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2007-009905

Klamath County, Oregon



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06/04/2007 08:59:56 AM

Fee: \$211.00

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SUMMARY OF

AMENDED DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS,
AND EASEMENTS FOR
SUMMERFIELD RESIDENTIAL HOME OWNER ASSOCIATION II, Inc.

A MANUFACTURED HOME SUB-DIVISION

The following is a summary of the major provisions of the Declaration of Covenants, Conditions, and Restrictions (often referred to as the CC&R's") for Summerfield. This summary is provided for your convenience in order to highlight some of the major features of the CC&R's. In case of any question about a provision, please refer to the CC&R's themselves, as the actual language of the CC&R's will govern what can and cannot be done in Summerfield.

The Summerfield Master Plan (Article 2)

Article 2 of the CC&R's specifies that Summerfield will be developed pursuant to a Master Plan, the current version of which is illustrated on Exhibit B of the CC&R's. Under the Master Plan, it is projected that Summerfield will be developed by stages eventually into a community of up to 65 dwellings. Other portions will be developed into recreational areas. The Master Plan may be refined and changed to evolve over time as Summerfield grows.

The Summerfield Association (Article 3)

The Summerfield Association is the homeowners' association responsible for ownership, control, and maintenance of the extensive common areas in Summerfield. These include both natural and developed common areas. The Association is governed by a board of directors elected by the Association membership. Everyone who owns a dwelling unit in Summerfield automatically belongs to the Association. The Architectural Control Committee is established by the Association to regulate the appearance of houses, fences, and all other structures constructed in Summerfield. No house or other structure may be built until the approval of the Architectural Control Committee is first obtained.

Summerfield Association Assessments (Article 4)

Each owner in Summerfield is required to pay a general assessment levied annually by the Summerfield Association to finance its operating expenses. The general assessment may be paid in installments as established by the Association. In addition, special assessments may be levied from time to time to pay for extraordinary expenses that arise. If an owner does not pay an assessment when due, the unpaid assessment becomes a lien against the owner's property in Summerfield, in the same way that a mortgage is a lien on your property. Like an unpaid mortgage, the Association's lien may be foreclosed by a lawsuit that results in the sale of the owner's property to payoff the overdue assessment.

SUBORDINATION OF LIENS (Article 5)

The provisions of this Article 5 apply for the benefit of each Mortgagee who lends money for purposes of construction or to secure the payment of the purchase price of a Lot or Living Unit.

Use Restrictions in Summerfield. (Article 6)

Article 6 contains provisions that restrict permissible activities in Summerfield. For example, commercial uses in areas not specifically designated for commercial use on the Summerfield Master Plan are generally prohibited. The Association may prohibit mobile home or trailer storage within Summerfield except in areas specifically designated for the common storage of trailers or recreational vehicles. Signs are prohibited on lots, except ordinary "for sale" signs. Certain maintenance responsibilities are imposed on all owners in order to ensure that their homes are kept in good condition and their lots attractively maintained. Firearms and other dangerous weapons may not be used within Summerfield. No hunting is permitted.

Common Areas (Article 7)

All Summerfield residents have an equal right to use all the Summerfield common areas, which will be owned by the Summerfield Association. The Association is responsible for the maintenance and improvement of all common areas, roads, sidewalks, sewer and water. Within these areas, the cutting of trees or significant ground cover is generally prohibited except in connection with specified development activities undertaken by the Association or the developer of Summerfield, in order to maintain these areas essentially in a native, undeveloped state.

The foregoing summary is no substitute for a careful reading of the CC&R's themselves. Please take time to read them. In a way, the CC&R's are the underlying "constitution" for Summerfield. Together with state and local laws and ordinances, the Summerfield Association By-Laws, and the Association's Rules and Regulations, the CC&R's are the foundation for a safe, successful, and attractive private community. Each owner has a responsibility, to abide by the provisions of the CC&R's in order to make Summerfield the special place it was designed to be.

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DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR
SUMMERFIELD RESIDENTIAL HOME OWNER ASSOCIATION, Inc.

A MANUFACTURED HOME COMMUNITY:

This Declaration is made on this 27th day of March, 2007, by the undersigned who is the owner of certain land situated in the State of Oregon, County of Klamath, known as Summerfield, hereafter referred to and defined and more particularly described on Exhibit A, which is attached hereto and incorporated herein by this reference as fully set forth.

DESCRIPTION OF DECLARATION

Declarant desires to create in Summerfield as defined herein a planned community with residential services, and facilities, as well as other public and private uses, services, and facilities. Declarant also desires to create permanent open space areas and other common facilities for the benefit of the Summerfield Manufactured Home Community, to provide for the preservation of the natural values and amenities in Summerfield, and to provide for the maintenance of open spaces and other common facilities. This Declaration establishes a plan for the private ownership of lots and buildings constructed thereon, for the dedication of certain areas to municipal corporations and Klamath County, and for the beneficial ownership through a non-profit corporation of all the remaining land and related easements, hereafter defined and referred to as the "Common Areas." The non-profit corporation is the **SUMMERFIELD RESIDENTIAL HOME OWNER ASSOCIATION, Inc.**---hereafter referred to and defined as the "Association," to which shall be delegated and assigned the duties and powers of maintaining and administering the Common Areas and facilities and administering and enforcing the covenants, conditions, and restrictions, and collecting and disbursing the assessments and charges hereinafter created.

This Declaration contemplates a plan for the phased development of Summerfield pursuant to Declarant's Master Plan, as hereafter referred to and defined, in order that the Summerfield community may grow in an orderly fashion under a rational scheme of development. The Declaration further establishes the right and power of the Association to levy general and special assessments on each Owner, as hereafter referred to and defined, in order to finance the construction and maintenance of improvements to the Common Areas and facilities, and in order to effectuate all the powers and duties of the Association, as described herein. The Declaration further establishes certain restrictions on the various uses and activities that may be permitted in Summerfield and further establishes the right of the Association to promulgate rules and regulations which may further define and limit permissible uses and activities consistent with the provisions of this Declaration.

NOW, THEREFORE, the undersigned hereby covenants, agrees, and declares that all of Summerfield as defined herein and the buildings and structures hereafter constructed thereon are, and will be, held, sold, and conveyed subject to and burdened by the following covenants, conditions, restrictions, and easements, all of which are *for* the purpose of enhancing and protecting the value, desirability, and attractiveness of Summerfield and all for the benefit of the Owners thereof, their heirs, successors, grantees, and assigns. All provisions of this Declaration shall be binding upon all parties having or acquiring any right, title, or interest in Summerfield or any part thereof, and shall inure to the benefit of the Owners thereof and to the benefit of the Association and are intended to be and shall in all respects be regarded as covenants running with the land.

ARTICLE 1

DEFINITIONS

Section 1.1. "Apartment Building" shall mean and refer to a building on one or more Lots owned by a person or entity, consisting of two or more attached residential living units under one roof, but excluding Condominium Units.

Section 1.2. "Association" shall mean and refer to the Summerfield Association, an Oregon non-profit corporation, its successors and assigns.

Section 1.3. "Association Action" shall mean and refer to a written corporate action of the Association in the *form* of either a by-law or resolution duly passed by either the Board or the Owners.

Section 1.4. "Board" shall mean and refer to the Board of Directors of the Association.

Section 1.5. Recorded under Klamath County Recording number .) "Common Areas" shall mean and refer to all real property that is owned by the Association, or that is designated by Declarant for future ownership by the Association on a final plat or other recorded document creating a Phase, including without limitation open space areas and improvements thereon, recreational and athletic facilities, pedestrian and equestrian trails, bicycle paths, lakes, ponds, wetlands, marshes, parking areas, landscaping, and other areas available for common use and enjoyment by members of the Association, and irrigation, sewer, water, storm drainage and other utility systems located on or in the Common Areas or between the Common Areas and the streets or on or in other public or utility easements. All other parts of Summerfield necessary or convenient to its existence, maintenance and safety or normally in common use and which are not Living Units as defined in Section 1.23 or Lots as defined in Section 1.13.

Section 1.6. "Condominium" shall mean and refer to any Living Unit created in a declaration filed pursuant to the Horizontal Property Regimes Act, RCW ch. 64.32, or any successor statute, including without limitation such units located in duplexes, four-plexes, and other multi-dwelling-unit buildings, and any building composed of such units if the context shall require.

Section 1.7. "Declarant" shall mean and refer to "Summerfield residential Community, LLC", an Oregon corporation, its successors and assigns, if such successors or assigns should acquire all or substantially all of the then-undeveloped Parcels of Summerfield from Declarant for the purpose of development (excluding Participating Builders); provided, however, that no successor or assign of Declarant shall have any rights or obligations of Declarant hereunder unless such rights and obligations are specifically set forth in the instrument of succession or assignment or other recorded instrument or passed by operation of law. Certain rights and obligations of Declarant, as set forth herein, shall cease at the end of the Development Period.

Section 1.8. "Declaration" shall mean and refer to this instrument, as the same may be supplemented or amended from time to time.

Section 1.9. "Development Period" shall mean and refer to that period of time beginning on the date of this Declaration and ending whenever any of the following first occurs: (i) 30 years from the date hereof; or (ii) 4 months after Declarant has transferred title to purchasers of Lots or Condominiums representing ninety five percent (95%) of the total voting power of all Owners as then constituted; or (iii) written notice from Declarant to the Association in which Declarant elects to terminate the Development Period.

Section 1.10. Recorded under Klamath County Recording number .) "Governing Documents" shall mean and refer to this Declaration, Supplementary Declarations, and the Articles of Incorporation and By-Laws of the Association, as any of the foregoing may be amended from time to time as well as the Architectural Guidelines, Community Rules and Regulations and such other documents lawfully adopted by the Board or the Owners which further define and or limit the operations of Summerfield.

