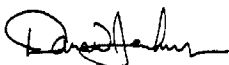



After Recording, Return To:
Community Association Law Group
915 Nw 19Th Ave, Ste H.
Portland, Or 97209

Lincoln County, Oregon		2017-06963
07/24/2017 09:24:31 AM		
DOC-AM/CR	Cnt=1 Pgs=49 Stn=0	
\$245.00 \$11.00 \$10.00 \$20.00 \$7.00	\$293.00	
I, Dana W. Jenkins, County Clerk, do hereby certify that the within instrument was recorded in the Lincoln County Book of Records on the above date and time. WITNESS my hand and seal of said office affixed.		
		
Dana W. Jenkins, Lincoln County Clerk		

NAME OF DOCUMENT:	AMENDED & RESTATED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR OUTDOOR RESORTS MOTORCOACH RESORT Originally recorded in Book 385, Page 0189
PARTIES:	PACIFIC SHORES RV RESORT OWNER'S ASSOCIATION, Grantor N/A, Grantee
CONSIDERATION:	N/A
LEGAL:	Outdoor Resorts Motorcoach Resort & Outdoor Resorts Motorcoach Resort No. 2

Background

1. Pacific Shores RV Resort Owner's Association is an Oregon nonprofit corporation.
2. The Association oversees the affairs and operations of Outdoor Resorts Motorcoach Resort and Outdoor Resorts Motorcoach Resort No. 2, located in Lincoln County, Oregon.
3. The Association, the owners, and the subdivision are governed by the following documents, recorded in Lincoln County, Oregon:
 - 3.1. Declaration of Covenants, Conditions, Restrictions and Easements for Outdoor Resorts Motorchoach Resort, recorded in Book 385, Page 0189;
 - 3.2. The First Supplement to Declaration of Covenants, Conditions, Restrictions and Easements for Outdoor Resorts Motorchoach Resort, recorded in Book 403, Page 1799;
 - 3.3. The Plat of Outdoor Resorts Motorcoach Resort, recorded in Plat Book 16, Page 33; and
 - 3.4. The Plat of Outdoor Resorts Motorcoach Resort No. 2, recorded in Plat Book 16, Page 41.
4. The Association and owners have approved and adopted the following 2017 Amended and Restated Declaration of Covenants, Conditions, Restrictions and Easements for Outdoor Resorts Motorcoach Resort.
5. The 2017 Amended and Restated Declaration supersedes and replaces, in the entirety, the Declaration of Covenants, Conditions, Restrictions and Easements for Outdoor Resorts Motorcoach Resort, recorded in Book 385, Page 0189.
6. Upon recording in the records of Lincoln County, Oregon, the terms and conditions of the 2017 Amended and Restated Declaration become effective.

2017 AMENDED & RESTATED DECLARATION
OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR
OUTDOOR RESORTS MOTORCOACH RESORT

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1. Definitions

- 1.1. “Approval”- Prior written approval.
- 1.2. “Architectural Committee”- The committee created pursuant to the provisions of Article 7 of this Declaration.
- 1.3. “Articles”- The Articles of Incorporation of the Association, including any amendments thereto.
- 1.4. “Association” The PACIFIC SHORES RV RESORT OWNERS ASSOCIATION, an Oregon nonprofit mutual benefit corporation, its successors and assigns.
- 1.5. “Board” or “Board of Directors”- The Board of Directors of the Association.
- 1.6. “Bylaws”- The Bylaws of the Association, including any amendments thereto.
- 1.7. “City”- The incorporated municipal City of Newport, in the County of Lincoln, State of Oregon, and its various departments, divisions, employees and representatives.
- 1.8. “Common Area(s)”, “Common Elements”, and “Common Facilities”- All that certain real property described in Exhibit ”A”, which is attached hereto and incorporated herein by this Exhibit reference other than the numbered lots, Tract A (reserved for future development) and Tract C (Lot 301/ Declarant’s Lot). The “Common Area(s)” shall be devoted to the common use and enjoyment of the lot owners and shall be maintained by the Owner’s Association. In addition, the term “Common Area(s)” shall include and refer to any Common Area(s) annexed the the Project pursuant to Article 13, all real property purchased by the Association as Common Areas, and shall also include any premises leased by the Association.
- 1.9. “Common Expenses”- The actual and estimated expenses of the Association in performing its duties as set forth in the Governing Documents.
- 1.10. “Declarant”- Declarant shall mean Outdoor Resorts of Oregon Inc., an Oregon corporation, and any Person(s) to which it shall have assigned its rights and duties hereunder pursuant to an express written agreement recorded in the Official records of Lincoln County.

- 1.11. "Declaration"- This instrument and any amendments hereto.
- 1.12. "Governing Documents"- All documents governing the Association and Property including this Declaration, the Bylaws, Resolutions of the Board of Directors, the Articles and any Rules and Regulations.
- 1.13. "Improvements"- Improvements shall mean all Common Area improvements, structures and appurtenances thereto of every type and kind including, but not limited to buildings, walkways sprinkler systems, tennis courts, swimming pools, saunas, jacuzzi spas, volleyball courts, roads, driveways, parking areas, lighting fixtures, bath house, laundry room, fences, screening walls, block walls, retaining walls, awnings, stairs, decks, landscaping, hedges, windbreaks, poles, signs, exterior air conditioning and water softener fixtures or equipment.
- 1.14. "Lot"- Any of the individually numbered Lots in the Property, other than the Common Area(s), private streets, and tracts, as shown on the Plat.
- 1.15. "Manager" or "Managing Agent"- The party contractually engaged by the Association and charged with the management of the Projects and Common Area(s) and the performance of other duties of the Association.
- 1.16. "Plat" — Is the Plat of Outdoor Resorts Motorcoach Resort, recorded in Book 16, Page 33 and the Plat of Outdoor Resorts Motorcoach Resort No. 2, record in Book 16, Page 41.
- 1.17. "Member"- Any person who is a Member of the Association based upon the provisions of this Declaration.
- 1.18. "Motorcoach Vehicle"- Shall mean those vehicles which have been categorized by the Recreational Vehicle Industry Association of America ("RVIAA"), and the Family Motorcoach Association ("FMCA"), as Class "A" or Class "C" "Motorcoaches" and/or factory customized bus conversions, that (a) are mobile, in accordance with the code of standards of the RVIAA and the FMA; (b) are self-propelled, and completely self-contained, vehicles which include all the conveniences of a home including, but not limited to cooking, sleeping and bathroom facilities; (c) are structured so that the driver's seat is accessible from the living area in a walking position, but not necessarily in an upright position; (d) contain a minimum interior height of 6 feet in the living areas; (e) have minimum length of 25 feet, a maximum length of 45 feet and maximum width of 102 inches excluding any "slide-out" extensions; (f) have a fixed roof, as opposed to the "pop-up" variety. As used herein, the term "Motorcoach" shall not be construed to include any type of trailer or camper which must be pulled by, or attached to, an automobile or truck in order to be moved from place to

place, nor any type of truck with a room-like addition carried on the truck bed. Any Class 'A' or Class 'C' Motorcoach the contains a 'slide-out' room addition is permitted within the following restrictions:

- (1) 'Slide-out' does not exceed 36 inches extending from the side of the Motorcoach (excluding awning), and the slide-out must be self supporting.
- (2) Outer face of 'slide-out' cannot extend beyond the age of the original concrete slab.

Any Class 'A' or Class 'C' Motorcoach that has an entertainment center, bar, barbecue, television, sink, ice maker, or cabinet that is an integral part of the Motorcoach, and is built into the storage bays or the subbasement, and which may or may not slide out on cantilevered rails is permissible under this definition of acceptable Motorcoaches.

- 1.19. "Notice and a Hearing"- A notice of time and an opportunity for a hearing as provided for in the governing Documents.
- 1.20. "Occupant"- An Owner, guest, invitee, tenant, lessee, sublessee, or other person in possession of a Lot.
- 1.21. "Owner(s)"- The parties holding a fee simple interest in a Unit, or the seller(s) of a Unit under an executory contract of sale. Except where otherwise provided herein, the term "Owner" shall also refer to Declarant in its capacity as the owner of the Declarant's Lot, and to any other Person that may subsequently own the Declarant's Lot. "Owner" does not include any party having an interest in a Unit merely as security for the performance of an obligation.
- 1.22. "Person"- A person, partnership, corporation, trustee or other legal entity.
- 1.23. "Project" or "Property"- The real property depicted on the Plat and any Improvements constructed upon it at any time, and such additional real property as may be later annexed to the Property in accordance with this Declaration.
- 1.24. "Quorum"- More than fifty percent (50%) of the Members.
- 1.25. "Restrictions"- All of the terms, provisions and restrictions set forth in the Governing Documents.
- 1.26. "Rules and Regulations"- The rules as established and adopted by the Board and/or Architectural Committee as provided for in this Declaration.

- 1.27. “Tract” and “Tracts”- The term “tract” or “tracts” shall mean a division of the real property other than private streets or lots, all as depicted and identified on the Plat.
- 1.28. “Units”- The term “Unit” means that portion of the Property which is to be subject to private ownership by the Unit Owner, and “Unit” includes an individual Lot together with an equal and undivided share in the Common Area(s) which is appurtenant to the Lot.

