the event of such extension requests, if the ARC does not render a written decision within 15 days after the expiration of the extension(s), the application shall be deemed approved. Provided, however, the applicant may agree to further extensions to allow the applicant to complete or supplement the application.

6.6 ARC Discretion. The ARC, at its sole discretion, may withhold consent to any proposed work if the ARC finds the proposed work would be inappropriate for the particular Lot or incompatible with the design standards that the ARC intends for Tanawashee. The ARC may consider siting, shape, size, color, design, height, solar access, or other effect on the enjoyment of other Lots or the Common Area, and any other factors that it reasonably believes to be relevant in determining whether or not to consent to any proposed work.

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

6.8 Appeal. After Declarant has assigned the right to appoint ARC members to the Board pursuant to Section 6.2, any Owner adversely impacted by ARC action may appeal such action to the Board. Such appealing Owner shall submit to the Board a written notice of appeal, setting forth specific objections or mitigating circumstances justifying the appeal, within 10 days after the ARC's action. The Board shall issue a final, conclusive decision within 45 days after receipt of such notice, and such decision shall be final and binding on the appealing Owner and the ARC. Provided, however, the Board shall make reasonable efforts to reach a decision within 20 days. If the Board is serving as the ARC, then such appeal shall be deemed a request for reconsideration.

6.9 Effective Period of Consent. The ARC's consent to any proposed work shall automatically expire six months after issuance unless construction of the project has been commenced or the Owner has applied for and received an extension of time from the ARC.

6.10 Determination of Compliance. The ARC may inspect, from time to time, all work performed and determine whether it is in substantial compliance with the approval granted. If the ARC finds that the work was not performed in substantial conformance with the approval granted, or if the ARC finds that the approval required was not obtained, the ARC shall notify the Owner in writing of the noncompliance. The notice shall specify the particulars of noncompliance and shall require the Owner to remedy the noncompliance.

6.11 Noncompliance. If the ARC determines that an Owner has not constructed an improvement consistent with the specifications of an ARC approval or has constructed an improvement without obtaining ARC approval, sends a notice of noncompliance to such Owner, and such Owner fails to commence diligently remedying such noncompliance in accordance with such notice, then, effective at 5:00 p.m. on the third day after issuance of such notice, the ARC shall provide notice of a hearing to consider the Owner's continuing noncompliance. The hearing shall be set not more than 30 days from the date on which the notice of noncompliance was issued. At the hearing, if the ARC finds that there is no valid reason for the continuing noncompliance, the ARC shall determine the estimated costs of achieving compliance and may issue a fine against the noncomplying Owner for such amount. The ARC also shall require the Owner to remedy such noncompliance within 10 days after the date of the ARC's determination. If the Owner does not comply with the ARC's ruling within such period or any extension thereof granted by the ARC, at its sole discretion, the ARC may remove the noncomplying improvement, remedy the noncompliance, and/or record a notice of noncompliance in the county deed records. The costs of any such action shall be assessed against the Owner as a Reimbursement Assessment either before or after any remedial action is taken.

6.12 Liability. Neither the ARC nor any member thereof shall be liable to any Owner, Occupant, or builder for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act of the ARC or a member thereof, provided only that the ARC or the member has, in accordance with its or his or her actual knowledge, acted in good faith.

6.13 Estoppel Certificate. Within 15 working days after the ARC's receipt of a written request from an Owner and the ARC's receipt of payment of a reasonable fee fixed by the ARC to cover costs, the ARC shall provide such Owner with a certificate executed by the Chairperson or other authorized member of the ARC certifying with respect to any Lot owned by the Owner, that, as of the date thereof either (a) all improvements made or done upon such Lot 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. The Owner and such Owner's heirs, devisees, successors, and assigns shall be entitled to rely on the certificate with respect to the matters set forth therein. The certificate shall be conclusive as among Declarant, the ARC, the Association, all Owners, and all persons deriving any interest through any of them.

6.14 Fees. The ARC may charge applicants a reasonable application fee and additional costs incurred or expected to be incurred by the ARC to retain architects, attorneys, engineers, and other consultants to advise the ARC concerning any aspect of the applications and/or compliance with any appropriate architectural criteria or standards, including, without limitation, those

pertinent to house siting and height. Such fees shall be collectible as assessments pursuant to Article 10.