Section 1.11. "Summerfield" shall mean and refer to that certain real property described on Exhibit A (with amendments shown on Exhibit A) attached hereto, and such additions thereto as may hereafter be brought within the terms and conditions hereof, in accordance with Article 2 of this Declaration.

Section 1.12. Recorded under Klamath County Recording number .) "Living Unit" shall mean and refer to a building or structure or any portion thereof situated in Summerfield that is designed and intended for use and occupancy as a residence by a Single Family, including

attached or detached houses, Condominiums, and units within Apartment Buildings, and the appurtenant landscaping, fences, garages, driveways, or parking areas occupying any Lot on which a Living Unit is situated. If a Living Unit is constructed on Lot, the definition of Living Unit shall be deemed to encompass the underlying Lot, as well, but, except as otherwise expressly provided in Amended Section 4.3, the definition shall not include any Lot on which a Living Unit has not yet received a certificate of occupancy or analogous certificate from the applicable governmental authority.

Section 1.13. "Lot" shall mean and refer to any legally segmented and alienable portion of Summerfield created after the date of this Declaration (and including Lots in the Plat of Summerfield Division 1, whether or not such plat is recorded after the date of this Declaration), through subdivision, short subdivision, site plan approval, or any other legal process for dividing land, with the exception of streets and other public areas and Common Areas.

Section 1.14. "Master Plan" shall mean and refer to the total general scheme of intended uses of Summerfield as approved by Klamath County, the present version of which is illustrated in Exhibit attached hereto (and amended on Exhibit), which exhibit is incorporated herein by this reference as if (fully set forth, and as further defined in Article 2. If the Master Plan shall be amended, this definition shall refer to the most current version thereof

Section 1.15. "Mortgage" shall mean and refer to any recorded mortgage or deed of trust encumbering one or more of the Lots or Living Units. "First Mortgage" shall mean and refer to a Mortgage with priority over other Mortgages. "Mortgagee" shall mean and refer to the holder or beneficiary of any Mortgage and shall not be limited to Institutional Mortgagees. As used herein, the term "Institutional Mortgagees" or "Institutional Holder" shall include banks, trust companies, insurance companies, mortgage companies, mortgage insurance companies, savings and loan associations, trusts, mutual savings banks, credit unions, pension funds, Federal National Mortgage Association ("FNMA"), Federal Home Loan Mortgage Corporation ("FHLMC"), all corporations, and any agency or department of the United States Government or of any state or municipal government.

Section 1.16. "Native Growth Protection Area" shall mean and refer to an area in a Lot or Common Area so designated on a final plat, short plat, binding site plan, or other analogous recorded plan or map creating a Phase, in which the removal of trees and significant natural ground cover, as well as the conduct of other activities, are restricted pursuant to the provisions of Article 7 herein.

Section 1.17. "Owner" shall mean and refer to the record owner (whether one or more persons or entities)

of a fee interest in any Lot or Living Unit, including Participating Builders but excluding Mortgagees or other persons or entities having such interest merely as security for the performance of an obligation. Purchasers or assignees under recorded real estate contracts shall be deemed Owners as against their respective sellers or assignors. Section 1.18. "Parcel" shall mean and refer to any portion of Summerfield not yet included within a Phase.

Section 1.19. "Participating Builder" shall mean and refer to a person or entity that acquires a portion of Summerfield for the purpose of improving such portion in accordance with the Master **Plan** for resale to Owners or lease to tenants.

Section 1.20. "Phase" shall mean and refer to any portion of Summerfield that is segregated by Declarant's filing for recording of a final plat, short plat, binding site plan, condominium declaration, or other analogous recorded plan, map, or document, that creates Lots, Living Units, or Common Areas.

Section 1.21. A living Unit or Unit shall refer to use and occupancy by a "Single Family", as a residence.

Section 1.22. "Supplementary Declaration" shall mean and refer to any recorded declaration of covenants, conditions, and restrictions which extends the provisions of this Declaration to a Phase or which contains such complementary provisions for a Phase as are deemed appropriate by Declarant.

ARTICLE 2

MASTER PLAN AND ADDITIONS

Section 2.1. The Master Plan. The Master Plan, the present version of which is illustrated on Exhibit B, is Declarant's dynamic design for the staged development of Summerfield as a community, and may be regularly modified and amended by Declarant as provided herein during the period of years required to develop the Summerfield community. Because the Master Plan is necessarily an evolving design, it shall not bind Declarant to make any of the additions to Summerfield that are shown on the Master Plan or to improve any portion of such lands in accordance with the Master Plan unless and until a Supplementary Declaration is filed for record by the Declarant for a Phase of Summerfield subjecting it to this Declaration.

Section 2.2. Additions and Amendments. Declarant hereby reserves the right to add to or amend the Master Plan. Such additions or amendments shall be affected by (1) giving notice of the proposed changes to the Association; (2) securing any necessary approval of Klamath County or any successor governmental entity with jurisdiction over the Summerfield Property of any proposed addition or amendment; and (3) securing any necessary approval of any federal mortgage agency.

ARTICLE 3

SUMMERFIELD ASSOCIATION

Section 3.1. Description of Association. The Association is a non-profit corporation organized and existing under the laws of the State of Oregon charged with the duties and vested with the powers prescribed by law and set forth in the Governing Documents, as they may be amended from time to time; provided, however, that no Governing Documents other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with this Declaration.

Section 3.2. Recorded under Klamath County Recording number .) Association Board. Declarant shall within 90 days of execution of this Declaration, select an initial Board of not fewer than 3 persons who need not be Owners. The initial Board shall have the full authority and all rights, responsibilities, privileges, and duties to manage the Association under the Governing Documents. The term of the initial directors of the Board shall expire at the first annual meeting of the Association following their appointment by Declarant. The Board shall elect officers of the Association from among the Board members, which shall include a president who shall preside over meetings of the Board and meetings of the Association. A majority of the Board must be Owners whose primary residence is within Summerfield. During the Development Period this residency requirement shall apply to a majority of the Board who are not representatives of the Declarant. Following the Development Period a majority of the Board must, in any event, be owners whose primary residence is within Summerfield.

Section 3.3. Association Membership. Every person or entity who is an Owner shall by reason thereof be a member of the Association. Such membership shall be appurtenant to and held and owned in the same manner as the beneficial fee interest in the Lot or Living Unit to which it relates. Membership shall not be separated from ownership of the Lot or Living Unit to which it relates; provided, however, that any Owner may delegate his rights of membership in the Association and rights of enjoyment in the Common Areas to the members of his family and to his tenants occupying a Living Unit.

Section 3.4. Votes Appurtenant to Living Units. Every Owner shall be entitled to cast one vote in the Association for each Lot or Living Unit owned. For any unimproved Lot on which more than one Living Unit is authorized by Klamath County (such as Lots zoned for Apartment Buildings), the Owner thereof shall be entitled to cast one vote for each Living Unit authorized thereon; but if fewer Living Units are actually constructed thereon than the number authorized, the Owner thereof shall, after the date of the certificate of occupancy, be entitled to cast only one vote for each Living Unit actually constructed on such Lot. A vote shall be appurtenant to and held and owned in the same manner as the beneficial fee

interest in the Lot or Living Unit to which it relates. A vote shall not be separated from ownership of the Lot or Living Unit to which it relates~ provided, however, that when more than one entity holds the beneficial fee interest in any Lot or Living Unit, the vote there for shall be cast as the Owners among themselves determine, but in no event shall more than one vote be cast with respect to any Living Unit~ and if the several Owners of a Lot or Living Unit are unable to agree as to the casting of their vote, such vote shall not be counted. When a single entity owns more than one Lot or Living Unit, each vote may be cast separately.

Section 3.5. Initial Number of Votes. From the commencement of the existence of the Association, there shall be a total of 65 outstanding votes in the Association, representing one vote for each 65 Living Units, the maximum number presently authorized by Klamath County for Summerfield. During the Development Period, the Declarant shall be entitled to cast 65 votes, less one vote for each Lot or Living Unit then owned by an Owner other than Declarant.

Section 3.6. Adjustment to Number of Votes. If more than 65 Living Units are authorized by Klamath County for Summerfield at any time during the Development Period, the number of votes in the Association shall be readjusted at such time to reflect the increased number of Living Units, and Declarant shall be entitled to cast all such votes, less one vote for each Lot or Living Unit owned by an Owner other than Declarant. At the end of the Development Period, the number of votes in the Association shall be readjusted to equal the number of Living Units actually constructed in Summerfield to that date, plus the number of any Living Units authorized by Klamath County that have not yet been constructed. Thereafter, Declarant shall be entitled to cast votes only for Lots or Living Units then owned by Declarant. If, after the end of the Development Period, additional Lots are platted or Living Units constructed from time to time in Summerfield, the number of votes in the Association shall similarly be readjusted from time to time, in order that there shall thereafter always be one vote for each Living Unit constructed in Summerfield, plus one vote for each Living Unit authorized by Klamath County that has not yet been constructed.

Section 3.7. Recorded under Klamath County Recording Number .) Owner's Compliance with Governing Documents. By acceptance of a deed to a Lot or Living Unit, execution of a contract there for, or any other means of acquisition of an ownership interest, whether or not it shall be so expressed in any such deed or other instrument, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to observe and comply with all terms of the Governing Documents of the Association, and all rules and regulations duly promulgated pursuant to Association Action. Each owner and occupant at Summerfield shall comply strictly with the provisions of this Declaration, the By-Laws and all Governing Documents, as the same may be lawfully amended from time to time, and all decisions adopted pursuant to this Declaration., the By-Laws and all other Governing Documents. Failure to comply shall be grounds for an action to recover sums due for

damages or injunctive relief, or both, maintainable by the Board acting through its officers on behalf of the Owners, or by any aggrieved Owner on his own.