2. Property Rights In Common Areas

2.1. Common Areas And Purposes

- 2.1.1. Use of the Common Area(s) must be consistent with all reasonable provisions and limitations described in the Governing Documents.
- 2.1.2. Common Area(s) and related Improvements exist solely for the use by the Lot Owners, their families, tenants, and guests.
- 2.1.3. Common Area(s) may only be used for purposes approved by the Association and compatible with usage customarily associated with Common Areas located within residential developments in Oregon.

2.2. Easements Of Enjoyment

- 2.2.1. Each Unit owner shall have a nonexclusive right and easement for use of the Common Area(s), as further described in Article 8.

2.3. Delegation Of Use

- 2.3.1. Subject to the Governing Documents, an Owner may delegate rights of Common Area use to family members, tenants, guests, contract purchasers and respective licensees.
- 2.3.2. This right of enjoyment may not be sold or dealt with separately from the Lot to which it is appurtenant.

3. General Restrictions

3.1. Structures On Lot

- 3.1.1. Except as expressly provided herein, the Lots in the Project shall be used exclusively for the parking and usage of Motorcoach Vehicles, as

defined herein. The Board of Directors shall have the exclusive authority to determine what constitutes a “structure”.

- 3.1.2. The construction or maintenance of permanent structures on the individual Lots is prohibited. Permanent structures include sheds, carports, gazebos, and similar items which are not temporary in nature. Owners, their guests, lessees, successors and assigns, are prohibited from erecting or placing on any Lot any storage area facility or component or any permanent or semi-permanent structure or any vehicle which is designed as permanent living quarters, which prohibited structures include without limitation, the following:
 - 3.1.2.1. Screened rooms, carports, metal awnings, any type of permanent extended overhang, enclosures and/or skirting along the base of a Motorcoach Vehicle;
 - 3.1.2.2. Any structure placed on the Lot on blocks, or other supports which are permanent or semi-permanent in nature, or any structure with removed hitches;
 - 3.1.2.3. Any structure not intended to be temporary, that is any structure not intended to be readily movable;
 - 3.1.2.4. Any structure designated, intended or used as permanent living quarters or a primary residence.
- 3.1.3. The provisions of this Article designating the proper use of the Project Lots are not intended to prohibit or limit the utilization of otherwise permissible Motorcoach Vehicles as described above which might also require the ancillary utilization of sewer and water facilities provided at each Lot.
- 3.1.4. The provisions of this Article shall not prevent the erection of tables, benches, grills, or similar personal property.
- 3.1.5. Only one (1) permissible Motorcoach Vehicle may be located or maintained on each Lot.
- 3.1.6. With the exception of pull-in lots, each Motorcoach Vehicle shall be backed in on each lot, and the standard location for each Motorcoach Vehicle when parked shall be to the rear of the parking pad, within 18 inches of the right side of the parking pad from street view.
- 3.1.7. No lot shall be continuously occupied as a full time or permanent residence. Each owner must vacate their Lot for a period of 28 days on

an annual basis. The period of 28 days may be satisfied by the owner vacating their Lot, (inclusive of their Motorcoach, all vehicles and property) in any combination of 7 day increments they desire to accomplish the 28 day annual requirement.

3.2. Common Area

- 3.2.1. The Common Area shall be used for vehicular and pedestrian ingress and egress and movement within the Project, recreational use, and such other uses as are expressly provided for herein, and any other use reasonably related to the use of the Lots for Motorcoach Vehicle purposes.

3.3. Business Or Commercial Activity

- 3.3.1. No business or commercial activity may be conducted by an Owner on the Property, or any portion thereof.

3.4. Debris, Trash And Refuse

- 3.4.1. Weeds, dead flowers and/or plants, rubbish, debris, and objects or materials that are unsanitary, unsightly, or offensive are not permitted to be stored on the Property. Temporary collection or placement of landscape debris upon Lots or the Property, during the course of routine landscape maintenance, is permitted.

3.5. Animal Regulations

- 3.5.1. No animals, livestock, reptiles, insects, poultry, or other animals of any kind, shall be kept on any Lot except that usual and ordinary domestic dogs, cats, fish, and birds inside bird cages may be kept as household pets on any Lot provided that they are not kept, bred, or raised therein for commercial purposes or in unreasonable quantities or sizes.
- 3.5.2. As used in this Declaration, “unreasonable quantities” shall ordinarily mean more than two (2) pets per Lot; provided, however, that the Board may determine that a reasonable number in any instance may be more or less than two.
- 3.5.3. The Board shall have the right to prohibit the maintenance of any animal which constitutes, in the opinion of the Board, a nuisance to any other Owner.

- 3.5.4. Animals belonging to Owners, Occupants, or their licensees, tenants or invitees, within the Property, must be kept within an enclosed area, or on a leash held by a Person capable of controlling the animal.
- 3.5.5. Any Owner shall be liable to each and all remaining Owners, their families, guests and invitees for any unreasonable noise or damage to Person or Property caused by an animals brought or kept upon the Property by such Owner or by such Owner's family, tenants, or guests.
- 3.5.6. It shall be the duty and responsibility of each Owner to clean up after such Owner's animals which have soiled any portion of the Property or public street abutting the Property.

3.6. Parking And Vehicle Restrictions

- 3.6.1. The Association (through the Board and its agents) may establish parking Rules and Regulations for all parking areas in the Project.
- 3.6.2. The Association has the right and obligation to enforce all parking restrictions and to remove any violating vehicles in accordance with applicable laws.
- 3.6.3. The City of Newport shall have the right to enforce parking restrictions and to remove any violating vehicles in accordance with applicable laws.
- 3.6.4. Parking is permitted in driveways, as long as it does not obstruct free traffic flow, constitute a nuisance, violate the Rules and Regulations, or otherwise create a safety hazard.
- 3.6.5. Only passenger motor vehicles may be parked in the parking areas.
- 3.6.6. No Owner may permit any vehicle that is in a state of disrepair or that is not currently licensed to be abandoned or to remain parked within the Property. The Board of Directors may exercise its discretion to determine whether a vehicle is in a state of disrepair.
- 3.6.7. The following vehicles and trailers shall not be kept on any portion of the Property unless approved by the Board:
 - 3.6.7.1. Boats, inoperable vehicles, utility trailers (e.g., automobile and motorcycle trailers) or any vehicle the Board deems a nuisance.
- 3.6.8. No repair, maintenance or restoration of any vehicle shall be conducted on the Property unless approved by the Board.

- 3.6.9. The Association may establish “Parking” and “No Parking” areas within the Common Area(s) and charge reasonable fees for such parking.

3.7. Alterations

- 3.7.1. No Owner shall, at his own expense and otherwise, make any alteration, addition or modification to his Lot or to any part or portion of the Common Area without the prior written approval of the Board or Architectural Committee.

3.8. Outside Installations

- 3.8.1. Unless otherwise required by law, no radio or television receiving or transmitting antenna or other apparatus (“Outside Installations”) shall be permanently installed on any external portion of any Lot or in any part of the Common Area without prior written approval by the Board. Reasonable Outside Installations which are mounted or attached to authorized Motorcoach Vehicles, or temporarily placed on a Lot through the use of a tripod or similar device, shall be permitted. It shall be within the Board’s sole discretion to determine whether any such Outside Installation is unreasonable.

3.9. Signs And Advertising Activities

- 3.9.1. No sign or billboard of any kind shall be displayed by any Owner from any Lot or installed in the Common Area without the prior written consent of the Board or a Committee appointed by the Board.
- 3.9.2. No “For Sale” signs of any kind whatsoever, shall be displayed from, or on, any Lot.
- 3.9.3. No advertising or promotional activities which may interfere with the quiet use and enjoyment of the Project by other Owners and guests, such as pennants, lights, amplified sound or music, shall be permitted without the prior written consent of the Board or a Committee appointed by the Board.

3.10. Restrictions On Exploration And Removal Of Minerals

- 3.10.1. The surface area of the Property and to a depth of five hundred (500) feet below the surface may not be used for the exploration or removal of water, oil, natural gas, minerals, hydrocarbons, gravel or any earth substance.

3.11. Indemnity By Owner Of The Association

- 3.11.1. Each Owner shall indemnify and hold the Association harmless without limitation on any claims arising from the negligence or willful misconduct of Owner (or the Owner's family members, relatives, guests or invitees) for damages sustained on the Common Area(s), including any costs incurred in defending against such claims.

3.12. Leasing Of Units

- 3.12.1. An Owner may rent or lease their Lot under the following conditions:

- 3.12.1.1. The lease agreement is in writing and requires the tenants to comply with all of the terms and conditions of the Governing Documents.

3.13. General

- 3.13.1. No Owner shall permit or suffer anything to be done or kept upon the Project which will increase the rate of insurance therein, or which will obstruct or interfere with the rights of other Owners; nor annoy them by unreasonable noises or otherwise, nor will he commit or permit any nuisance on the Project, or commit or suffer any immoral or illegal act to be committed therein. Each Owner shall comply with all of the applicable ordinances and statutes and with the requirements of the City and/or State Board of Health with respect to the ownership and occupancy of his Lot.