6.15 Declarant and Successor Exempt from ARC. The Declarant or a successor to all of the unsold Lots shall be exempt from the requirement to submit and have plans approved by the ARC. However, the Declarant and its successor shall not be exempt from the provisions of Article 4 of the Declaration, except as set forth in Section 4.23.

ARTICLE 7 ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

7.1 Members. Declarant will incorporate the Association. Each Owner shall be a mandatory member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot shall automatically transfer membership in the Association without any other act or acknowledgment. Occupants and Owners shall be governed and controlled by this Declaration, the Articles, Bylaws, and the Rules and Regulations of the Association and any amendments thereof.

7.2 Proxy. Each Owner may cast his or her vote by absentee ballot or pursuant to a proxy executed by the Owner. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

7.3 Voting Rights. The Association shall have two (2) classes of voting members:

7.3.1 Class A. Class A members shall be all Owners of Lots other than the Declarant, and each Class A member shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote.

7.3.2 Class B. The Class B member shall be the Declarant, its successors and assigns. The Class B member shall have three (3) votes for each Lot owned. The Class B membership shall cease and be converted to a Class A membership upon the earlier of the following dates (the *Termination Date*):

(a) a date ten (10) years from the recording of this Declaration;

(b) the date on which all Lots within Tanawashee Phases 1, 2, 3, 4 and 5 have been sold and conveyed to Owners other than Declarant; or

(c) the date the Declarant voluntarily relinquishes Declarant control of the Association. Thereafter, each Owner, including the Declarant, shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots.

When more than one (1) person or entity owns a Lot, the vote for such Lot may be

cast as they shall determine, but in no event will fractional voting be allowed. Fractionalized or split votes shall be disregarded, except for purposes of determining a quorum. The total number of votes as of such termination date and thereafter shall be equal to the total number of Lots annexed to the Property and subjected to this Declaration as of such termination date.

7.4 Procedure. All meetings of the Association, the Board, the Architectural Review Board, and Association committees shall be conducted in accordance with such rules of order as may from time to time be adopted by the Board. A tie vote does not constitute a majority or approval of any motion or resolution. Unless other rules are required by resolution of the Board, all such meetings shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association.

ARTICLE 8 DECLARANT CONTROL

8.1 Interim Board and Officers. The Declarant hereby reserves administrative control of the Association. The Declarant, in its discretion, shall have the right to appoint and remove members of an interim board (the *Interim Board*), which shall manage the affairs of the Association and be invested with all powers and rights of the Board until the Turnover Meeting (as hereinafter defined). The Interim Board shall consist of from one to three members. Notwithstanding the provisions of this section, at the Turnover Meeting, at least one (1) Director shall be elected by Owners other than the Declarant, even if the Declarant otherwise has voting power to elect all Directors.

8.2 Transitional Advisory Committee. The Declarant shall form a transitional Advisory Committee to provide for the transition of administrative control of the Association from the Declarant to the Class A members. After the planned community contains at least twenty (20) Lots through the annexation of additional property into the planned community, then not later than the sixtieth (60th) day after the Declarant has conveyed Lots representing fifty percent (50%) or more of the Lots then existing in the planned community to Owners other than a successor Declarant, the Declarant shall call a meeting of Owners for the purpose of selecting a Transitional Advisory Committee. The committee shall consist of three (3) members. The Class A members shall, by a majority vote, elect two (2) members, and the Declarant shall elect one (1) member. The committee shall have reasonable access to such information and documents as the Declarant is required by law to make available. If the Declarant fails to call the meeting required under this section, any Owner may do so.

8.3 Turnover Meeting. The Declarant shall call a meeting for the purpose of turning over administrative control of the Association from the Declarant to the Class A members within ninety (90) days of the earlier of:

8.3.1 Date Certain. A date ten (10) years from the recording of this Declaration;

8.3.2 Based on Lots Sold. The date on which all Lots within Tanawashee Phases 1, 2, 3, 4, and 5 have been sold and conveyed to Owners other than Declarant; or

8.3.3 Voluntarily Relinquishment of Control. The date the Declarant voluntarily relinquishes Declarant control of the Association.