Section 3.8. Rules and Regulations. The Association shall have the power to adopt from time to time by Association Action and to enforce rules and regulations governing the use of Summerfield, in addition to the use restrictions contained in this Declaration and whether or not expressly contemplated herein, provided that such rules and regulations shall not be inconsistent with this Declaration. The rules and regulations may not discriminate among Owners. The Association may prescribe penalties for the violation of such rules and regulations, including but not limited to suspension of the right to use the Common Areas or portions thereof. Any such rules and regulations shall become effective 30 days after promulgation or amendment and shall be mailed to all Owners within 30 days after promulgation or amendment. A copy of the rules and regulations then in force shall be retained by the secretary of the Association and shall be available for inspection by any Owner during reasonable business hours. Such rules shall have the same force and effect as if set forth herein.

Section 3.9. Architectural Control Committee. The Association shall establish and continuously maintain an Architectural Control Committee composed of three or more representatives as provided in the By-Laws of the Association, to review and approve or disapprove the details and written plans and specifications showing the nature, kind, shape, height, material, colors, and location of proposed Living Units, buildings, fences, walls, or other structures, exterior additions to or changes or alterations therein, clearing or excavation of Lots, or cutting of trees within Summerfield. The Association shall have the power to adopt from time to time by Association Action and to enforce guidelines, criteria, and procedures governing the Architectural Control Committee and the Owners' compliance with the provisions of Section 6.2 hereof. The provisions of Section 3.8 hereof shall apply to such guidelines, criteria, and procedures as if fully set forth in this Section 3.9.

Section 3.10 Recorded under Klamath County Recording number " Pending ".) The Board may, but shall not be required to, contract with an experienced professional Managing Agent to assist the Board in the management and operation of Summerfield and may delegate such of its powers and duties to the Managing Agent as it deems to be appropriate, except as limited herein. Only the Board can approve an annual budget or supplemental budget, and only the Board can impose a special assessment on any Living Unit or authorize foreclosure of an assessment lien. Any contract with a Managing Agent, or any other contract to provide for services, shall have a term no longer than one (1) year (but may be renewable by agreement of the parties for successive one year periods) and shall be terminable by the Board without payment of a termination fee, with or without cause, on thirty (30) days prior written notice.

ARTICLE 4

ASSOCIATION BUDGET. ASSESSMENTS. AND LIENS

Section 4.1 Owner's Covenant to Pay Assessments. By acceptance of a deed to a Lot or Living Unit, execution of a contract there for, or any other means of acquisition of an ownership interest, whether or not it shall be so expressed in any such deed or other instrument, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to pay the Association, in advance, all general and special assessments levied as provided herein.

Section 4.2 Association Budget. The Association shall prepare, or cause the preparation of, an operating budget for the Association at least annually, in accordance with generally accepted accounting principles. The operating budget shall set forth all sums required by the Association, as estimated by the Association, to meet its annual costs and expenses, including but in no way limited to all management and administration costs, operating and maintenance expenses of the Common Areas, and services furnished to or in connection with the Common Areas, including the amount of all taxes and assessments levied against, and the costs of liability and other insurance on, the Common Areas, and including charges for any services furnished by or to the Association; the cost of utilities and other services; and the cost of funding all reserves established by the Association, including, when appropriate, a general operating reserve and a reserve for replacements. The funds required to meet the Association's annual expenses shall be raised from a general assessment against each Owner and Living Unit as provided hereafter. The Association may revise the operating budget after its preparation at any time and from time to time, as it deems necessary or advisable in order to take into account and defray additional costs and expenses of the Association.

Section 4.3 Recorded under Klamath County Recording number .)

Levy association of General Assessment. In order to meet the costs and expenses projected in its operating budget, the Association shall by Association Action determine and levy in advance on every Owner a general assessment, as follows.

Section 4.3.1. The general assessment shall be calculated as follows. The amount of the Association's operating budget shall be divided by the sum of (i) the number of existing Living Units that have received certificates of occupancy and (ii) the number of future Living Units either under construction or that feasibly could be constructed on unimproved or partially improved Lots not owned by Declarant. The resulting quotient shall be the per-unit assessment share. Such quotient shall then be multiplied by the sum of the number of an Owner's undeveloped single-family Lots and the number of Living Units deemed owned by such Owners as of the date the general assessment is levied; provided, however, that such sum shall not include any Lot that is exempt from assessment for one year as provided in Section 4.6. The resulting product shall be the amount of such Owner's general assessment.

The general assessment is levied, be deemed to own not only the Owner's unimproved single-family Lots and the Owner's existing Living Units that have received certificates of occupancy, but also all future Living Units either under construction or that feasibly could be constructed on the Owner's unimproved or partially improved Lot or Lots. Declarant shall be deemed to own only existing Living Units on its Lots.

4.3.3. The projected number of feasible future Living Units used in calculating the per-unit assessment share and each Owner's general assessment shall be reasonably estimated by Declarant during the Development Period and thereafter by the Board, in light of applicable land use regulations, physical constraints of a Lot, and site plan approval or building permit for a Lot granted by Klamath County or other governmental entity with jurisdiction, or applied for, if the same have not yet been granted, any phasing or other plans or studies for a Lot, and any other relevant factors affecting the development potential of a Lot that are known to Declarant (or the Board, as applicable).

4.3.4. Any owner of a Lot or Lots on which one or more Apartment Buildings is or can be constructed shall pay the general assessment for only ninety-five percent (95%) of all existing and future Living Units thereon deemed owned on the date the general assessment is levied; provided, however, that if more than 95% of the Living Units in an existing Apartment Building are then occupied, the Owner thereof shall pay the general assessment for the actual number of occupied Living Units therein.

4.3.5. The Association shall make reasonable efforts to determine the amount of the general assessment payable by each Owner for an assessment period at least 30 days in advance of the beginning of such period and shall at that time prepare a roster of the Owners and the general assessment allocated to each, which shall be kept in the office of the Association and shall be open to inspection by any Owner upon reasonable notice to Association. Notice of the general assessment shall thereupon be sent to each Owner; provided, however, that notification to an Owner of the amount of an assessment shall not be necessary to the validity thereof

4.3.6. The omission by the Association, before the expiration of any assessment period, to fix the amount of the general assessment hereunder for that or the next period, shall not be deemed a waiver or modification in any respect of the provisions of this Article or a release of any Owner from the obligation to pay the general assessment, or any installment thereof, for that or any subsequent assessment period, but the general assessment fixed for the preceding period shall continue until a new assessment is fixed.

4.3.7. Upon any revision by the Association of the operating budget during the assessment period for which such budget was prepared, the Association shall, if necessary, revise the general assessment

levied against the Owners and give notice of the same in the same manner as the initial levy of a general assessment for an assessment period.

Section 4.4. Payment of General Assessment. Upon Association Action, installments of general assessments may be collected on a monthly, quarterly, semi-annual, or annual basis. Any Owner may prepay one or more installments on any assessment levied by the Association without premium or penalty. The Association is responsible for the payment of Water and Sewer billings to the Public Water System.

Section 4.5. Recorded under Klamath County Recording numbers .) Non-Discriminatory Assessment. Except as authorized in Section 4.3, 4.6, and 6.14 hereof, no assessment shall be made at any time which may unreasonably discriminate against any particular Owner or group of Owners in favor of other Owners. However, a special assessment may be made against a particular Owner by a two-thirds majority vote of the Board or other Association committee to which such oversight responsibility has been delegated, in the event that, after notice from the Association of failing to maintain the same in a condition comparable to the other Lots or Living Units in Summerfield has been given to the Owner thereof, the Association elects to expend funds to bring such Owner's Lot or Living Unit up to such comparable standard. If a common expense is caused by the misconduct or negligence of a particular unit owner or owners, the Association has the right to assess that expense against that owner or owners.

Section 4.6 Commencement of Assessments: One-Year Exemption of Vacant Lots. Liability of an Owner for assessments shall commence on the first day of the calendar month following the date upon which any instrument of transfer to such Owner becomes operative (such as the date of a deed, the date of a recorded real estate contract for the sale of any Lot or Living Unit, the date of death in the case of a transfer by will or intestate succession, etc.). and, if earlier, the first day of the calendar month following the first occupancy of a Living Unit by an Owner; provided, however, that a Participating Builder shall not be liable for any assessments with respect to a

Lot acquired from Declarant for a period of one year from the date of acquisition. The Association may in its rules and regulations provide for an administratively convenient date for commencement of assessments that is not

more than 90 days after the effective date established above. The due dates of any special assessment payment shall be fixed by the Association Action authorizing such special assessment.

Section 4.7. Certificates and Assessment Payment. Upon request, the Board shall furnish written certificates certifying the extent to which assessment payments on a specified Lot or Living Unit are paid and current to the date stated therein. Issuance of such certificates shall be conclusive evidence of payment of any assessments therein declared to have been paid. A reasonable charge may be made by the Association for the issuance of such certificate.

Section 4.8. Special Assessments. In addition to the general assessments authorized by this Article, the Association may, by Association Action, levy a special assessment or assessments at any time against existing Living Units only, applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, inordinate repair, or replacement of a described capital improvement located upon or forming a part of the Common Areas, including necessary fixtures and personal property related thereto, or for such other purpose as the Association may consider appropriate; provided, however, that any such assessment must have the prior favorable vote of Owners representing two-thirds of the existing Living Units. The amount of each Owner's special assessment for any year shall be the total special assessment for such year, divided by the sum of the number of existing Living Units.