4. Owners' Association

4.1. Organization

- 4.1.1. The Association is an Oregon nonprofit mutual benefit corporation charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents.

4.2. Membership

- 4.2.1. Every Owner is automatically an Association Member.

4.3. Transfer Of Membership

- 4.3.1. Association membership may only be transferred upon sale or conveyance of a Unit to the purchaser or conveyee.

4.3.2. Any Unit title transfer automatically transfers membership in the Association to the new Owner.

4.3.3. The Association may not impose any fee, assessment or interest relating to a title transfer, other than the Association's reasonable administrative costs relating to the title transfer.

4.4. Joint Owner Disputes

4.4.1. Except as provided in Section 4.5 below, each Lot shall be entitled to one (1) vote.

4.4.2. The vote of each Unit shall be cast as a single unit, without fraction.

4.4.3. If joint Owners of a Unit cannot agree about how to cast their vote, they forfeit their right to vote on the matter in question.

4.4.4. If a joint Owner casts a vote representing a certain Unit, it will be presumed, for all purposes, to be a vote with the authority and consent of all other joint Owners of the Unit.

4.5. Voting Rights

4.5.1. Each Unit Owner shall have voting rights when the Owner's Unit becomes subject to Assessments.

4.6. Voting Requirements

4.6.1. All voting rights shall be subject to the restrictions contained in this Declaration.

5. Duties And Powers Of The Association

5.1. General Duties And Powers Of The Association

5.1.1. The Association has all of the powers of an Oregon nonprofit mutual benefit corporation and all rights described in ORS Chapter 94, subject to the limitations set forth in the Governing Documents.

5.2. Maintenance Responsibilities

Association responsibility for maintenance and repair does not extend to damage caused by a willful or negligent act by an Owner, family member, guest, tenant, or invitee. The cost and responsibility for any and all such repair must be borne by the person causing the damage, or the relevant Owner. In

the event an owner refuses to bear the cost and responsibility for such damage, the Association may perform repairs and the costs shall be paid by the Owner.

The Association shall:

- 5.2.1. Maintain and repair the Common Area(s) to assure the maintenance thereof in a clean, sanitary and attractive condition, reasonably consistent with the level of maintenance reflected in the most current budget on file with and approved by the Board of Directors of the Association.
- 5.2.2. Maintain the grass landscape areas and all pine trees on individual Lots.
- 5.2.3. Pay all utility bills and charges relating to utilities supplied to each Lot, except for the following which shall be the sole obligation of the Owner incurring such costs and charges:
 - A. Telephone bills and charges for installation, repair and service including, but not limited to, charges for toll calls and taxes; and
 - B. Electricity bills, charges, and related taxes.
- 5.2.4. Pay real and personal property taxes or charges assessed against any part of the Common Area(s).
- 5.2.5. Have authority to obtain refuse collection, gardening, landscaping, janitorial services, water, sewer, electrical, gas and other services for the benefit of the Common Area(s).
- 5.2.6. Have authority to discharge by payment any lien against the Common Area(s) including, without limitation, property tax liens, and assess all costs and fees to the Member(s) responsible for the lien. Such liens may be contested or compromised by the Association, provided that it is paid, or a bond insuring its payment is posted prior to the disposition of any property to satisfy the lien.
- 5.2.7. Have authority to contract with an agent (the "Manager") to perform the duties and responsibilities deemed advisable by the Association, with the following conditions:
 - 5.2.7.1. Any such contract shall provide that it may be terminated by either party thereto, with or without cause and without a termination fee, upon 30 days written notice.

5.2.7.2. Members of the association are not liable for any omission or improper act of the Manager.

5.2.8. Have authority to adopt reasonable rules consistent with this Declaration relating to use of the Common Area(s) and Improvements.

5.2.9. Have the authority to charge reasonable fees for the use of the Common Areas(s).

5.2.10. Have a duty to maintain all drainage easement and facilities owned by the Association, if any.

5.2.11. Have the power to establish and maintain working capital, reserve and/or contingency funds in reasonable amounts to be determined by the Board.

5.3. Notice By The Association

Notice by the Association for the grievance, breach of the Governing Documents or failure to meet a time limitation shall be completed by either of the following methods:

5.3.1. Personal delivery of the notice to the Occupants, and mailing the notice by prepaid first-class registered U.S. Mail to the Owners (if other than Occupant) to the current address of the Owner as stated in the Association's books; or

5.3.2. Mailing the notice by prepaid first-class registered U.S. Mail to the Occupants at the Lot address, and to the Owners (if other than the Occupant) to the current address of the Owner as stated in the Association's books.

5.4. Insurance

5.4.1. The Association shall obtain and maintain the following insurance coverages:

5.4.1.1. Fire insurance for one hundred percent (100%) of the full replacement value of all Common Area Improvements, without deduction for depreciation or coinsurance. To the extent advisable (in the Board's sole discretion), such policy shall contain the following endorsements and/or provisions:

5.4.1.1.1. An extended coverage endorsement;

- 5.4.1.1.2. Vandalism and malicious mischief coverage;
- 5.4.1.1.3. A determinable cash adjustment clause or similar clause which permits a cash settlement covering the full value of the damaged or destroyed Improvements in the event of a decision not to rebuild.

Such policy shall name as insured the Association, the Owners, Declarant (so long as Declarant is an Owner), and all Mortgagees as their respective interests may appear and may contain a loss payable endorsement in favor of the trustee described in Section 5.4.4.

5.4.1.2. Comprehensive general liability insurance that covers the Association the Board, Declarant, any Manager, Owners, Occupants and their respective family members, guests, invitees and the agents and employees of each against any liability incident to the ownership or use of the Common Area(s). The limits of such insurance shall not be less than \$1,000,000 per occurrence. If obtainable, such insurance shall contain:

- 5.4.1.2.1. A “severability of interest” endorsement to preclude the insurer from denying an Owner’s claim due to a negligent act by other Owners or the Association; and
- 5.4.1.2.2. A cross liability to each insured.
- 5.4.1.2.3. Workers’ compensation insurance in compliance with all applicable laws.
- 5.4.1.2.4. A fidelity bond or insurance covering any Person who handles funds of the Association including, but not limited to, officers, members of the Board of Directors and employees of the Association, and employees of the Manager, whether or not such Persons are compensated for their services, in an amount not less than the estimated maximum funds, including reserve funds in the custody of the Association or the Manager, as the case may be, at any given time during the term of each bond.
- 5.4.1.2.5. Officers and directors liability insurance.
- 5.4.1.2.6. Flood insurance on Common Area Improvements if the Project is located in an area designated by an appropriate governmental agency as a special flood hazard area.

- 5.4.1.2.7. Any other insurance which the Association deems appropriate.
- 5.4.2. Blanket insurance policy premiums are a Common Expense to be included in the regular assessments.
- 5.4.3. Unless specified herein, the amount, term, coverage, deductible, name insureds and loss payees, shall be determined by the Board.
- 5.4.4. All fire and casualty insurance proceeds, payable under Article 5.4.1., subject to the rights of Mortgagees, may be paid to a trustee, to be held and expended for the benefit of the Owners, Mortgagees, and others, as their respective interests shall appear. The trustee shall be commercial bank or other financial institution with trust powers in the County in which the Project is located that agrees in writing to accuse such trust. If repair or reconstruction is authorized, the Association shall have the duty to contract for such work as provided for in this Declaration.
- 5.4.5. An Owner may carry whatever personal liability and property damage liability insurance with respect to his or her Lot that he or she desires. However, any such policy shall include a waiver of subrogation clause acceptable to the Board and to any institutional first Mortgagee.
- 5.4.6. Each hazard insurance policy must be written by a carrier who meets FNMA requirements for a "Best Rating."
- 5.4.7. All insurance policies must require a written thirty (30) day notice of modification or termination of coverage from the insurer to the Association, Declarant, Owners and their Mortgagees, and any interested party who requests such a notice.
- 5.4.8. At least annually, the Board must review the Association's insurance policies to determine the amount of the casualty and fire insurance and the fidelity bond.
- 5.4.9. If economically feasible, prior to each annual review the Board shall obtain a current appraisal of the full replacement value of Common Area Improvements (except for foundations and footings) without deduction for depreciation.
- 5.4.10. Association insurance policies shall contain the following provisions, if reasonably possible as appropriate:
 - 5.4.10.1. Statements that the policies are primary and non-contributing.

5.4.10.2. Statements that an Owner's conduct will not constitute grounds for avoiding liability;

5.4.10.3. A waiver of the carrier's right of subrogation against any Owner or family member, the Association, the Board, the Manager, the Architectural Committee, the Declarant, and any of their agents or employees;

5.4.10.4. Insurance Guard Endorsement;

5.4.10.5. Any insurance trust agreement will be recognized.

5.5. Right Of Entry

5.5.1. The Board of Directors and its authorized agents shall have the right to enter upon any Lot or Common Area to determine compliance with the Governing Documents. A Lot may be entered for the purpose of determining compliance with the Governing Documents only during reasonable hours, and after the Owner has received three days' notice.

5.5.2. The Board of Directors and its authorized agents shall have the right to enter any Lot to cure any violation or breach of the Governing Documents, provided that the notice requirements in Section 5.6 of this Declaration have been followed.