The Declarant shall give notice of the meeting to each Owner as provided in the Bylaws. If the Declarant does not call the meeting required under this section, any Owner may do so.

ARTICLE 9 DECLARANT'S SPECIAL RIGHTS

9.1 General. Declarant is undertaking the work of developing Lots and other improvements within Tanawashee. The completion of the development work and the marketing and sale of the Lots is essential to the establishment and welfare of Tanawashee as a residential community. Until the Homes on all Lots within Tanawashee have been constructed, fully completed, and sold, Declarant shall have the special rights set forth in this Article 9.

9.2 Marketing Rights. Declarant shall have the right to maintain a sales office and model on one or more of the Lots that Declarant owns. Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week. Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property, including, without limitation, on the Common Area.

9.3 Declarant Easements. Declarant reserves easements over the Property as more fully described in Sections 3.4, 3.5 and 5.7 hereof.

9.4 Additional Improvements. Declarant does not agree to build any improvements not described in this Declaration.

9.5 Declarant Control. The Declarant has reserved control as more fully described in Article 8 hereof.

9.6 Voting Rights. The Declarant has retained voting rights as a Class B member as more fully described in Article 7 hereof.

9.7 Control of ARC. The Declarant has retained control of the Architectural Review Committee as more fully described in Article 6 hereof.

ARTICLE 10 FUNDS AND ASSESSMENTS

10.1 Purpose of Assessments; Expenses. The assessments levied by the Association shall be used exclusively to promote the safety, aesthetics, and welfare of the Owners and Occupants of Tanawashee, for the improvement, operation, and maintenance of the Common Area, for the administration and operation of the Association, and for property and liability insurance.

10.2 Covenants to Pay. Declarant and each Owner covenant and agree to pay the Association the assessments and any additional charges levied pursuant to this Declaration or the

Bylaws.

10.2.1 Funds Held in Trust. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely as set forth in Section 10.1. On the sale or transfer of any Lot, the Owner's interest in such funds shall be deemed automatically transferred to the successor in interest to such Owner.

10.2.2 Offsets. No offsets against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties.

10.2.3 Right to Profits. Association profits, if any, shall be the property of the Association and shall be contributed to the Current Operating Account.

10.3 Commencement of Assessments. Declarant shall pay the expenses of the Association set forth in Section 10.1 until the Lots are assessed for common expenses. The date of commencement of the initial annual assessment to Owners other than Declarant shall be determined by Declarant. In the sole and unfettered discretion of Declarant, Declarant may defer payment of reserves for a Lot until the Lot is conveyed to a third party. However, Declarant may not defer payment of accrued reserves beyond the date of the Turnover Meeting.

10.4 Annual Assessments. Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. The initial annual assessment shall be determined by Declarant and shall be prorated for the remainder of the then current fiscal year. For proration purposes, any portion of a month shall count as a full month. Annual assessments shall be payable on a periodic bases, not more frequently than monthly, as determined by the Board. The fiscal year shall be the calendar year unless another year is adopted by vote of the Association members.

10.4.1 Budgeting. Each year the Board shall prepare, approve, and make available to each Member a pro forma operating statement (budget) containing (a) estimated revenue and expenses on an accrual basis; (b) the amount of the total cash reserves of the Association currently available for replacement or major repair of the Common Area and for contingencies; (c) an itemized estimate for the remaining life of, and the methods of funding to defray repair, replacement, or additions to major components of such improvements as provided in Section 10.6.2; and, (d) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement, or additions to major components of the Common Area. Notwithstanding that budgeting shall be done on an accrual basis, the Association's books shall be kept on a cash basis and the Association shall be a cash basis taxpayer, unless applicable governmental regulations require otherwise. For the first fiscal year (or partial fiscal year), the budget shall be prepared by the Declarant no later than the date on which annual assessments are scheduled to commence. Thereafter, the Board shall annually prepare and approve the budget and distribute a copy or summary thereof to each Member, together with written notice of the amount of the annual assessments to be levied against the Owner's Lot, within 30 days after adoption of such budget.

10.4.2 Allocation of Assessments. The total amount in the budget shall be charged

in equal pro rata shares against all Lots as annual assessments.