Section 4.9. Effect of Non-Payment of Assessment. If any assessment payment is not made in full within 30 days after it was first due and payable, the unpaid amounts shall constitute a lien against the Lot or Living Unit assessed and shall bear interest from such due date at a rate not to exceed the highest rate then permitted by law. By acceptance of a deed to a Lot or Living Unit, execution of a contract there for, or any other means of acquisition of an ownership interest, and whether or not it shall be so expressed in any such deed or other instrument, each Owner shall be deemed to grant thereby to the Association, its agents and employees, and to Declarant during the Development Period, the right and power to bring all actions against such Owner personally for the collection of such assessments as a debt, and to enforce the liens created by this Declaration in favor of the Association by foreclosure of the continuing liens in the same form of action as is then provided for the foreclosure of a mortgage on real property. The liens provided for in this Declaration shall be for the benefit of the Association as a corporate entity, and the Association shall have the power to bid in at any lien foreclosure sale and to acquire, hold, lease, mortgage, and convey the Lot or Living Unit foreclosed against.

Section 4.10. Lien to Secure Payment of Assessments. Declarant hereby creates in the Association perpetually the power to create a lien in favor of the Association against each Lot and Living Unit, to secure to the Association the payment to it of all assessments, interest, costs, and attorneys' fees; and Declarant hereby subjects all Lots and Living Units perpetually to such power of the Association. Such lien shall arise in accordance with the terms of this Declaration without the necessity of any further action by the association and any such lien when created, shall be a security Interest in the nature of a mortgage in favor of the Association. Such lien shall become a continuing lien in the amount stated in the assessment from the time of the assessment, but expiring prorata as the assessment payments are made, and shall also be the personal obligation of the person or entity who is the Owner of the Lot or Living Unit at the time of the assessment. The personal obligation to pay a prior assessment shall not pass to successors in interest unless expressly assumed by them; provided, however, that in the case of a sale or contract for the sale of any Lot or Living Unit which is charged with the payment of an assessment, the person or entity who is the Owner immediately prior to the date of such sale shall be personally liable for the amounts of the monthly installments due prior to said date, and the new Owner shall be personally liable for monthly installments becoming due on or after such date. The foregoing limitation on the duration of the personal obligation of an

Owner to pay assessments shall not, however, affect the validity or duration of the continuing lien for unpaid assessments against the respective Lot or Living Unit.

Section 4. 11. Suspension for Non-Payment of Assessment. If an Owner shall be in arrears in the payment of any assessment due, or shall otherwise be in default of the performance of any terms of the Governing Documents of the Association for a period of 30 days, said Owner's voting rights shall without the necessity of any further action by the Association, be suspended (except as against foreclosing secured parties) and shall remain suspended until all payments, including interest thereon, are brought current and any other default is remedied. No Owner is relieved of liability for assessments by non-use of the Common Areas or by abandonment of a Lot or Living Unit.

Section 4.12. Reserves for Re.placement. As a common expense, the Association shall establish and maintain a reserve fund for replacement of the Common Areas and any improvements and community facilities thereon by the allocation and payment monthly to such reserve fund of an amount to be designated from time to time by the Association. Such fund shall either be deposited with a banking institution, the accounts of which are insured by any state or by any agency of the United States of America or, in the discretion of the Association., be invested in obligations of, or fully guaranteed as to principal by, the United States of America. The reserve fund shall be expended only for the purpose of affecting the replacement of the Common Areas and any improvements and community facilities thereon, major repairs to any sidewalks, parking areas, or pathways developed as a part of equipment Summerfield replacement, and for start-up expenses and operating contingencies of a nonrecurring nature. The Association may establish such other reserves for such other purposes as it may from time to time consider to be necessary or appropriate. The proportional interest of any Owner in any such reserves shall be considered an appurtenance of his Lot or Living Unit and shall not be separately withdrawn, assigned, or transferred, or otherwise separated from the Lot or Living Unit to which it appertains and shall be deemed to be transferred with such Lot or Living Unit.

Section 4. 13. Recorded under Klamath County Recording number .) Certain Areas Exempt. The Common Areas, all Parcels, all Lots owned by Declarant without Living Units thereon, and all portions of Summerfield owned by or dedicated to and accepted by a public authority or other charitable or non-profit organization that is exempt from federal income taxation under section 501(c) (2) or (3) of the Internal Revenue Code (as the same may hereafter be amended or under any successor statute) or that is exempt from taxation under the laws of the State of Oregon, shall be exempt from assessments by the Association.

ARTICLE 5

SUBORDINATION OF LIENS

Section 5.1. Intent of Provisions. The provisions of this Article 5 apply for the benefit of each Mortgagee who lends money for purposes of construction or to secure the payment of the purchase price of a Lot or Living Unit.

Section 5.2. Mortgagee's Non-Liability. The holder of a Mortgage shall not, by reason of the security interest only, be liable for the payment of any assessment or charge, nor for the observance or performance of any covenant or restriction, excepting only those enforceable by equitable relief and not requiring the payment of money, and except as hereafter provided.

Section 5.3. Mortgagees Rights During Foreclosure. During the pendency of any proceeding to foreclose a Mortgage, including any period of redemption, the holder of the Mortgage, or the receiver, if any, may exercise any or all of the rights and privileges of the Owner of the encumbered Lot or Living Unit, including but not limited to the right to vote in the Association to the 'n of the Owner's exercise of such rights and privileges.

Section 5.4. Mortgagee as Owner. At such time as a Mortgagee shall become the record Owner of the Lot or Living Unit previously encumbered by the Mortgage, the Mortgagee shall be subject to all of the terms and conditions of this Declaration, including the obligation to pay for all assessments and charges in the same manner as any Owner.

Section 5.5. Mortgagee's Title Free and Clear of Liens. A Mortgagee or other secured party acquiring title to a Lot or Living Unit through foreclosure, suit, deed of trust sale, deed in lieu of foreclosure, or equivalent method, shall acquire title to the encumbered Lot or Living Unit free and clear of any lien authorized by or arising out of the provisions of this Declaration, insofar as such lien secures the payment of any assessment or charge installment due but unpaid before the final conclusion of any such proceeding, including the expiration date of any period of redemption. The Association may treat any unpaid assessments against a Lot or Living Unit foreclosed against as a common expense, in which case it shall prorate such unpaid assessments among the remaining Lots and Living Units, and each such remaining Lot and Living Unit shall be liable for its prorated share of such expenses in the same manner as for any other assessment.

Section 5.6. Survival of Assessment Obligation. After the foreclosure of a security interest in a Lot or Living Unit, any unpaid assessments shall continue to exist and remain as a personal obligation of the Owner against whom the same was levied, and the Association shall use reasonable efforts to collect the same from such Owner.

Section 5.7. Subordination of Assessment Liens. The liens for assessments provided for in this Declaration shall be subordinate to the lien of any Mortgage or other security interest placed upon a Lot or Living Unit as a construction loan security interest or as a purchase price security interest, and the Association will, upon demand, execute a written subordination document to confirm the particular superior security interest. The sale or transfer of any Lot or Living Unit or any interest therein shall not affect the liens provided for in this Declaration except as otherwise specifically provided for herein, and in the case of a transfer of a Lot or Living Unit for purposes of realizing a security interest, liens shall arise against the Lot or Living Unit for any assessment- payments- coming due after the date of completion of foreclosure (including the expiration date of any period of redemption).

ARTICLE 6

USE COVENANTS. CONDITIONS. AND RESTRICTIONS

Section 6.1. Authorized Uses. Summerfield shall be used solely for the uses authorized in the Master Plan, as amended from time to time. Such uses may include, but are not limited to, residential, retail, and commercial uses, active and passive recreational uses and facilities, utility stations, public uses and facilities such as schools and fire stations, and other uses and facilities normally incidental to a master planned community. During the Development Period, no Lot or Living Unit shall be further subdivided without Declarant's prior written approval. Thereafter, no Lot or Living Unit shall be further subdivided without prior approval conferred by Association Action.

Section 6.2. Approval for Building or Clearing Plans Required. No Living Unit, building, fence, wall, or other structure shall be commenced, erected, or maintained upon a Lot or any other portion of Summerfield, nor shall any exterior addition to or change or alteration therein be made, nor shall a Lot be cleared or excavated for use, nor shall any tree of 8 inches or more diameter on any Lot, measured one foot above ground level, be cut, until after the details and written plans and specifications showing the nature, kind, shape, height, materials, colors, and location of the same shall have been submitted to and approved in writing by the Architectural Control Committee as to the harmony of external design and location in relation to surrounding structures, vegetation, and topography.

Section 6.3. Leasing Restrictions. No Lot or Living Unit may be leased or rented by any party for a period of fewer than 30 days, nor shall less than the whole of any Lot or Living Unit be leased or rented. Each lease or rental agreement shall be in writing and shall by its terms provide that it is subject in all respects to the provisions of the Governing Documents. Any failure by a lessee to comply with the terms of the Governing Documents shall be a default under the lease, whether or not it is so expressed therein. Other than the foregoing, there is no restriction on the right of any Owner to lease his Lot or Living Unit.

Section 6.4. Animals. No animals, livestock, or poultry of any kind shall be raised, bred, or kept; provided, however, that dogs, cats or other conventional household pets may be kept if they are not kept, bred, or

maintained for any commercial purposes. No domestic pet may be kept if it is a source of annoyance or a nuisance. The Association shall have the authority to determine whether a particular pet is a nuisance or a source of annoyance, and such determination shall be final and conclusive. Pets shall be attended at all times and shall be registered, licensed, and inoculated from time to time as required by law. When not confined to the Owner's Lot or Living Unit, pets with Summerfield must be accompanied by a responsible person.