5.5.3. In the event of any emergency involving illness or potential danger to life or property, the Board, or any person authorized by the Board, may enter into any Lot to take corrective action. Such entry shall be made with as little inconvenience to the Owner of the Lot as is practicable, and any damage proximately caused by such entry shall be repaired by the Association as a Common Expense of the Association.

5.5.4. Nothing herein shall be construed to impose any obligation upon the Association to maintain or repair any property or improvements required to be maintained or repaired by the Owners.

5.6. Association Performance Of An Owner's Obligations

If an Owner fails to accomplish any maintenance or repair required by this Declaration, the Association has the right, but not the obligation, to cause such maintenance or repair to be accomplished as follows:

- 5.6.1. The Board must give the offending Owner a Notice of Deficiency that outlines the problem and sets a date for a hearing before the Board or its appointed committee.
- 5.6.2. A hearing must be held from fifteen (15) to thirty (30) days after the Notice of Deficiency's delivery date and must be conducted as follows:
 - 5.6.2.1. According to reasonable rules and procedures adopted by the Board:
 - 5.6.2.2. An Owner may present evidence and cross examine any person offering evidence against the Owner;
 - 5.6.2.3. A decision rendered against the Owner must set a reasonable date by which the Owner is to correct the deficiency; and
 - 5.6.2.4. A committee decision may be appealed to the Board but a decision by the Board is final.
- 5.6.3. If the deficiency continues after the time limit imposed by the Board, such maintenance or repair may be performed by the Association after providing notice and an opportunity to cure the violation, and if the Owner fails to cure the violation within a reasonable amount of time.
- 5.6.4. Any Association payments for such maintenance or repair, and reasonable attorney fees incurred by the Association in connection therewith, must be reimbursed by the Owner within thirty (30) days of Association performance.

5.7. Budget, Financial Statements And Governing Documents

- 5.7.1. A reserve account shall be established to defray the costs of further Improvements or repairs to areas the Association is obligated to maintain.
- 5.7.2. Withdrawal of funds from the Association's reserve account requires the signatures of either:
 - 5.7.2.1. Two (2) Board members; or
 - 5.7.2.2. One (1) Board member and an officer of the Association who is not a Board member.
- 5.7.3. The Association shall prepare and make available upon written request the following budgets and statements to each Association Member and

to any institutional mortgagee that has requested a copy of such documents:

- 5.7.3.1. A balance sheet with an accounting date the last day of the month nearest to six (6) months from the closing date of the first Lot sale.
- 5.7.3.2. An operating statement for the period from the date of the first Lot closing to the above accounting date, which includes a schedule of Assessments received or receivable, identified by Lot number and the name of the person assessed.
- 5.7.3.3. A proforma operating statement (budget) for each Association fiscal year, from forty-five (45) to sixty (60) days prior to the beginning of the fiscal year, containing the following information:
 - 5.7.3.3.1. Estimated revenue and expense on an accrual basis;
 - 5.7.3.3.2. The amount of the total cash reserves of the Association currently available for the replacement or major repair of Common Improvements and for contingencies;
 - 5.7.3.3.3. An itemized estimate of the remaining life of, and the methods of funding to defray the costs of repair, replacement or additions to, major components of the Common Areas and related Improvements for which the Association is responsible;
 - 5.7.3.3.4. A general statement setting forth the procedure used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement or additions to the major components of the Common Areas and related Improvements for which the Association is responsible.
- 5.7.3.4. Within one hundred twenty (120) days after the close of each fiscal year, an annual report consisting of the following items must be prepared by the Association:
 - 5.7.3.4.1. A balance sheet as of the end of the fiscal year;
 - 5.7.3.4.2. An operating (income) statement for the fiscal year;
 - 5.7.3.4.3. A statement of changes in financial position for the fiscal year;
 - 5.7.3.4.4. For any fiscal year in which the gross income of the Association exceeds \$75,000.00, a copy of the review of the Annual Report prepared in accordance with generally accepted

accounting principles by a licensee of the the Oregon State Board of Accountancy;

5.7.3.4.5. Any information required to be reported concerning indemnifications and transactions with interested persons; and if this annual report is not prepared by a licensee, it must be accompanied by an authorized Association officer's certificate that the statements were prepared from the Association's books and records, without independent audit or review.

5.7.3.5. Within ten (10) days of receipt of a written request from any owner or institutional Mortgagee, the Association will provide a copy of the following:

5.7.3.5.1. The Governing Documents of the development;

5.7.3.5.2. A copy of the most recent financial statement;

5.7.3.5.3. A written statement from an authorized Association representative revealing the amount of any unpaid common interest Assessments levied on the Owner (including information on late charges, interest, and costs of collection which may be a lien on the Owner's interest; and

5.7.3.5.4. The minutes of meetings of the Board for any purpose reasonably related to a Member's interest.

5.7.3.6. The Association must make the following documents available for inspection upon request during normal business hours or under other reasonable circumstances:

5.7.3.6.1. For Owners, lenders, holders, insurers and guarantors of a first Mortgage on any Lot, current copies of all Governing Documents, books, records, and financial statements of the Association; and

5.7.3.6.2. For prospective purchasers, current copies of all Governing Documents and the most recent annual audited financial statement (if such a statement is prepared).

5.7.3.7. The Board of Directors shall establish reasonable rules with respect to the following: (1) notice to be given to the custodian of the records by the Member desiring to make the inspection; (2) hours and days of the week when such an inspection may be made; (3) payment of the cost of reproducing copies of documents requested

by a Member. The Association fee for the services provided in this Section 5.7 may not exceed the reasonable cost to prepare and reproduce the requested items.

5.7.4. The Board of Directors of the Association may review all of the following documents on at least a quarterly basis:

5.7.4.1. A current reconciliation of the Association's operating and reserve accounts;

5.7.4.2. The current year's actual reserve revenues and expenses compared to the current year's budget;

5.7.4.3. The latest account statements from the financial institutions handling the Association's accounts.

5.7.4.4. An income and expense statement for the Association's operating and reserve accounts.

5.8. Imposition Of Sanctions

5.8.1. In recognition of the need for a reasonable means of encouraging and insisting upon compliance with the provisions of the Governing Documents the Board is authorized to do the following, provided the procedures for notice and hearing described in Section 5.8.2 are followed:

5.8.1.1. Impose reasonable monetary penalties described in a schedule of fines or resolution of the Board of Directors;

5.8.1.2. Remove or tow a Motorcoach in the event an Owner is delinquent in the payment of assessments or in the event an Owner violates Section 3.1.7;

5.8.1.3. Temporarily suspend any or all of any Owner's rights as a Member; and

5.8.1.4. Commence a legal action for damages, inductive relief, or both.

5.8.2. Notice and hearing procedures relating to the sanctions imposed pursuant to this Section must be made in the following manner:

5.8.2.1. Notice must be sent by prepaid first-class registered U.S. Mail to the relevant Owner's most recent address in the Association's

records at least 30 days before the proposed effect date of the penalty;

5.8.2.2. Notice must set forth details of the violation itself, the potential sanctions which may be imposed and the date, time and place of the hearing;

5.8.2.3. The penalized Owner may be heard, either orally or in writing, at a hearing held at least five (5) days before the effective date of the proposed sanction;

5.8.2.4. Hearings will be held by the Board of Directors, and their decision is final and binding upon the Owner; and

5.8.2.5. Following the Hearing, the Board must decide whether or not the Owner should in fact be penalized and if so, what sanction is to be imposed.

5.8.3. If an Owner fails to pay or comply with any sanction imposed pursuant to the provisions of this Section, the Board may seek judicial enforcement of the sanction in any court of competent jurisdiction, and the Owner shall be liable for all costs (collection costs, court costs, attorneys' fees, and costs of enforcement).

5.9. Certain Limitations On Actions Taken By The Association

The Association may not take any of the following actions unless approved by a majority of the voting power of Association Members:

5.9.1. Incur capital improvement expenditures for Common Area Improvements in excess of ten percent (10%) of the Association's budgeted gross expenses for that fiscal year.

5.9.2. Sell Association property with an aggregate fair market value of more than ten percent (10%) of the budgeted gross expenses of the Association for that fiscal year.

5.9.3. Pay compensation to Association Officers, Board members or the Architectural Committee for services performed, except as reimbursement of costs incurred in the conduct of the Association's business.

5.10. Nonliability And Indemnification

5.10.1. General Limitation. Except as specifically provided in the Restrictions or as required by law, no right, power, or responsibility conferred on the Board or the Architectural Committee by this Declaration, the Articles or the Bylaws shall be construed as a duty, obligation, or responsibility charged upon the Board, the Architectural Committee, any member of the Board or of the Architectural Committee, or any other officer, employee or agent of the Association. No such Person shall be liable to any party (other than the Association or a party claiming in the name of the association) for injuries or damage resulting from such Person's acts or omissions within what such person reasonably believed to be the scope of his Association duties ("Official Acts"), except to the extent that such injuries or damage result from such Person's willful or malicious misconduct. No such Person shall be liable to the Association (or to any party claiming in the name of the Association) for injuries or damage resulting from such Person's Official Acts, except to the extent that such injuries or damage result from such Person's negligence or willful or malicious misconduct.