10.4.3 Nonwaiver of Assessments. If before the expiration of any fiscal year the Association fails to fix annual assessments for the next fiscal year, the annual assessments established for the preceding year shall continue until a new annual assessment is fixed.

10.5 Special Assessments. The Board and/or the Owners shall have the power to levy special assessments against an Owner or all Owners in the following manner for the following purposes:

10.5.1 Correct Deficit. To correct a deficit in the operating budget, by vote of a majority of the Board;

10.5.2 Special Obligations of an Owner. To collect amounts due to the Association from an Owner for breach of the Owner's obligations under this Declaration, the Bylaws, or the Rules and Regulations, by vote of a majority of the Board;

10.5.3 Repairs. To collect additional amounts necessary to make repairs or renovations to the Common Area if sufficient funds are not available from the operating budget or replacement reserve accounts, by vote of a majority of the Board; or

10.5.4 Capital Improvements. To make capital acquisitions, additions or improvements, by vote of at least 80% of all votes allocated to the Lots.

10.5.5 Reimbursement Assessments. The Association shall levy a reimbursement assessment against any Owner and such Owner's Lot if a failure to comply with this Declaration, Bylaws, Architectural Standards, or any Rules and Regulations has (a) necessitated an expenditure of monies by the Association to effect compliance or (b) resulted in the imposition of a fine or penalty against such Owner or such Owner's Lot (a *Reimbursement Assessment*). A Reimbursement Assessment shall be due and payable to the Association when levied. A Reimbursement Assessment shall not be levied by the Association except on at least 10 days' written notice to the Owner being assessed. If, within said 10-day period, the Owner makes a written request to the Board for a hearing, a hearing shall be held. On request for a hearing, the Board shall conduct it not less than 10 nor more than 30 days after the request by the Owner, and shall make its decision within not more than 30 days after the hearing is held. If a notice has been previously given, and the hearing has already been held or waived (in writing or by the Owner's failure to appear) for the violation resulting in the Reimbursement Assessment, no additional notice and hearing is required before levying the Reimbursement Assessment.

10.5.6 Annexation. To adjust the assessment amount in consideration of the annexation of additional Lots and Common Area to reflect the number of total Lots subject to assessments and the additional Common Area expenses. Assessments for the annexed additional Lots shall be prorated for the remainder of the then current fiscal year.

10.6 Accounts.

10.6.1 Types of Accounts. Assessments collected by the Association shall be deposited into at least two separate accounts with a bank, which accounts shall be clearly designated as (a) the Current Operating Account and (b) the Reserve Account. The Board shall deposit those portions of the assessments collected for current maintenance and operation into the Current Operating Account and shall deposit those portions of the assessments collected as reserves for replacement and deferred maintenance of capital improvements into the Reserve Account. Withdrawal of funds for the Association's Reserve Account shall require the signatures of either two Directors or one Director and an officer of the Association who is not a Director. In its books and records, the Association shall account separately for operating expenses relating to the Common Area and operating expenses relating to all other matters, as well as for necessary reserves relating to the Common Area and necessary reserves relating to all other matters.

10.6.2 Reserve Account. Declarant shall establish a Reserve Account, in the name of the Association, which shall be kept separate from all other funds held by the Association. The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair, or replacement of Common Area property that normally requires replacement, in whole or in part, within three to 30 years and not for regular or periodic maintenance and expenses. No funds collected for the Reserve Account may be used for ordinary current maintenance and operation purposes.

10.6.2.1 Calculation of Reserve Assessment; Reserve Study. The Board shall annually conduct a reserve study, or review and update an existing study, of the Common Area to determine the reserve account requirements. A reserve account shall be established for those items of the Common Area all or part of which will normally require replacement in more than three and less than 30 years, and for the maintenance, repair, or replacement of other items as may be required under the Declaration or Bylaws or that the Board, in its discretion, may deem appropriate. The reserve account need not include items that could reasonably be funded from operating assessments. The reserve study shall include:

- (a) identification of all items for which reserves are required to be established;
 - (b) the estimated remaining useful life of each item as of the date of the reserve study;
 - (c) the estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and
 - (d) a 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.
- The reserve account assessment shall be allocated pursuant to Section 10.4.2.