Section 6.5. Commercial Uses. No commercial enterprise, including itinerant vendors, Daycare Facilities, Foster Care of any kind shall be permitted on any Lot or in any Living Unit, except as such uses are specifically designated for certain retail and commercial areas of Summerfield, in accordance with the approved Summerfield Master Plan; provided, however, that the Association may permit specified "Home Office" occupations to be conducted if allowed by law and if such occupation will not, in the reasonable judgment of the Association, cause traffic congestion or other disruption of the Summerfield community.

Section 6.6 Trailers and Campers. The Association may prohibit the storage within Summerfield of all or any of the following: mobile homes, house trailers, campers, camp trucks, boats, boat trailers, junk vehicles, or any other similar machinery or equipment of any kind or character. The Association may, in its discretion, provide and maintain one or more suitable areas designated for the parking and storage of such vehicles or the like at one or more specified locations in Summerfield. If such an area is so provided, any of such vehicles not prohibited by the Association shall be stored exclusively in such parking and storage area. However, ~ Owner may keep on or in a Lot or Living Unit such equipment and machinery as may be reasonable, customary, and usual in connection with the use and maintenance of any Lot or Living Unit, provided such equipment and machinery when not in use is screened from view from adjacent streets, Lots, and Living Units. The Association may keep such equipment and machinery as it may require in connection with the maintenance and operation of the common areas. Except for bona fide emergencies, the repair or extraordinary maintenance of automobiles or other vehicles shall not be carried out in Summerfield.

Section 6.7. Garbage. No garbage, refuse, or rubbish shall be deposited or left in Summerfield, unless placed in a suitable covered container. Trash and garbage containers shall not be permitted to remain in public view except on days of trash collection. No incinerator shall be kept or maintained, and no burning of any trash, refuse, or scrap of any kind shall be permitted.

Section 6.8. Utilities Underground. Except for hoses and the like which are reasonably necessary in connection with normal lawn maintenance, no water pipe, sewer pipe, gas pipe, drainage pipe, telephone, power or television cable, or similar transmission line shall be installed or maintained above the surface of the ground.

Section 6.9. Mining Prohibited. No portion of Summerfield shall be used for the purpose of boring, mining, quarrying, or exploring for or removing oil or other hydrocarbons, minerals, gravel, or earth.

Section 6.10. Signs. Except for entrance, street, directional, traffic control, and safety signs, and such promotional

signs as may be maintained by Declarant and Participating Builders, or agents or contractors thereof, or the Association, no signs or advertising devices of any character shall be erected, posted, or displayed upon, in or about Summerfield; provided, however, that one temporary real estate sign not exceeding 6 square feet in area may be erected upon any Lot or attached to any Living Unit placed upon the market for sale or lease. Any such temporary real estate sign shall be removed promptly following the sale or rental of such Lot or Living Unit.

Section 6.11. No Obstruction of Easements. No structure, planting, or other material shall be placed or permitted to remain upon Summerfield which may damage or interfere with any easement or the installation or maintenance of utilities, or which may unreasonably change, obstruct, or retard direction or flow of any drainage channels.

Section 6.12. Antennae. No external short wave or citizen's band antennae and/or freestanding towers are permitted in Summerfield. All television and / or FM radio antennae must be physically attached to a structure and must comply with applicable governmental standards and guidelines. Satellite dishes are regulated by the Architectural Control Committee. Please see Summerfield Association, Architectural Controls, Guidelines, Criteria and Procedures Section 3. 10 Satellite Dishes.

Section 6.13 Wells and Septic Tanks. There shall be no water wells or septic tanks on Lots. Owners shall be required at all times to connect their Living Units to the public water and sewer facilities administered by Klamath County (City) Water and Sewer District, or its successor, and at all times to maintain such facilities in good working order and repair.

Section 6.14. Owners' Maintenance Responsibilities. The maintenance, upkeep, and repair of individual Lots and Living Units shall be the sole responsibility of the individual Owners thereof, and in no way shall it be the responsibility of the Association, its agents, subagents, officers or directors. Owners shall maintain their Lots and Living Units and any and all appurtenances thereto in good order, condition, and repair, and in a clean, sightly, and sanitary condition at all times. Without limitation as to the foregoing, each owner shall be obligated to maintain the landscaping on his Lot in healthy and attractive state and in a manner comparable to that on the other Lots in Summerfield. After notice to an Owner from the Association of such Owner's failure to so maintain his landscaping, and after approval of a two-thirds majority vote by the Board or other Association committee to which such oversight responsibility shall have been delegated, the Association shall have the right, through its agents and employees, to enter upon any Lot which has been found to violate the foregoing standards in order to repair, maintain, and/or restore the landscaping to such standards. The cost of such work shall be a special assessment on such Owner and his Lot only, and the provisions of this Declaration regarding collection of assessments shall apply thereto.

Section 6.15. Weapons. No firearms of any kind or nature, including rifles, handguns, bows, slingshots, **BB guns**, slings, traps, or any other like weapon shall be used or discharged within Summerfield except by authorized governmental officials. No hunting shall be pennitted within Summerfield.

Section 6.16. Sales and Construction Facilities. Despite any other provisions of this Declaration, It IS expressly permissible during the Development Period for Declarant and Participating Builders, or agents or contractors thereof, to maintain on any portion of Summerfield owned by Declarant or Participating Builders such facilities as in the sole opinion of Declarant may be reasonably required, convenient, or incidental to the construction and sale of Lots or Living Units, including without limitation business offices, storage areas, construction yards, signs, model Living Units, or sales offices.

Section 6.17. Nuisances Prohibited. No noxious or offensive trade or activity shall be conducted in any portion of Summerfield, nor shall anything be done or maintained therein in derogation or violation of the laws of the State of Oregon, Klamath County, or any other applicable governmental entity. Nothing shall be done or maintained on any portion of Summerfield which may be or become an annoyance or nuisance to the neighborhood or other Owners or detract from the value of the Summerfield community. The Association shall determine by Association Action whether any given use of a Lot or Living Unit unreasonably interferes with the rights of the other Owners to the use and enjoyment of their respective Lots or Living Units, or of the Common Areas, and such determination shall be final and conclusive.

Section 6.18. Relief from Certain Provisions. In cases where an Owner has made a factual showing that strict application of the provisions of Sections 6.4, 6.5, 6.6, 6.10, 6.12, and 6.15 only of this Article (regulating animals, commercial uses, trailers and campers, signs, antennae, and weapons, respectively) would work a severe hardship upon him, the Board by Association Action may grant the Owner relief from any of such provisions, in addition to any exceptions or provisions already contained in those sections; provided, however, that such relief shall be limited by its scope or by conditions to only that necessary to relieve the hardship; and provided further, that no such relief shall be granted if the condition thereby created would in the reasonable judgment of the Board violate the Provisions of Section 6.17 of this Article. The decision of the Board in granting or denying such relief shall be final and conclusive.

ARTICLE 7 COMMON AREAS

Section 7. 1. Title to Common Areas and Parklands. Declarant shall from time to time during the Development Period convey to the Association the Common Areas designated on a final plat or other recorded map or plan creating a Phase. Upon its creation as a Common Area in a Phase, and whether or not it shall have been conveyed as yet to the Association, every Common Area shall be subject to an

easement of common use and enjoyment in favor of the Association and every Owner, their heirs, successors, and assigns, in accordance with the terms and conditions of the Governing Documents. Such easement shall be appurtenant to and shall not be separated from ownership of any Lot or Living Unit and shall not be assigned or conveyed in any way except upon the transfer of title to such Lot or Living Unit, and then only to the transferee of such title and shall be deemed so transferred and conveyed whether or not it shall be so expressed in the deed or other instrument conveying title. Certain rights of use, ingress, egress, occupation, and management authority in the Common Areas set forth elsewhere in this Declaration shall be reserved to Declarant for the duration of the Development Period. Declarant shall further convey not less than 30 acres of Summerfield to Klamath County or the successor governmental entity with jurisdiction over the Summerfield Property, such acreage to be selected by Declarant and acceptable to Klamath County, for a public park. Such conveyance shall be made prior to or concurrently with recording of the Phase which brings the total number of Living Units in approved Phases to that date to at least 1,900. All Common Areas when conveyed to the Association, and all parklands when conveyed to Klamath County, shall be free and clear of financial liens and encumbrances. Assessments shall not be used to defray operating and maintenance costs of Common Areas which have not yet been conveyed to the Association.

Section 7.2. Owner's Common Rights. Owners in each Phase shall have equal rights with the Owners in all other Phases to use the Common Areas in all Phases, unless certain Common Areas are specifically designated as limited Common Areas on the face of a plat or other recorded instrument creating a Phase or in an amendment to this Declaration or in a Supplementary Declaration. All easements for ingress, egress, utilities, and use of facilities, unless otherwise specifically limited, shall exist in favor of all Owners in each and all Phases.

Section 7.3. Maintenance of Common Areas. The Association shall maintain, repair, replace, improve, and otherwise manage all of the Common Areas so as to keep them in good repair and condition and shall conduct such additional maintenance, repair, replacement, construction, or reconstruction as may be determined pursuant to Association Action to promote the recreation, health, safety, and welfare of the Owners. Any action necessary or appropriate to the maintenance and upkeep of the Common Areas, the landscaping, irrigation, sewer and water systems, all buildings, gas, telephone, or electrical or television facilities applicable to the Common Areas, shall be taken by the Association only.