5.10.2. Bodily Injury Damages Limitation. No Person who suffers bodily injury (including without limitation emotional distress or wrongful death) as a result of the tortious act or omission of a volunteer Board Member or volunteer Association officer shall recover damages from such Board Member or officer if all of the following conditions are satisfied:

- 5.10.2.1. The act or omission was performed within the scope of the Board Member's or officer's Association duties;
- 5.10.2.2. The act or omission was performed in good faith;
- 5.10.2.3. The act or omission was not willful, wanton or grossly negligent; and
- 5.10.2.4. The Association maintained and had in effect at the time the act or omission occurred and at the time a claim was made general liability insurance in the amount of at least One Million Dollars (\$1,000,000.00).

A Board Member or Association officer who at the time of the act or omission received direct or indirect compensation as an employee from Declarant or from a financial institution which purchased a Unit at a judicial or nonjudicial foreclosure of a Mortgage is not a volunteer or purposes of this Section 5.10.2. The payment of actual expenses incurred by a Board Member or Association officer does not affect the

Member's or officer's status as a volunteer for purposes of this Section 5.10.2.

5.10.3. Indemnification. The Association shall pay all expenses incurred by, and satisfy any judgment or fine levied against, any Person as a result of any action or threatened action against such Person to impose liability on such Person for his official acts, provided that:

- 5.10.3.1. The Board determines that such Person acted in good faith and in a manner such Person reasonably believed to be in the best interests of the Association;
- 5.10.3.2. In the case of a criminal proceeding, the Board determines that such person had no reasonable cause to believe his conduct was unlawful; and
- 5.10.3.3. In the case of an action or threatened action by or in the right of the Association, the Board determines that such Person acted with such care, including reasonable inquiry, as an ordinarily prudent Person in a like position would use under similar circumstances.

Any determination of the Board required under this Section 5.10.3 must be approved by a majority vote of a quorum consisting of Directors who are not parties to the action or threatened action giving rise to the indemnification. If the Board fails or refuses to make any such determination, such determination may be made by the vote or written consent of a majority of a quorum of the members of the Association, provided that the person to be indemnified shall not be entitled to vote.

Payments made hereunder shall include amounts paid and expenses incurred in settling any such action or threatened action. This Section 5.10.3 shall be construed to authorize payments and indemnification to the full extent now or hereafter permitted by applicable law. The entitlement to indemnification hereunder shall inure to the benefit of the state, executor, administrator, heirs, legatees, or devisees of any Person entitled to such indemnification.

5.11. Commencement Of Association Management Responsibility

5.11.1. The Association's obligations specified in this Article are effective as of the first sale of a Unit in the Project.

6. Covenant For Assessment

6.1. General Purpose Of Assessments

- 6.1.1. Assessments may be levied by the Association for improvement and maintenance of the Common Area(s), administration of the Property, and to promote the health, recreation, safety, and welfare for the common good of all the Owners.

6.2. Creation Of The Lien And Personal Liability

- 6.2.1. Declarant, for each Unit owned by it and for the Declarant's Lot (which, for purposes of this Article 6, shall be deemed to be included in any and all references to "Lot"), hereby covenants and agrees to pay, and each Owner, by acceptance of a Deed to a Unit in the Project, whether or not it shall be so expressed in any such Deed, is deemed to covenant and agree to pay to the Association all Regular Assessments, Special Assessments and Extraordinary Charges which are established and assessed as hereinafter provided.
- 6.2.2. The Association may not collect an Assessment fee in excess of the amount needed for the purpose levied.
- 6.2.3. Any and all Assessments, together with interest, costs, and reasonable attorneys' fees, shall be a personal obligation of the Person who was the Owner of the Unit at the time the Assessment became due. This personal obligation cannot be avoided by abandonment of the Unit or by an offer to waive use of the Common Area(s).
- 6.2.4. The Personal obligation for delinquent Assessments shall not pass to any successors in title unless expressly assumed by them. If, however, a Notice of Delinquent Assessment is recorded against a Unit, pursuant to Section 6.9, subsequent purchasers of the Unit and/or holders of liens against such unit, although not personally liable for the assessments for which the lien was established, will take the property subject to the assessment lien.

6.3. Regular Assessments

- 6.3.1. Regular Assessments levied by the Association may be collected and used for:
 - 6.3.1.1. Maintenance and operation of the Common Area(s) and related Improvements;

- 6.3.1.2. Administration of the Property and the Association;
- 6.3.1.3. Establishing reserves for Common Area maintenance and repairs;
- 6.3.1.4. Other purposes reasonably determined by the Board.
- 6.3.2. Except as provided in “Extraordinary Charges” below, the Board may not increase a Regular Assessment per Unit more than 3% from one fiscal year to the next without the approval of a majority of Owners present in person or proxy at a meeting in which quorum is met.
- 6.3.3. Unless otherwise established by the Board, the initial Regular Assessment for the fiscal year preceding the first full fiscal year of operations shall be levied in accordance with the most recent Budget on file with and approved by the original Board of Directors of the Association.

6.4. Special Assessments

- 6.4.1. The Board may levy Special Assessments in any year to defray the costs of:
 - 6.4.1.1. Capital Improvements to be made on the Property by the Association;
 - 6.4.1.2. Repairing, reconstructing or replacing any portion of the Common Area(s) which has been damaged or destroyed;
 - 6.4.1.3. Other special common expenses; and
 - 6.4.1.4. Any Association undertaking for which funding is not otherwise provided.
- 6.4.2. Except as provided in “Extraordinary Charges” below, Special Assessments in any fiscal year may not exceed an aggregate ten percent (10%) of the Association’s budgeted gross expenses for that fiscal year unless approved by the vote or written assent of Members constituting a Quorum casting a majority of the votes at a meeting or election of the Association.
- 6.4.3. Written Notice of any Special Assessment amount must be sent to each Owner and include the due date for payment.
- 6.4.4. Special Assessments will be levied on the same basis as Regular Assessments, to the extent reasonably possible. The provisions hereof

with respect to Special Assessments do not apply to an Assessment levied by the Board against a Member to reimburse the Association for costs incurred in bringing the Member into compliance with provisions of the Governing Documents for the subdivision, but any such Assessment shall be subject to the provisions of Section 5.8 of this Declaration.

- 6.4.5. Special Assessment provisions do not apply if individual Extraordinary Charges are levied against an Owner.

6.5. Extraordinary Charges

- 6.5.1. The provisions above do not limit Assessment increases for the following Extraordinary Charges:
 - 6.5.1.1. A court order;
 - 6.5.1.2. Repair or maintenance in any area of Association responsibility that poses a threat to personal safety; or
 - 6.5.1.3. An extraordinary expense necessary to repair or maintain any area of Association responsibility that could not have been reasonably foreseen by the Board while preparing the pro forma operating budget. In this case, the Board must first pass and distribute a written resolution, together with the Notice of Assessment to all members, explaining the reason for the charge, and why it could not have been reasonably foreseen.
- 6.5.2. Each Owner agrees to pay the following charges to the Association;
 - 6.5.2.1. Extra maintenance and repair costs caused by the willful or negligent act of the Owner or the Owner's family, guests, tenants, lessees or invitees, and not caused by ordinary wear and tear;
 - 6.5.2.2. Costs to bring the relevant Lot into compliance with the provisions of the Restrictions.
- 6.5.3. An Extraordinary Charge is the relevant Owner's personal obligation and shall also bind the Owner's heirs, representatives, devisees and assigns), provided that:
 - 6.5.3.1. The charge does not become a lien against the Unit; and
 - 6.5.3.2. Delinquent charges only pass to successors in title if expressly assumed by them.

- 6.5.4. Written notice of an Extraordinary Charge must be delivered to the responsible Owner, and contain the basis and due date for the charge.
- 6.5.5. An Extraordinary Charge not paid when due is subject to the same interest and late charges provided for Delinquent Assessments.
- 6.5.6. An Extraordinary Charge, late charges, interest, collection costs and reasonable attorneys' fees may be established by the Board and enforced by the relevant civil courts.

6.6. Assessment Rate

- 6.6.1. Regular and Special Assessments must be fixed at a uniform rate for all subject units, except as otherwise provided.
- 6.6.2. Each subject Unit (including the Declarant's Lot) is liable for a fraction of the overall Assessment equal to one (1) divided by the total number of Units subject to Assessment by the Association at that time, except as otherwise provided.

6.7. Assessment Duties Of The Board Of Directors

- 6.7.1. At least thirty (30) days before each Fiscal Year, the Board of Directors must:
 - 6.7.1.1. Set Regular Annual Assessment amounts for each unit; and
 - 6.7.1.2. Prepare an annual roster of Units that includes relevant Assessments and is made available for inspection by any Owner during normal business hours.
- 6.7.2. Written notice of Regular Assessments must be sent to every Owner and to the owner of the Declarant's Lot, as follows:
 - 6.7.2.1. Annually;
 - 6.7.2.2. At least thirty (30) days before the applicable Fiscal Year; and
 - 6.7.2.3. Specifying when installment payments are due and payable.
- 6.7.3. If for some reason a Regular Assessment is not prepared as required, terms of the Regular Assessment in place for the previous year will continue unchanged until the Board enacts a new or supplementary Assessment.