10.6.2.2 Loan from Reserve Account. After the Turnover Meeting described in Section 8.2, the Board may borrow funds from the Reserve Account to meet high seasonal demands on the Association's regular operating fund or to meet unexpected increases in expenses. Funds borrowed must be repaid later from assessments if the Board 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 shall adopt by resolution a written payment plan providing for repayment within a reasonable period.

10.6.2.3 Increase or Reduction, or Elimination of Reserve Account Assessment. At any time after the second year after the Turnover Meeting, future assessment for the Reserve Account may be increased or reduced by the vote of Owners of Lots representing 75% of the votes computed in accordance with Section 7.3. Unless the Board determines that the Reserve Account will be adequately funded for the following year, the Board or owners may not vote to eliminate funding the Reserve Account except following the Turnover Meeting, on an annual basis, the Board, with the approval of all owners, may elected not to fund the Reserve Account for the following year.

10.6.2.4 Investment of Reserve Account. Reserve Account funds may not be invested except funds may be used to purchase obligations of the United States government, subject to any other constraints imposed by the Board, the Bylaws, or the Rules and Regulations.

10.6.2.5 Refunds of Assessments. Assessments paid into the Reserve Account are the property of the Association and are not refundable to sellers or Owners of Lots. Sellers or Owners of Lots may treat their outstanding share of the Reserve Account's balance as a separate item in the sales contract providing for the conveyance of their Lot.

10.6.3 Current Operating Account. All costs other than those to be paid from the Reserve Account pursuant to Section 10.6.2 may be paid from the Current Operating Account.

10.7 Default in Payment of Assessments, Enforcement of Liens.

10.7.1 Personal Obligation. All assessments properly imposed under this Declaration or the Bylaws shall be the joint and several personal obligation of all Owners of the Lot to which such assessment pertains. In a voluntary conveyance (i.e., one other than through foreclosure or a deed in lieu of foreclosure), the grantees shall be jointly and severally liable with the grantors for all Association assessments imposed through the recording date of the instrument effecting the conveyance. A suit for a money judgment may be initiated by the Association to recover such assessments without either waiving or foreclosing the Association's lien.

10.7.2 Association Lien. The Association shall have a lien against each Lot for any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof that is delinquent. Such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorney fees (whether or not suit or action is instituted), actual administrative costs, and other appropriate costs properly chargeable to an Owner by the Association, until, such amounts are fully paid. Recording of the Declaration constitutes record notice and perfection of the lien. Said lien may be foreclosed at any time pursuant to the Planned Community Act. The Association shall record a notice of a claim of lien for assessments and other charges in the deed records of Wasco County, Oregon, before any suit to foreclose may be filed. The lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, any first mortgage, deed of trust or land sale contract recorded before the Association's notice of lien, and any mortgage or deed of trust granted to an institutional lender that is recorded before the Association's notice of lien.

10.7.3 Interest; Fines; Late Fees; Penalties. The Board, in its reasonable discretion, may from time to time adopt resolutions to set the rate of interest and to impose late fees, fines, and penalties on delinquent assessments or for violations of the provisions of this Declaration, the Bylaws, Architectural Standards, and the Rules and Regulations adopted by the Board or the ARC. The adoption of such impositions shall be communicated to all Owners in writing not less than 30 days before the effective date by a notice mailed to the assessment billing address of such Owners. Such impositions shall be considered assessments that are lienable and collectible in the same manner as any other assessments; provided, however, that fines or penalties for violation of this Declaration, the Bylaws, or any rule and regulation, other than late fees, fines, or interest arising from an Owner's failure to pay regular, special, or reimbursement assessments may not be imposed against an Owner or such Owner's Lot until such Owner is given an opportunity for a hearing as elsewhere provided herein.

10.7.4 Acceleration of Assessments. If an Owner is delinquent in payment of any assessment or installment on any assessment, the Association, on not less than 10 days' written notice to the Owner, may accelerate the due date of the full annual assessment for that fiscal year and all future installments of any special assessments.

10.7.5 Association's Right to Rents; Receiver. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of such Owner's Lot or shall be entitled to the appointment of a receiver.