Section 7.4. Description of Native Growth Protection Areas. Native Growth Protection Areas may include, but are not limited to, portions of Lots on the perimeter of Summerfield, certain Common Areas that have as one of their major functions the natural retention and transmission of storm water drainage, portions of the Common Areas intended for passive recreational use by retaining them in their native

state, and major hydrological features of Summerfield, such as lakes and certain valuable bogs and wetlands; provided, however, that no area shall be deemed to be a Native Growth Protection Area unless it is so designated on the face of a plat or other recorded instrument creating a Phase.

Section 7.5. Prohibitions Within Native Growth Protections Areas. Within the boundaries of Native Growth Protection Areas, no tree or significant ground cover shall be cut, removed, or destroyed, except as specifically provided herein, but such areas shall instead be kept and maintained as much as possible in their native, undeveloped state. No structure, stairway, deck, patio, building, or other improvement ("Development" herein), shall be constructed within a Native Growth Protection Area except for the following specified Developments, which shall be constructed only by Declarant or the Association

7.5.1. Recreational areas, streets, and other vehicular access ways, pedestrian, equestrian, and bicycle paths, and other walks, driveways, and utility service paths, if shown on a final plat or other recorded map or plan creating a Phase;

7.5.2. Docks, piers, moorages, or observation structures located on, in, or adjacent to any lake in Summerfield, and an observation structure, if located on, in, or adjacent to any marsh in Summerfield;

7.5.3. Utility transmission lines, including sanitary sewer, water, natural gas, telephone, cable television, or other utility lines, together with facilities and appurtenances related thereto; and

7.5.4. Storm water retention/detention ponds or basins, storm water drainage lines, and all other elements, appurtenances, and facilities of the storm water drainage system.

Section 7.6 Pruning and Vegetation Removal in Native Growth Protection Areas. Pruning of trees for view maintenance or solar access within a Native Growth Protection Area located on an Owner's Lot shall be permitted only upon prior written approval of the Association. Such approval shall be granted only after the Association has determined that the proposed pruning will not endanger soil stability, will not defeat the intent or purposes meant to be served by the establishment of Native Growth Protection Areas, and will not adversely affect the tree or trees to be pruned. The Association shall require that any such pruning be done in a competent and workmanlike manner, and the Association may require that such pruning be done by a professional gardening service or licensed tree surgeon. Trees and significant ground cover within a Native Growth Protection Area located on a Lot may be removed by the Owner of such Lot if such action is necessary to remove a clear and present danger to life or property, and dead, dying or diseased trees and ground cover, or trees and ground cover which present a fire hazard, may also be removed; provided, however, that prior written approval of the Association shall be Obtained before any such removal. Trees and significant ground cover in Native Growth Protection Areas located in Common Areas may be pruned, cut, or removed only by the Association and only after prior written

approval of such action by the Association. Pruning, cutting, or removal of trees or significant ground cover within Native Growth Protection Areas in Common Areas shall be subject to the same conditions and restrictions on such actions as imposed above for such actions within Native Growth Protection Areas on Lots.

ARTICLE 8

INSURANCE: CASUALTY LOSSES: CONDEMNATION

Section 8.1. Insurance Coverage. The Association shall obtain and maintain at all times as a common expense a policy or policies and bonds written by companies licensed to do business in Oregon required to provide:

8.1.1. Insurance against loss or damage by fire and other hazards covered by the standard extended coverage endorsement in an amount as near as practicable to the full insurable replacement value (without deduction for depreciation) of the Common Areas, with the Association named as insured as trustee for the benefit of Owners and Mortgagees as their interests appear, or such other fire and casualty insurance as the Association shall determine will give substantially equal or greater protection insuring the Owners and their Mortgagees, as their interests may appear.

8.1.2. General comprehensive liability insurance insuring the Association, the Owners, Declarant, and any managing agent, against any liability to the public or to the Owners and their guests, invitees, licensees, or tenants, incident to the ownership or use of the Common Areas.

8.1.3. Worker's compensation insurance to the extent required by applicable laws.

8.1.4. Fidelity coverage naming the Association as an obligee to protect against dishonest acts by the Board, Association officers, committees, managers, and employees of any of them, and all others who are responsible for handling Association funds, in an amount equal to three months' general assessments on all Lots and Living Units, including reserves.

8.1.5. Insurance against loss of personal property of the Association by fire, theft, and other losses with deductible provisions as the Association deems advisable.

8.1.6. Such other insurance as the Association deems advisable~ provided, that notwithstanding any other provisions herein, the Association shall continuously maintain in effect casualty, flood, and liability insurance and a fidelity bond meeting the insurance and fidelity bond requirements for similar projects established by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, and Veterans Administration, so long as any of

them is a Mortgagee or Owner, except to the extent such coverage is not available or has been waived in writing by Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Housing Authority, or Veterans Administration.

Section 8.2. Casualty Losses. In the event of substantial damage to or destruction of any of the Common Areas, the Association shall give prompt written notice of such damage or destruction to the Owners and to the holders of all First Mortgages. Insurance proceeds for damage or destruction to any part of the Common Areas shall be paid to the Association as a trustee for the Owners, or its authorized representative, including an insurance trustee, which shall segregate such proceeds from other funds of the Association.

Section 8.3. Condemnation. In the event any part of the Common Areas is made the subject matter of any condemnation or eminent domain proceeding, or is otherwise sought to be acquired by any condemning authority, the Association shall give prompt notice of any such proceeding or proposed acquisition to the Owners and to the holders of all First Mortgages who have requested from the Association notification of any such proceeding or proposed acquisition. All compensation, damages, or other proceeds there from, shall be payable to the Association.

ARTICLE 9 ENFORCEMENT

Section 9.1. Right to Enforce. The Association, Declarant, or any Owner, shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure or forbearance by any person or entity so entitled to enforce the provisions of this Declaration to pursue enforcement shall in no event be deemed a waiver of the right to do so thereafter.

Section 9.2. Remedies Cumulative. Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of, other remedies provided by law. There shall be, and there is hereby created and declared to be, a conclusive presumption that any violation or breach or attempted violation or breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.

Section 9.3. Covenants Running with the Land. The covenants, conditions, restrictions, liens, easements, enjoyment rights, and other provisions contained herein are intended to and shall run with the land and shall be binding upon all persons purchasing, leasing, subleasing or otherwise occupying any portion of Summerfield, their heirs, executors, administrators, successors, grantees, and assigns. All instruments granting or conveying any interest in any Lot or Living Unit and all leases or subleases shall refer to this Declaration and shall recite that it is subject to the terms hereof as if fully set forth therein. However, all

terms and provisions of this Declaration are binding upon all successors in interest despite an absence of reference thereto in the instrument of conveyance, lease, or sublease.

ARTICLE 10

AMENDMENT AND REVOCATION

Section 10.1. Amendment by Declarant or Association. Declarant may, during the Development period, amend this Declaration on its sole signature. This Declaration may also be amended by an instrument executed by the Association for and on behalf of the Owners, provided, however, that such amendments shall have received the prior approval of a vote of the Owners (except Declarant) having 75 percent of the total outstanding votes in the Association; and provided, further, that no such amendment shall be valid during the Development Period without the prior written consent of the Declarant.

Notwithstanding any of the foregoing, the prior written approval of 51 percent of all Mortgagees who have requested from the Association notification of amendments shall be required for any material amendment to the Declaration or the Association's By-Laws of any of the following: voting rights; assessments, assessment liens, and subordination of such liens; reserves for maintenance, repair, and replacement of Common Areas; insurance or fidelity bonds; responsibility for maintenance and repair; the boundaries of any Lot; reallocation of interest in the Common Areas, or rights to their use; convertibility of Lots into Common Areas or of Common Areas into Lots; leasing of Lots or Living Units other than as set forth herein; imposition of any restrictions on the right of an Owner to sell or transfer his Lot or Living Unit; a decision by the Association to establish self-management when professional management had been required previously by an eligible Mortgagee; any action to terminate the legal status of the Summerfield development after substantial destruction or condemnation occurs; or any provisions which are for the express benefit of Mortgagees or eligible insurers or Guarantors of first Mortgages.

Section 10.2. Effective Date. Amendments shall take effect only upon recording with the Klamath County Department of Records and Elections or any successor recording office.

ARTICLE 11

GENERAL-PROVISIONS

Section 11.1. Taxes. Each Owner shall pay without abatement, deduction, or offset, all real and personal property taxes, general and special assessments, including local improvement assessments, and other charges of every description levied on or assessed against his Lot or Living Unit, or personal property located on or in the Lot or Living Unit. The Association shall likewise pay without abatement, deduction, or offset, all of the foregoing taxes, assessments, and charges levied or assessed against the Common Areas.

Section 11.2. Transfer of Certain Utilities. Utility Repair Easement. Declarant, and the Association after conveyance thereto, may transfer and convey any sewer, water, storm drainage, or other general utility in Summerfield to a public body for ownership and maintenance, together with any necessary easements relating thereto, and each Lot and Living Unit shall become burdened thereby.

Section 11.3. Non-Waiver. No waiver of any breach of this Declaration shall constitute a waiver of any other breach, whether of the same or any other covenant, condition or restriction.

Section 11.4. Attorneys' Fees. In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorney's fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorney's fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court.

Section 11.5. No Abandonment of Obligation. No Owner, through his non-use of any Common Area, or by abandonment of his Lot or Living Unit, may avoid or diminish the burdens or obligations imposed by this Declaration.

Section 11.6. Interpretation. The captions of the various articles, sections and paragraphs of this Declaration are for convenience of use and reference only and do not define, limit, augment, or describe the scope, content or intent of this Declaration or any parts of this Declaration. The neuter gender includes the fee. Feminine and masculine, the masculine includes the feminine and neuter, and the feminine includes the masculine and neuter, and each includes a legal entity when the context so requires. The single number includes the plural whenever the context so requires.