6.7.4. Upon demand by an owner (or Mortgagee) whose Unit is liable for any Assessment, the Association will furnish a written certificate signed by an Association officer that sets forth:

6.7.4.1. The nature and amount of the Assessment(s);

6.7.4.2. Due dates and whether any delinquency exists;

6.7.4.3. This certificate constitutes conclusive evidence of any payment of Assessments.

The Board may impose a reasonable charge for issuing the Certificate.

6.8. Effect Of Nonpayment Of Assessments

6.8.1. An Assessment is delinquent if not paid within fifteen (15) days after the due date. If an Assessment is delinquent, the Association may recover all of the following related costs:

6.8.1.1. A late charge imposed by the Board equal to the maximum amount permitted under Oregon law;

6.8.1.2. Reasonable collection costs and attorneys' fees; and

6.8.1.3. Interest on all costs and charges at an annual rate of twelve percent (12%) commencing 15 days after the Assessment is due.

6.8.2. Delinquent Assessments and such related costs will be a continuing lien on the relevant Unit when a notice of the delinquent assessment is recorded against an Owner's fee interest in a Unit ("Notice of Delinquent Assessment"). This lien shall be prior to all other monetary liens encumbering the Owner's fee interest except:

6.8.2.1. Taxes, bonds, Assessments and other reviews that are superior by law; and

6.8.2.2. The lien of any first Mortgage upon one or more Units made for value and in good faith. The priority of such first Mortgage is further described in Article 9 of this Declaration.

6.8.3. In addition to all other legal rights and remedies available to it, the Association may enforce the collection of any amounts due under this Declaration by any of the following means:

- 6.8.3.1. Bring legal action directly against an Owner who is personally obligated to pay the delinquent Assessment and charges without waiving any lien security;
- 6.8.3.2. Judicially foreclose the lien against the Unit;
- 6.8.3.3. Foreclose the lien by power of sale in accordance Oregon Law, or any other lawful manner; or
- 6.8.3.4. Through authorized agents, bid on the Unit at the foreclosure sale to acquire, hold, lease, mortgage or convey the Unit.
- 6.8.4. The Board of Directors may initiate a foreclosure action on the Association's lien in accordance with the requirements and procedures in ORS 94.709.

6.9. Waiver Of Exemptions

- 6.9.1. Each Owner waives (to the extent permitted by law) the benefit of any Oregon homestead or exemption laws in effect when any Assessment or installment becomes delinquent or a lien is imposed.

6.10. Uncompleted Lot & Common Area Exemption

- 6.10.1. Each Lot owned by Declarant or any Owner will be assessed the same as any other individually owned Lot (unless otherwise provided in this Declaration).
- 6.10.2. Any Lot having no structural improvements or incomplete structural improvements shall be exempt from the payment of that portion of any Assessment or monetary obligation which is for the purpose of defraying expenses and reserves directly attributable to the existence of such structural improvements, including without limitation:
 - 6.10.2.1. Painting and reserve expenses;
 - 6.10.2.2. Cable television expenses;
 - 6.10.2.3. Minor repairs;
 - 6.10.2.4. Fire insurance;
 - 6.10.2.5. Refuse disposal; and
 - 6.10.2.6. Domestic water supplied to Lots.

6.10.3. The above exemption remains in effect until the first to occur of either of the following:

6.10.3.1. A notice of completion for the structural improvement has been recorded; or

6.10.3.2. Occupancy or use of the Lot;

6.10.3.3. Completion of all elements of the structures that the Association is obligated to maintain.

7. Architectural Control

7.1. Architectural Review Committee

7.1.1. An Architectural Review Committee, sometimes referred to herein as the "Architectural Committee" or the "Committee" is hereby created. The Architectural Committee shall consist of three (3) members. Architectural Committee members appointed by the Board must be Members of the Association. Board members may also serve as Architectural Committee members. Any member of the committee may be removed with or without cause by a majority decision of the Board.

7.2. Review Of Plans And Specifications

7.2.1. No Owner shall commence or perform any planting, construction, alteration, removal, relocation, demolition, repainting, addition, modification, decoration, redecoration, or reconstruction of any landscaping, structure or Improvement of any kind on the Property until the plans and specifications therefor, showing the nature, kind, shape, height, width, color, materials, and location of the same, and any other information required by the Committee, shall have been submitted to the Committee and approved in writing by the Committee.

7.2.2. The Owner submitting the plans ("Applicant") shall obtain a written, dated receipt for the plans and specifications from an authorized agent of the Committee.

7.2.3. The Committee shall approve plans and specifications submitted for its Approval only if it deems that the construction, alterations or additions contemplated the provisions of this Declaration or detrimental to the appearance of the surrounding area of the Property as a whole, that the

appearance of any structures affected thereby will remain in harmony with the surrounding structures, and that the upkeep and maintenance thereof will not become a burden on the Association.

7.2.4. The Committee may condition its Approval of proposals or plans and specifications for any improvement upon any of the following:

7.2.4.1. Upon the Applicant's furnishing the Association with security acceptable to the Association against any mechanic's lien or other encumbrance which may be recorded against the Property as a result of such work;

7.2.4.2. Upon such changes therein as the Committee deems appropriate;

7.2.4.3. Upon the Applicant's agreement to complete the proposed work within a stated period of time.

7.2.5. The Committee may issue rules or guidelines setting forth procedures for the submission and approval of plans for Approval.

7.2.6. The Committee may require such detail in plans and specifications submitted for its review as it deems proper.

7.2.7. The Committee shall exercise its vest efforts to transmit its decisions, and the reasons for its decisions, to the Applicant at the address set forth in the application for Approval within 45 days after receipt by the Committee of all materials required by the Committee.

7.2.8. The Applicant shall comply with all applicable state, county, and city laws, ordinances, and building codes.

7.3. Meetings Of The Committee

7.3.1. The Committee shall meet from time to time as necessary to perform its duties hereunder.

7.3.2. The vote of a majority of the Committee, or the written consent of a majority of the Committee, taken without a meeting, shall constitute an act of the Committee.

7.4. No Waiver Of Future Approvals

7.4.1. The Approval of the Committee of any proposals or plans and specifications for any work done or proposed shall not be deemed to constitute a waiver of the Committee's right to withhold Approval of

any similar proposals or plans and specifications which are subsequently or additionally submitted for Approval or consent.

7.5. Compensation Of Committee Members

- 7.5.1. The members of the Committee shall receive no compensation for services rendered, other than reimbursement for expenses incurred by them in the performance of their duties hereunder.

7.6. Correction Of Defects

- 7.6.1. The Committee or a duly authorized representative of the Committee may at any time inspect any work for which Approval of the Committee is required under this Article 7 (“Work”).
- 7.6.2. The Committee shall have the right to require the Owner to take any action as may be necessary to remedy any noncompliance with the proposals or plans and specifications approved by the Committee, or with the requirements of this Declaration (“Noncompliance”).
- 7.6.3. The Committee’s right to inspect the Work and notify the responsible Owner of any noncompliance, shall terminate 60 days after the later to occur of the following events:
- 7.6.3.1. Completion of the Work as provided in the Committee approved plans and specifications; and
- 7.6.3.2. Written notice from the responsible Owner to the Committee that the Work has been completed.

This time limit for inspection and notification by the Committee shall be extended indefinitely if either of these conditions has not occurred. If the Committee fails to send a Notice of Noncompliance to an Owner before this time limit expires, the work shall be deemed to comply with the approved plans and specifications.

7.7. Remedies

- 7.7.1. If an Owner fails to remedy any Noncompliance within 60 days from the date of notification from the Committee, the Committee shall notify the Board in writing of such failure. The Board shall then give the offending Owner a Notice of Deficiency which outlines the problem and sets a date for a hearing before the Board or its appointed committee (“Board”) to determine whether there is a noncompliance, and if so, the nature thereof and the estimated cost of correcting or

removing the same. The offending Owner may present evidence and cross-exams any person offering the evidence against the Owner at the hearing. If the Board determines that a Noncompliance exists, the Owner shall remedy or remove the same within a period of not more than 45 days from the date that the Board notifies the offending Owner of its ruling. If the Owner does not comply with the Board ruling within that period, the Board, at its option, may record a Notice of Noncompliance and commence a lawsuit for damages or injunctive relief, as appropriate, to remedy the Noncompliance.

7.8. Scope Of Review

- 7.8.1. The Committee shall review all plans submitted to it for any proposed improvement, alteration, or addition, on the basis of aesthetic considerations, consistency with this Declaration, and the overall benefit or detriment which would result to the immediate vicinity and the Property generally.
- 7.8.2. The Committee may consider the impact on views and reasonable privacy right claims as factors in reviewing any proposed landscaping, construction, or other improvement. However, Declarant does not warrant any protected views within the Property and no Owner or Lot is guaranteed the existence or unobstructed continuation of any particular view.