ARTICLE 11 GENERAL PROVISIONS

11.1 Records. The Board shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board also shall keep detailed and accurate financial records, including individual assessment accounts of Owners, the balance sheet, and income and expense statements. Individual assessment accounts shall designate the name and address of the Owner or Owners of the Lot, the amount of each assessment as it becomes due, the amounts paid on the account, and the balance due on the assessments. The minutes of the Association, the Board and Board committees, and the Association's financial records shall be maintained in the State of Oregon and reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies.

11.2 Indemnification of Directors, Officers, Employees, and Agents. The Association shall indemnify any Director, officer, member of ARC, employee, or agent who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative (other than an action by the Association) by reason of the fact that such person is or was a Director, officer, member of ARC, employee, or agent of the Association or is or was serving at the request of the Association as a Director, officer, member of ARC, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, against expenses (including attorney fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by said person in connection with

such suit, action, or proceeding if such person acted in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe that such person's conduct was unlawful. The termination of any action, suit, or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner that such person reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe that such person's conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit, or proceeding as and when incurred, subject only to the right of the Association to reimbursement of such payment from such person, should it be proven at a later time that such person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee, or agent shall have a right of contribution over and against all other Directors, officers, employees, or agents and members of the Association who participated with or benefitted from the acts that created said liability.

11.3 Enforcement; Attorney Fees. The Association and the Owners and any mortgagee holding an interest on a Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens, and charges now or hereinafter imposed by any of the provisions of this Declaration as may appertain specifically to such parties or Owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant, condition, or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of this Declaration (including without limitations, for the collection of assessments), the prevailing party shall be entitled to its actual administrative costs incurred because of a matter or event that is the subject of the suit or action, attorney fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorney fees, to be set by the appellate court. In addition thereto, the Association shall be entitled to its reasonable attorney fees and costs incurred in any enforcement activity or to collect delinquent assessments, together with the Association's actual administrative costs, whether or not suit or action is filed.

11.4 Severability. Invalidation of anyone of these covenants, conditions, or restrictions by judgment or court order shall not affect the other provisions hereof and the same shall remain in full force and effect.

11.5 Duration. The covenants, conditions, and restrictions of this Declaration shall run with and bind the land for a term of 35 years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of 10 years, unless rescinded by a vote of at least 90% of the Owners and 90% of the first mortgagees; provided, however, that amendments that do not constitute rescission of the planned community may be adopted as provided in Section 11.6 and that if any of the provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or, in the event the rule against perpetuities applies, until 21

years after the death of the last survivor of the now living descendants of Stephen Bachelder.

11.6 Amendment. Except as otherwise provided in Section 11.5 or ORS 94.590, and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than 75% of the total votes of members that are eligible to vote. Any amendment must be executed, recorded, and certified as provided by law; provided, however, that no amendment of this Declaration shall effect an amendment of the Bylaws or Articles without compliance with the provisions of such documents, and the Oregon Nonprofit Corporation Act and that no amendment affecting the general plan of development or any other right of Declarant herein contained may be effected without the express written consent of Declarant or its successors and assigns, including, without limitation, amendment of this Section 11.6. Provided, further, as long as there is Class B membership, any amendment to these Bylaws must be approved by the U.S. Housing and Urban Development or Department of Veterans Affairs, whichever is applicable.

11.7 Release of Right of Control. Declarant may give up its right of control in writing at any time by notice to the Association.

11.8 Unilateral Amendment by Declarant. In addition to all other special rights of Declarant provided in this Declaration, Declarant may amend this Declaration in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission, or agency of the United States or the State of Oregon, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, the approval of which entity is required in order for it to insure, guarantee, or provide financing in connection with development of the Property and sale of Lots. Before the Turnover Meeting, no such amendment shall require notice to or approval by any Class A member.

11.9 Resolution of Document Conflicts. In the event of a conflict among any of the provisions in the documents governing Tanawashee, such conflict shall be resolved by looking to the following documents in the order shown below:

1. Declaration;
2. Articles;
3. Bylaws;
4. Rules and Regulations.

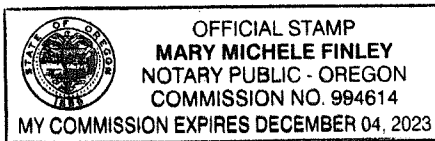
IN WITNESS WHEREOF, Declarant has executed this instrument this 26 day of December, 2019.