Section 11.7. Recorded under Klamath County Recording number _____.) Severability. Invalidation
of anyone of these covenants, conditions, restrictions, easements, and any portion of the governing

documents or provisions by judgment or court order shall in no way affect any other of the same, all of which shall remain in full force and effect.

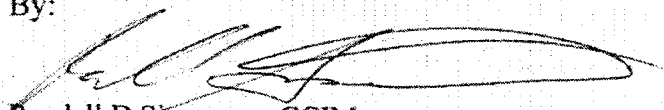
Section 11.8. Notices. All notices, demands, or other communications ("Notices") permitted or required to be given by this Declaration shall be in writing and, if mailed postage prepaid by certified or registered mail, return receipt requested (if a Notice to Declarant, the Association, or to fewer than all Owners), or if mailed first-class postage prepaid (if a Notice to all Owners), shall be deemed given three days after the date of mailing thereof: or on the date of actual receipt, if sooner; otherwise, Notices shall be deemed given on the date of actual receipt. Notices shall be addressed to the last known address of the addressee. Notice to any Owner may be given at any Lot or Living Unit owned by such Owner; provided, however, that an Owner may *from* time to time by Notice to the Association designate such other place or places or individuals for the receipt *of future* Notices. If there is more than one Owner *of* a Lot or Living Unit, Notice to anyone such Owner shall be sufficient. The address *of* Declarant and *of* the Association shall be given to each Owner at or before the time he becomes an Owner. If the address *of* Declarant or the Association shall be changed, Notice shall be given to all Owners.

Section 11.9. Applicable Law. This Declaration shall be construed in all respects under the laws of the State of Oregon.

IN WITNESS WHEREOF, THE UNDERSIGNED DECLARANT HAS EXECUTED THIS DECLARATION
THE DAY AND YEAR FIRST ABOVE WRITTEN.

Summerfield Residential Home Owner Association II, Inc.

By:



Randall D Simonson, CCIM,
Managing Member

Summerfield Homeowners Association Community Rules and Regulations

The rules and regulations contained in this booklet have been adopted and periodically revised by your Board of Directors to ensure fair, equal and reasonable access and use of Summerfield facilities to all of our residents and their guests. Owner of property " Summerfield Residential Community, LLC Please read them, be conscious of them and let your Board know of any suggestions for improvement.

CONTENTS

TABLE OF

- I Objectives
- II Rules Committee - Introduction
- III Complaint Procedure - Fine System
- IV General. Rules and Regulations
- V Signage With in Summerfield
- VI By-Laws== To be recorded individually as a separate document.

I. OBJECTIVES

This document is designed to inform the (" Association ") about the workings of the regulations prepared by the Committee and ("Board").

The specific objectives of the booklet are:

- . To explain the structure of the Rules/Compliance Committee and to encourage participation of Association members.
- . To describe the procedure used to register complaints.
- . To set forth uniform guidelines to be followed by the Rules/Compliance Committee when handling complaints.
- . To outline the rules and regulations which each homeowner has the responsibility to obey.
- . To increase residents' awareness and understanding of the Covenants, Conditions, Restrictions and Easements for Summerfield (CCRs).
- . To describe the relationship between the CCRs and the Rules/Compliance Committee. . To maintain and improve the quality of the living environment of Summerfield

II. INTRODUCTION

The Rules/Compliance Committee of the Summerfield Homeowners Association was established by resolution of the Board of Directors. The Committee consists of ten voting members, all of who are Association members, who are appointed by the Board to serve staggered two-year terms, which expire at the annual meeting.

The Rules/Compliance Committee was established to provide services which are separate and distinct from the Architectural Control Committee. The Committee is responsible for ensuring compliance with the CC&Rs and Rules and Regulations of Summerfield that are not specifically covered by the Architectural Controls.

III. COMPLAINT PROCEDURE- FINE SYSTEM

The following procedure has been established by the Rules/Compliance Committee to handle Association member's complaints regarding alleged violations of the Summerfield governing documents (including the CC&Rs and the Rules and Regulations) in a timely, efficient and fair manner.

Complaints regarding alleged violations of the Summerfield governing documents must be registered in writing with the Association Office on a form prescribed by the Rules Committee. Unless specifically requested otherwise, complaints will be handled in a strictly confidential manner. However, those persons registering complaints who wish to be subsequently contacted regarding the status and ultimate resolution of their complaint may provide their name and phone number.

Homeowners are strongly encouraged to first attempt to solve problems among themselves whenever possible. In some instances, the Rules Committee and/or the Board of Directors will assist homeowners in attempting to solve problems among themselves. However, this shall not be construed as an obligation on the part of the Rules Committee or the Board of Directors to provide mediation services in connection with disputes amongst homeowners.

When a complaint is received, it is logged and filed at the Association office. A Rules Committee member shall then investigate the alleged violation and, if the Rules Committee member concludes that a violation of the governing documents exists (or has occurred), the homeowner is contacted, and compliance with the governing documents within seven (7) calendar days is requested. As to any violation which has already occurred, ongoing compliance with the governing documents is requested.

If the violation continues (or if a violation re-occurs), the matter is further investigated and evaluated by the Rules Committee. A letter shall then be sent by certified mail to the homeowner advising of the continued violation (or the re-occurrence of the violation), and further requesting immediate and ongoing compliance with the Summerfield governing documents.

A hearing before the Board of Directors may then be requested by either the homeowner or the Rules Committee. The purpose of the hearing may be, among other things, to interpret the Summerfield governing documents and the application of the governing documents to the particular circumstance involving the homeowner, to determine whether a violation has occurred (or is occurring) and to impose a fine (where applicable) or to otherwise achieve compliance with the governing documents in any manner allowed under the Summerfield governing documents or under applicable law. If requested, the hearing shall then be scheduled as soon as possible with advance written notice provided by the Board of Directors to the homeowner and the Rules Committee. The written notice shall specify the time, date and location of the hearing, and shall further specify the nature of the alleged violation.

At the hearing, the homeowner and the Rules Committee shall be afforded the right and opportunity to present evidence and argument regarding the alleged violation. Each side shall be allowed to ask questions of each other and any witnesses.

If a purpose of the hearing is to determine whether a violation of the governing documents has occurred, then, immediately following the hearing (or as soon thereafter as is reasonably practical), the Board of Directors shall decide whether or not a violation of the governing documents has occurred. If the Board of Directors concludes that a violation of the governing documents has occurred, the Board may then impose a fine on the homeowner as a result of any violation or violations which have occurred through the date of the hearing in an amount not to exceed \$200.00. In addition, the Board of Directors may impose a fine to be levied as follows:

A With regard to ongoing violations of the Summerfield governing documents which continue to occur following the hearing, at the rate of \$ 10.00 per day for the first 30 days, and \$20.00 per day thereafter, until the violation is corrected and until the homeowner has otherwise achieved compliance with the Summerfield governing documents as may be directed by the Board of Directors;

B. With regard to recurring violations of the Summerfield governing documents which occur following the hearing, at the rate of \$100.00 per violation, provided the violation is the same or substantially similar to that violation which was the subject of the hearing conducted before the Board of Directors. Fines will be billed and collected in the same manner as quarterly assessments. In addition, the owner's privileges to use Summerfield's facilities will be suspended until such time as the violation is corrected and any imposed fine is paid in full.

The Board may, at any time, arrange for the commencement of legal proceedings to, among other things, enjoin further violation of the governing documents and to collect any unpaid fines. Fines may continue to be assessed during the pendency of such legal proceedings.

The procedures set forth above shall in no way preclude the Board of Directors from pursuing any other remedies available under the Summerfield governing documents or under applicable law with regard to the enforcement of the Summerfield governing documents.

Standard Fining System Introduced The Rules and Compliance Committee has developed a standard fining system for addressing common violations. When a violation is discovered, a written notice will be sent to the homeowner. The notice will be delivered by Summerfield Security and by certified mail. The homeowner will be given five (5) days to correct the violation. If the violation is not corrected, a second letter will be sent (in the same manner as the first). If the violation is still not corrected within five (5) additional days, the standard fining system will be imposed. Minor violations will be fined at \$5 per day. And major violations will be fined at \$10 per day.

Any fine shall become a lien in favor of the Association and against the lot or living unit in question, arising in the same manner as liens under section 4.10 of the Covenants, Conditions, Restrictions, and Easements of Summerfield. Fines will be billed and collected in the same manner as are the Association's general dues.

Homeowners wishing to dispute recorded violations must do so in writing to the Rules and Compliance Committee. If fines reach \$200, the matter will be forwarded to the Summerfield Board of Directors. The Standard Fining System will apply to the following violations: Minor Violations

Yards in need of weeding (CC&R 6.14)

Lawns in need of mowing (CC&R 6.14) Trash cans (CC&R 6.7 and R&R 4.9)

Yard / Patio clutter (CC&R 6.14)

Holiday decorations (R&R 4.11)

Mattresses (CC&R 6.14)

Clothes hanging on line (CC&R 6.14)

Major Violations

Houses in need of paint (CC&R 6.14)

Broken windows (CC&R 6.14)

Structural repairs needed (CC&R 6.14) Yard Landscape needed (CC&R 6.14) Storage of Boats RVs (CC&R 6.6 and R&R 4.7)

IV. GENERAL RULES AND REGULATIONS

The following are rules and regulations which have been adopted by the Board pursuant to CCR Section 3.8, "Rules and Regulations." These rules and regulations have the same force and effect as the use restrictions conveyed in the CC&Rs, and each homeowner should carefully review both documents.