7.9. Limitation Of Liability

- 7.9.1. The Committee shall review plans and specifications pursuant to this Article solely in order to ensure that the conditions for its Approval set out in this Article have been satisfied. No Approval of any such plans and specifications by the Committee, or anyone else on behalf of the Association shall in any way constitute or be construed as any sort of representation with respect to the soundness of the proposed construction work or the appropriateness of the plans and specifications for any particular purpose (or for any purpose whatsoever). The Declarant, Association, Board, and Committee, shall not be liable in damages to anyone submitting plans or specifications for such review, or to any Owner of property affected by the results of such review (or any Approval or disapproval thereof) whether by reason of mistaken judgment, negligence, or nonfeasance arising out of or in connection with such review, Approval, or disapproval; by reason of failure to approve or disapprove any such plans or specifications; or otherwise.

7.10. Accountability To The Board

- 7.10.1. Any and all final decisions of the Architectural Committee may be appealed to the Board of Directors. Any such appeal must be submitted in writing ("Notice of Appeal") to the Board or any member thereof within fifteen (15) days after the date the appealing Member receives notice of the Committee's decision. The Notice of Appeal shall specifically state the appealing member's grounds for appeal. The Board of Directors shall promulgate rules and guidelines for reviewing Notices of Appeal. The decision of the Board with respect to all appeals shall be final and determinative.
- 7.10.2. In addition to the foregoing, any final decision of the Committee may be reversed, revised or supplemented by the Board, whether or not a Member has appealed such decision, by sending written notice thereof ("Notice of Reversal") to the Committee (or any member thereof) and to the Member(s) immediately affected by the Board's decision to overturn, revise or supplement a decision of the Committee shall be final and determinative.

8. Establishment And Reservation Of Easements

8.1. Owners Easements

- 8.1.1. Every Owner, including Declarant in its capacity as an Owner of unsold Units and in its capacity as the Owner of the Declarant's Lot, shall have a nonexclusive easement of use, enjoyment, ingress and egress in and to the Common Area. Each such nonexclusive easement shall be appurtenant to the respective Lots and the Declarant's Lot, and shall pass with the title to the Lots and the Declarant's Lot.
- 8.1.2. Subject to the provisions of this Declaration governing the use and enjoyment of the Owners' easements, the easements may be used by all Owners and their guests, tenants and invitees residing on or temporarily visiting the Property.

8.2. Limitations On Owners' Easement Rights

The nonexclusive easements described above all shall be subject to the provisions of this Declaration including, but not limited to, the following:

- 8.2.1. The right of the Association to reasonably limit the number of guests of Owners;

- 8.2.2. The right of the Association to establish and enforce reasonable Rules and Regulations pertaining to the use of the Common Area and any Improvements located thereon;
- 8.2.3. The right of the Association, in accordance with the Articles, Bylaws and this Declaration, to borrow money for the purpose of improving or repairing the Common Area and related Improvements, and to hypothecate any and or all of the real or personal property owned by the Association as security for such borrowed money;
- 8.2.4. The right of the Association to suspend the right of any Owner to use the Common Area or other related facility as provided in Section 5.8;
- 8.2.5. The other rights of the Association, the Architectural Control Committee, the Board, and the Owners with respect to the Common Area as may be provided for in this Declaration.

8.3. Easements For Maintenance And Repair

- 8.3.1. Declarant hereby reserves for the benefit of the Board of Directors, the Association, and all agents, officers and employees of the Association, non-exclusive easements for ingress, egress and access on, over, under, and across those positions of the Project as are reasonably required by the Association to perform its maintenance obligations in accordance with the terms of this Declaration.

8.4. Utility Easements

- 8.4.1. Declarant expressly reserves the right to grant additional easements and rights of way over the Property to utility companies and public agencies, as necessary, for the purpose of constructing, operating or maintaining utilities, including, but not limited to, electricity, cable television, telephone, public sewers, storm drains and pipes, water systems, sprinkler systems, heating and gas lines or pipes ("System Facilities"), and any similar public or quasi-public improvements or facilities. Such right of Declarant shall terminate upon the close of escrow for the sale of all Units in the Project.
- 8.4.2. No such easement shall be granted if it would permanently interfere with the use, occupancy or enjoyment by the Owner of his Lot or the Common Area(s).
- 8.4.3. If it becomes necessary to gain access to any System Facilities through a Lot owned by an Owner other than the Owner(s) of the Lot(s) served by such System Facilities, the Owner(s) of the Lot(s) served by such

System Facilities (the “Benefited Owner”) shall have the right, and is (are) hereby granted an easement therefor, to enter upon such other Lot or to have the utility companies enter upon such other Lot, to repair, replace, or maintain said System Facilities. In the event that any damage shall be proximately caused by such entry, the Benefited Owner(s) shall pay the cost of repairing the damage if the utility company fails to do so.

8.5. Encroachment Easements

- 8.5.1. Each Lot, as the Dominant Tenement, shall have and is granted an easement over all adjoining Lots and Common Area, as the Servant Tenement, for the purpose of accommodating and maintaining any encroachment which occurs due to engineering errors, errors in original construction, settlement, or shifting of structures, or any other cause as long as the encroachment remains.
- 8.5.2. The Common Area, as the Dominant Tenement, shall have an easement over adjoining Lots, as the Servant Tenements, for the purpose of accommodating and maintaining any encroachment due to engineering errors, errors in original construction, settlement or shifting of structures, or any other causes.
- 8.5.3. In no event shall a valid easement exist pursuant to this Section 8.5 in favor of an Owner or the Association if the encroachment occurred due to the willful misconduct of the Owner or the Association respectively.

8.6. Drainage Easements

- 8.6.1. Declarant hereby reserves over the Common Area(s) and over each Lot in the Project reciprocal easements for drainage according to the pattern for drainage created by the grading plans for the Project approved by the City, as well as according to the actual, natural, and existing patterns for drainage. Each Owner covenants that if it is necessary to alter the drainage pattern over his Lot for the protection and use of his Lot, he will do so in a manner which does not harm, or increase the burden upon, adjacent Lots or Common Area(s).

8.7. Inspection Of Association Books And Records

- 8.7.1. The Board must preserve and maintain minutes of the meetings of the Association, the Board, and any committees. The Board must also keep detailed and accurate financial records, including individual assessment accounts of Owners, the balance sheet, and income and expense statements. Individual assessment accounts must 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 must 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.

- 8.7.2. Upon adoption of a records retention policy, the Board of Directors may preserve all Association records in a digital format.

8.8. Condemnation Awards And Insurance Proceeds

- 8.8.1. First Mortgagees have priority over any other party (including the Owner) pursuant to their Mortgage in the event of a distribution to Owners of insurance proceeds or condemnation awards for losses to, or any taking of, Lots or Common Areas. Any provision to the contrary in this Declaration, the Bylaws, or other Governing Documents is to such extent void.
- 8.8.2. All applicable fire, physical loss or extended coverage insurance policies must contain loss payable clauses acceptable to the affected first Mortgagee, name the Mortgagees as their interests may appear.

8.9. Insurance

- 8.9.1. All applicable fire and physical loss (or extended coverage) insurance policies must provide at least the lesser of:
- 8.9.1.1. Compensation equal to the full amount of the damage or loss; or
 - 8.9.1.2. Compensation to the first Mortgagee (under the mortgage encumbering any Lot) equal to the full amount of the unpaid principal balance of the Mortgage loan.

8.10. Payments By Mortgagees

- 8.10.1. First Mortgagees may pay the following jointly or severally:
- 8.10.1.1. Taxes or other charges in default which may be a charge against any part of the Common Area(s); and

8.10.1.2. Overdue premiums on hazard insurance policies, or premiums for new hazard insurance coverage on the lapse of a policy for the Common Area(s).

8.10.2. Upon making any such payments, the Association:

8.10.2.1. Owes immediate reimbursement to first Mortgagees making such payments; and

8.10.2.2. Must, upon the payor Mortgagee's request, execute an agreement that reflects the first Mortgagees' entitlement to such reimbursement.

9. Damage And Destruction To Improvements

9.1. Alternatives In The Event Of Damage And Destruction To Common Area Improvements

9.1.1. If there is a total or partial destruction of Common Area Improvements, and if the available proceeds of the insurance carried pursuant to Article 5, Section 5.4, cover not less than eighty-five percent (85%) of the costs of repair and reconstruction, the Association will repair and substantially restore the Common Area Improvements to the same manner as existed before and levy a reconstruction Assessment equally against the owners to make up the balance of costs in accordance with Section 6.

9.1.2. If insurance proceeds cover less than eighty-five percent (85%) of repair costs, the Association will repair the damage and levy a reconstruction Assessment equally against the Owners unless, within ninety (90) days of the date of destruction, at least sixty-seven percent (67%) of the Owners (other than Declarant) determine either:

9.1.2.1. To rebuild in a less expensive manner than substantial replacement, utilizing all available insurance proceeds, in which case the Association will levy a reconstruction Assessment equally against the owners to raise any rebuilding cost in excess of insurance proceeds; or

9.1.2.2. Not to rebuild, in which case all the insurance proceeds for the damage, net of the expenses of clearing debris and making the damaged area aesthetically pleasing, are at the Association's discretion to perform its functions according to the Restrictions or to distribute equally to the Owners (subject to the rights of Mortgagees of record).