Tanawashee Homeowners Association

By: Stephen Bachelder
Stephen Bachelder, Its President

STATE OF OREGON)
) ss:
County of Wasco)

This instrument was acknowledged before me on 26 day of December, 2019, by Stephen Bachelder of **Tanawashee Homeowners Association**.



Mary M. Finley
Notary Public for Oregon
My commission expires: 12/04/2023

Design Guidelines and Standards

As amended December 2019

The Architectural Review Committee (ARC) may adopt or modify Design Guidelines and Standards at its sole discretion from time to time. The following guidelines and standards are imposed on all improvements in the subdivision:

- A. **Significant Views.** Significant views from all lots will be protected against growth of trees and vegetation to the maximum extent feasible and allowable under city, county, or state regulations. An Owner whose significant view is being degraded by a second Owner's tree or vegetation growth may petition the ARC for a decision that shall be binding on both Owners with regard to a requested tree or vegetation trimming that is denied by the second Owner. Owners may, upon approval by the ARC, remove or trim their own trees and vegetation for the purpose of opening up view from their homes, but Owners will not be compelled to trim in order to open up new views for the benefit of a second Owner that did not exist when the second owner purchased his or her lot.
- B. **Entrances.** Where feasible, entrances shall be easily recognized from the street and will include a welcoming architectural feature such as a porch.
- C. **Minimum Home Size, Garages and Auxiliary Buildings.** Minimum home size shall be 1200 sq ft. Each home must have at least a one or two car garage; more than two car garages and carports/screened parking areas must be approved by the ARC. Side entry garages are strongly encouraged whenever possible. If a lot's topography dictates a garage face the street, then the plane of the garage must be back from that of the house, and the doors must show architectural design. There must be a separate door for each bay.
- D. **Roof Materials.** Fire resistant roofing must be used and installed to the manufacturer's specification and rated by Underwriter's Laboratory as Class A or its equivalent. Samples of proposed roofing materials and colors must be submitted to the Design Review committee for approval.
- E. **Roofing and other Details.** All flashings and roof stacks or vents must be of a pre-finished color or painted to match or compliment the roof colors. Copper or stainless steel flashing is acceptable. Gutter and downspouts are to compliment fascia and house colors. Wooden soffits should be treated to complement the house. Aluminum or vinyl soffits or windows are not permitted.

- F. **Chimneys.** Chimneys and fireplace exteriors must blend with the design of the building. Accordingly, stone, brick, wood siding or shingles may be used, subject to design review and approval. All chimneys and stove pipes must be capped with spark arresters meeting NFPA standards, e.g., constructed of 12 USA gauge wire mesh with openings ½" in size.
- G. **Decks, Terraces and Structural Projections.** Exterior stairs over two feet high should be incorporated into the overall form of the building. It is recommended that all structural projections such as balconies, decks, and roof gables be built with fire resistant materials equivalent to that specified in the Uniform Building Code. All structural projections such as decks must be kept free of vegetation or other combustible material underneath.
- H. **Height.** No new structure is allowed to block significant views of another house. Some lots may have more restrictive height limits. All structures must conform to limitations of the local building jurisdiction.
- I. **Utilities, Meters and Mechanical Equipment.** The developer will provide underground services to each lot line. All connections of these services must be underground. Service connections, inspections and all associated fees are the responsibility of the Owner. Mechanical equipment and meters shall be inconspicuously located and noted on house plans for review. Window and roof mounted mechanical units are not allowed. Heat exchange units shall be placed to minimize visual and acoustic impact on your neighbors. Contractors are encouraged to locate public utility distribution meters, vaults and similar installations away from high visibility areas such as street corners and view areas.
- J. **Skylights and Energy Conservation Equipment.** Skylights should be designed as an integral part of the roof. Bubble-style skylights are not permitted. Solar panels and their accessories must be integrated into the roof design and be flush against roof slope, must have minimal impact in appearance and reflectivity on other lots, and should not cover more than 50% of the sun side roof, but will be reviewed on a case-by-case basis. Solar frames and accessories must be black or roof color or darker.
- K. **Satellite Dishes and Antennas.** Satellite dishes are not permitted in front of house or on front-facing surfaces. Dish sizes should not exceed 24 inches in diameter if attached to a building and not exceed 24 inches if freestanding. Roof-mounted antennas are not permitted.

- L. **Play Equipment.** When selecting and locating play equipment, consideration should be given to location, size, design and impact on adjoining neighbors. Care should be taken to screen view and noise. Equipment utilizing natural materials and colors is preferred.
- M. **Pools and Hot Tubs.** Pools and spas, including heaters and pumps should be designed and located to minimize sight and sound impact upon neighbors. Above ground pools are not allowed.
- N. **Asphalt, Concrete and Gravel.** The use of asphalt, concrete and gravel should be held to a minimum. These materials should be used only to the extent necessary to provide reasonable driveways, walkways, patios, and utility areas. In no event will these materials be used as a ground cover.
- O. **Ground Cover.** Drought tolerant plants are strongly encouraged, including dryland lawn grasses. Rock, bark and gravel may not be used to cover large areas. Artificial turf is not permitted as a ground cover.
- P. **Trees and Shrubs.** Trees and shrubs should be planted to add color, variety and interest. Hedges over 36 inches paralleling the front façade to the house are prohibited. Shrubs and trees should be planted to simulate natural stands of vegetation.
- Q. **Lot Line Plantings.** To minimize the use of fences, builders or homeowners are encouraged to plant trees and/or shrubs in landscape strips or pockets to promote privacy from neighbors and diminishing the use of fences. Plantings may not infringe on a Significant View.
- R. **Sight Distances.** Landscaping of street intersections must permit safe lines of sight. No fence, wall, hedge or shrub may be placed or permitted to remain where it would hamper traffic visibility.
- S. **Fences, Gates, Walls and Trellises.** In keeping with the development objectives, privacy for each lot will be achieved primarily by orientation and placements of building as well as by the building's relationship to neighboring lots and buildings. Should this prove inadequate, screens and buffers are the preferred solution. Fences are not allowed in the frontage areas, though requests for exceptions may be granted if for vegetable gardens and lot topography permits no other reasonable location, in which case the fence must be screened by a non-deciduous hedge. However, in the backyard, simple wood fences may be allowed. These fences may not be taller than

five feet and be no longer than is necessary. Homeowners are encouraged to plant vegetation that will grow along the fence and minimize its appearance.

- T. **Lighting.** Exterior lighting shall be fully shielded and should emit the least amount of light necessary to ensure safety, per City Code, which requires that all exterior lighting use full cut-off features with the light source downcast and fully shielded. The character of the exterior lighting fixtures will be appropriate for the architecture. Care must be taken not to illuminate or cause glare beyond the lot boundary, per City Code, which requires that no new exterior lighting be allowed to cause light trespass. In general the more any light points vertically downward, the fewer problems are likely. If conflicts do arise after lights are installed, the following measures may help: installing directional lamps or reducing wattage in accordance with manufacturer's specifications. Special care will be taken to design lighting so that it does not create glare for neighboring houses, especially bedroom areas. Owners will select fixtures of appropriate height, location and light direction to minimize conflict. All exterior lighting fixtures will be prevented from projecting light upward.
- U. **Openings Under Structures.** All openings into and under the exterior of any structure, including vents and louvers, will be screened with non-combustible corrosion resistant mesh screening material with openings of ¼" or less.
- V. **Parking on Individual Lots.** City Code requires at least two off-street parking spaces for each dwelling unit (generally in front of the garage), including any ADU's (Accessory Dwelling Units) if allowed by the ARC, not including the garage.
- W. **Driveways.** Driveways shall not exceed 12 feet in width.
- X. **Storage and Garbage Containers.** Trash, garbage containers and recycle containers must be stored within a building, or acceptable enclosure, screened from general view. They may not be stored within a home's frontage area.
- Y. **Design Professionals Only.** All house designs must be by qualified and certified Design Professionals who are pre-approved by the ARC.
- Z. **Amendments.** These Guidelines may be amended from time to time by the ARC to reflect changing conditions or technology or other considerations. IT IS OWNER'S RESPONSIBILITY TO OBTAIN THE MOST RECENT VERSION OF THESE GUIDELINES BEFORE BEGINNING THE DESIGN AND BUILDING PROCESS.