9.2. Method Of Paying Reconstruction Assessments For Reconstruction Of The Improvements

9.2.1. Reconstruction Assessments will be due:

9.2.1.1. In a lump sum or in installments; and

9.2.1.2. On any date(s) the Association designates within twenty (20) years.

9.2.2. To cover the difference between the cost of restoring damaged Improvements and the available insurance proceeds, the Association may borrow money secured by:

9.2.2.1. An Assignment of its right to collect such reconstruction Assessments; or

9.2.2.2. A pledge of its interest in any assets.

9.3. Damage To Lots

9.3.1. If a Lot improvement is damaged by fire or other casualty, the relevant Owner must proceed with due diligence to repair or reconstruct the improvement in accordance with the original as-built plans and specifications, modified as may be required by applicable building codes and regulations in force at the time of such repair or reconstructions or as authorized by the Architectural Committee.

9.3.2. Repair or reconstruction must commence within ninety (90) days after damage or destruction, and must be completed within one hundred and eighty (180) days after such date, subject to delays that are beyond the Owner's control.

9.3.3. Notwithstanding the foregoing, the Owner must immediately take reasonable steps as required to make safe any hazardous conditions resulting from the damage or destruction.

10. Eminent Domain- Common Area

10.1. Condemnation

10.1.1. If any portion of a Common Area is to be condemned or sold by eminent domain, the Board (or its delegation) will:

10.1.1.1. Represent Association Members in the proceedings;

- 10.1.1.2. Immediately give notice of the condemnation threat to all Mortgagees, insurers and guarantors of first Mortgages who have filed written requests for notices;
- 10.1.1.3. Have sole discretion regarding distribution of any related award (subject to the prior rights of Mortgagees under recorded Mortgages); and
- 10.1.1.4. Be entitled to make a voluntary sale to the condemner in lieu of engaging in a condemnation action.
- 10.1.2. No Member may challenge the Board's good faith in fulfilling its duties under this Article.
- 10.1.3. Any award(s) received shall be paid to the Association, subject to the rights of Mortgagees under recorded Mortgages encumbering any portion of the Property.
- 10.1.4. If only part of a Common Area is affected, the rules regarding restoration and replacement of the Common Area and Improvements apply as if in the case of destruction.
- 10.1.5. If any of the net condemnation award is not used to restore the remaining Common Area, the Association will use the award to perform its functions pursuant to the Governing Documents or distribute the award equally to the Owners subject to the rights of Mortgagees of record.

11. General Provisions

11.1. Duration

- 11.1.1. This Declaration is binding upon all parties for ninety-nine (99) years after the recording date.
- 11.1.2. After ninety-nine (99) years, the Declaration will automatically be extended for successive ten (10) year periods, unless the Owners (heirs, successors, representatives) of a majority of subject Units record a signed, written instrument:
 - 11.1.2.1. At least one (1) year before the beginning of any ten (10) year period; and
 - 11.1.2.2. Agreeing to change or terminate this Declaration.

11.2. Amendment

- 11.2.1. Except as otherwise provided herein, after the first Unit is sold, this Declaration may only be amended with the approval of at least a majority of all Owners. A copy of each amendment shall be certified by at least two officers of the Association, and the Amendment shall be effective when a Certificate of Amendment is recorded. The Certificate of Amendment, signed and sworn to by two officers of the Association that the requisite number of Owners and Mortgagees have either voted for or consented in writing to the amendment, shall be conclusive evidence of that fact when the Certificate of Amendment is recorded in the Official Records of Lincoln County.
- 11.2.2. The percentage of Association Members needed to amend this Declaration may not be less than the percentage of affirmative votes prescribed for action to be taken under the relevant provision.
- 11.2.3. Notwithstanding any other provision of this Article, the definition of "Motorcoach Vehicle" may be amended only with the approval of at least 75% of all Owners.

11.3. Enforcement

- 11.3.1. Any Owner, tenant or occupant who fails to comply with any provision of the Governing Documents will be subject to an action to recover sums, damages, or injunctive relief.
- 11.3.2. These remedies are intended to be cumulative, and do not prevent the exercise of any other legal right or remedy.
- 11.3.3. An Owner or the Association may enforce any and all provisions in the Governing Documents by legal or equitable action.
- 11.3.4. Failure to take action does not constitute a waiver of the right to take action.

11.4. Notices

- 11.4.1. Any required notice must be in writing and delivered personally or by U.S. mail.
- 11.4.2. Delivery by certified or registered mail is considered delivered seventy-two (72) hours after postage prepaid deposit in the U.S. mail (in the State of Oregon) to:

11.4.2.1. The relevant Unit; or

11.4.2.2. The address most recently given in writing by the subject to the Association for service of notice.

11.5. No Rights Given To Public

11.5.1. This Declaration does not grant any portion of the Property to the general public or for any public use whatsoever.

11.6. Severability

11.6.1. Any provision in this Declaration invalidated by court judgment does not affect other provisions which remain in full force and effect.

11.7. Headings

11.7.1. Section headings are inserted only for convenience and are not intended to define, limit or describe the scope or intent of any section.

11.8. Number

11.8.1. As required by the context of this Declaration, a singular grammatical reference includes the plural application.

11.9. Purpose Of Declaration

11.9.1. This Declaration must be construed liberally to fulfill its purpose of creating and maintaining a uniform community development plan with Common Areas for the benefit and enjoyment of the Owners, their tenants, servants and guests.

11.10. Arbitration Of Disputes

11.10.1. In the event of an Arbitrable Dispute (as defined below) between or among Declarant, its broker, or their agents or employees, on the one hand, and any Owner(s) or the Association, on the other hand, the matter will be submitted to binding arbitration. Arbitrable Disputes include any controversy or claim between the parties arising out of, or relating to, the rights or duties of the parties under this Declaration or under the other Project Documents including, but not limited to, any claims based on contract, tort, or statute.

- 11.10.2. The arbitration shall be conducted by the American Arbitration Association (“AAA”) in accordance with the rules of the AAA (“Rules”) as herein modified.
- 11.10.3. There shall be only one arbitrator who shall be selected in accordance with the AAA Rules.
- 11.10.4. Parties shall be allowed to conduct discovery under the provisions of Oregon law. Any disputes concerning discovery shall be submitted to the arbitrator.
- 11.10.5. The arbitrator shall have the power to award all legal and equitable remedies.
- 11.10.6. The parties agree to be bound by the decision of the arbitrator, which shall be final, shall not be appealable, and which shall allow for no trial de novo on the same issues decided pursuant to the arbitration.
- 11.10.7. Upon the rendering of the decision or award, the prevailing party or parties shall be entitled to reimbursement from the losing party for reasonable costs and attorneys’ fees in accordance with Section 12.13 below.
- 11.10.8. Nothing in this section shall constitute a waiver of any of the benefits of any statute of limitations or equitable defenses by any party.
- 11.10.9. Notwithstanding any other provision of this Declaration, this section may not be amended without the prior written consent of Declarant.

11.11. Attorneys’ Fees

- 11.11.1. In any legal or equitable proceeding by an Owner(s), Declarant, or the Association to enforce any provisions of the Governing Documents, the prevailing party shall be entitled to recover from the losing party reasonable costs incurred in connection with such proceeding including, but not limited to, attorneys’ fees.

11.12. Costs Of Enforcement

- 11.12.1. With respect to Section 12.13, in the event that it becomes necessary for the prevailing party to take legal action to enforce a judgment rendered against the losing party, the prevailing party shall be entitled to recover from the losing party the costs incurred in enforcing such judgment including, but not limited to, attorneys’ fees. This provision is intended to be severable from the other provisions of this Declaration

and to survive any judgment rendered on this Declaration and is not to be deemed merged into such judgment.

CERTIFICATION

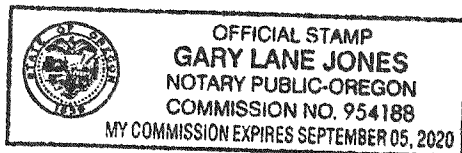
The undersigned Chairperson and Secretary of Pacific Shores RV Resort Owner's Association, an Oregon nonprofit corporation, hereby certify that this 2017 Amended and Restated Declaration has been approved in accordance with ORS 94.590.

By: Brian Plummer
Chairperson

By: Don Ceen
Secretary

STATE OF OREGON)
) ss
County of Lincoln)

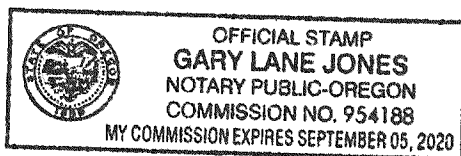
The foregoing instrument was acknowledged before me this 21 day of July, 2017, by Barry J Brucketto, Chairperson, and on behalf of, Pacific Shores RV Resort Owner's Association.



Notary Public for Oregon
My Commission Expires: September 05, 2020

STATE OF OREGON)
) ss
County of Lincoln)

The foregoing instrument was acknowledged before me this 21 day of July, 2017, by Donnie T. Caury, Secretary, and on behalf of, Pacific Shores RV Resort Owner's Association.



Notary Public for Oregon
My Commission Expires: September 05, 2020