4.1 BURNING

No burning or incineration of trash, refuse or scrap of any kind is permitted within Summerfield. Klamath County will be notified of all violations.

4.2 DUMPING

No dumping of any debris (including but not limited to grass clippings and tree limbs) is permitted within Summerfield. This shall include all permanent green space, trail systems, including those of Klamath County, and the Bonneville Power and Avista Natural Gas rights-of-way. A \$100.00 fine will be levied against any homeowner found dumping debris of any kind on Summerfield property on the first offense. A \$250.00 fine will be charged on the second offense and a \$500.00 fine will be charged on the third and each consecutive offense.

4.3 FIREARMS

No firearm use (Including but not limited to rifles, handguns, bows and Slingshots) or hunting is permitted within Summerfield., Klamath County Police will be notified of all violations.

4.4 PETS

In order to maintain a harmonious environment for ALL SUMMERFIELD residents, pet owners must and shall be responsible for any and all offensive actions of their pets, including barking, running loose and waste deposits.

Domestic pets must be attended by a responsible person whenever they are off the owner's property within Summerfield.

Pets must be leashed whenever off the owner's property within Summerfield. THE OWNER IS RESPONSIBLE FOR CLEANING UP WASTE. Homeowners who do not pick up after their pets may be fined. A warning is issued on the first offense. A \$25.00 fine is levied on the second offense. The fine for the third offense is \$50.00. The fine for each subsequent offense beyond the third is \$100.00. Fines will be billed and collected in the same manner as the Association's general quarterly assessment and will be subject to the same late charges and liens.

Pets must be registered, licensed and inoculated as required by Klamath County.

Pets which create and are considered a nuisance (whether by barking, running loose or any other objectionable activity) may not be kept in Summerfield, and are subject to removal by proper Klamath County authority.

4.6 RECREATIONAL VEHICLES

Except as provided herein, any and all recreational vehicles including, but not limited to, automobiles, boats, campers, trailers, snowmobiles, and jet skis shall be parked or stored on homeowner property or on streets within Summerfield so that no portion of the vehicle is in view of the streets within Summerfield. In order to allow for periodic and short-term activities directly related to usage and maintenance of recreational vehicles, recreational vehicles may be parked in Summerfield within view from the streets of Summerfield for no more than one consecutive 48-hour period during a single calendar week, defined as Sunday through Saturday. Should a recreational vehicle be visibly stored within Summerfield for any length of time on a given day, the vehicle will be considered to have been stored for the entire day.

Junk vehicles may not be parked or stored on homeowner property or on streets within Summerfield so that they are within view of the streets within Summerfield for more than one consecutive 48-hour period during a single calendar week. Junk vehicles shall be defined as any motor vehicle that is inoperable or unlicensed or in a state of disrepair or inadequately maintained.

4.7 SIDEWALK PARKING

Parking on the sidewalks within Summerfield is not permitted. This is both a Summerfield Association and Klamath County regulation. County police may cite violators.

4.8 STREET PARKING

Because of Summerfield's small lots, limited parking and for the safety of our children, street parking is not permitted in Summerfield except in designated overflow areas. Klamath County Traffic Code, parked vehicles, not removed within 24 hours, are subject to removal by Klamath County..

4.9 TRASH

All trash, garbage and yard waste shall be kept in suitable covered containers, and shall be stored out

of sight except on trash collection days.

4.10 HOME BUSINESSES

Prior to commencing the operation of a home business in Summerfield, the homeowner wishing to conduct a home business must obtain written approval from the Summerfield Board of Directors (the "Board"). In requesting written approval from the Board, the homeowner wishing to conduct a home business must complete and submit to the Board a Good Neighbor Notification Application in the form required by the Board. The Board may permit a homeowner to conduct a home business at Summerfield provided the home business is allowed by law and if such home business will not, in the reasonable judgment of the Board, cause traffic congestion or other disruption of the Summerfield community and not otherwise violate any of the terms and conditions of the Summerfield Declaration and the Summerfield Homeowners Association Community Rules and Regulations. The Summerfield Board reserves the right to reject any application for any reason.

All homeowners operating or desiring to operate a home business at Summerfield must provide the Board with a copy of the current applicable business license required by the State of Oregon or County of Klamath (as the case may be); the copy of the current business license shall be provided prior to the commencement of the operation of the home business at Summerfield and annually thereafter, and must be approved in writing by adjacent neighbors.

Association approval for the continued operation of a home business at Summerfield may be terminated, suspended or revoked by the Board as a consequence of:

1. The failure by the homeowner to provide the Board with the required copy of the applicable current business license.
2. Ongoing complaints received from neighbors pertaining to noise or other disturbances and/or parking problems.
3. Falsification of any information provided by the homeowner to the Board in connection with the operation or proposed operation of the home business.
4. Any other violation of the Summerfield Declaration and the Summerfield Homeowners Association Community Rules and Regulations.

With regard to home daycare business, the number of children allowed in a home daycare in Summerfield is limited to the same as that allowed by the State of Oregon and as stated on the daycare provider's license. Exceeding the number of children as allowed by the State will be considered both a violation of State guidelines and a violation of Summerfield guidelines. A violation of the number of children permitted to be present at an approved home daycare business at Summerfield may result in the termination, suspension or revocation of approval by the Board for the home daycare business.

4.11 HOLIDAY DECORATIONS

All holiday decorations, including outdoor holiday lights, shall be removed no later than 30 days after the holiday for which they are displayed.

4.12 RENTAL PROPERTIES

Owners who rent their home must have renters complete a "Renter Acknowledgement & Privileges Waiver Form". The acknowledgement ensures that renters have received, reviewed and agree to abide by the CC&Rs, Community Rules & Regulations and Architectural Guidelines of the Summerfield Association. The waiver allows the renter to use the common area facilities, if any, in place of the owner. Updated by Board Resolution in

Renter Acknowledgement & Privileges Waiver

Print:

Owner's Name(s):

Property Address:

Division Lot:

Renter's Name(s):

Renter Acknowledgement (to be completed by the renter)

As renters of the property noted above, the members. of my household and I acknowledge that we have received and reviewed the CC&Rs, Community Rules & Regulations and Architectural Guidelines of the Summerfield Association and agree to abide by the regulations contained in those documents.

Please Print:

Owner's Name(s): Property Address: Division Lot: Renter's Name(s):

I.

Privileges Waiver (to be completed by the homeowner)

As owner of the property noted above, I waive my family's rights, and agree that we will forego usage of Summerfield amenities (i.e. pools, sports courts, parks, etc.) and transfer these privileges to the renters listed above for the duration of their lease.

II.

Signature:

PHONE Number: Today's Date:

Lease expiration:

NOTE: Residents wishing to use Summerfield amenities MUST have a valid Summerfield id card. In order for renters to obtain Summerfield id cards, the above information must be completed by the homeowner. Once this form is on file at the Association Office, each member of the renting household can stop by the Association Office to have his / her photo made and Id card issued.

Please feel free to contact the Association Office with any (541) 882-5724 or sending an email message to Summerfield Association.com The Office is open Monday through Friday, from 8:30am until 11 :30am.

V.

ASSOCIATION COMMITTEES

The governing documents and the Board of the Summerfield Association have created several committees. These Committees are: Architectural Control Committee, Communications Committee, Rules/Compliance Committee, Social Committee.

A call for volunteers for all committees is made at each annual meeting. Homeowners interested in serving on a committee must submit an Application for Committee Appointment. All committee members are appointed by the Board of Directors. Committee members are appointed to staggering two year terms, which expire each year at the annual meeting.

In order to encourage homeowners to volunteer, the Board of Directors has established a dues rebate program for all committee members. If certain criteria are met, committee members receive a reimbursement equal to two quarters of dues. Committee chairpersons receive a reimbursement equal to three quarters of dues. Reimbursements are given at the end of each service year (March). Committee members must have accounts in good standing in order to receive a dues reimbursement.

VI. ID SYSTEM

In order to monitor use of the Summerfield facilities, and to help prevent use of these facilities by non-Summerfield residents, a photo id system has been instituted. All members of each Summerfield residence age 6 and older must obtain an id card.

Cards are produced and distributed from the Association Office during regular office hours. Additional time may be allotted for IDs, and such schedule will be published in the Association's newsletter. Lost cards will be replaced for a charge of \$5.00 each.

VB. NEWSLETTER ADVERTISING GUIDELINES

The Board of Directors has adopted the following guidelines for newsletter advertising. Forms for submitting classified ads are available at the Association Office or on the Association web site.

1. All submissions must be prepaid.

2. Summerfield residents may submit non-commercial, straight classified ads. There is no charge for this service. Each ad is limited to 200 spaces/characters. Summerfield residents may also submit classified ads for business/employment. The charge is \$25 per ad. Again, each ad is limited to 200 spaces/characters. Classified ads are limited to space availability. Ads will be printed on a first come, first serve basis. .

Display advertising is subject to space availability, first come first served.

4. Display ads must be camera read and may not be handwritten.

5. Cost of Advertising: \$200.00 for 1/4 page ad, and \$400.00 for 1/2 page ad. Page size is 8 1/2 X 11. Update by Board Resolution

6. In case of errors on the part of Association staff, we will re-publish the corrected ad in the next newsletter or refund cost for time dated

1 st Friday of the month prior to publication. For example, ads to appear in the February edition must be submitted by the first Friday in January. The Association currently produces January/February/March, April/May/June, July/August/September, and

7. Ads must be received on the 1st Friday of the month prior to publication of the February edition must be submitted by the first Friday in January. The 4 issues annually: January/February/March, April/May/June, October/November/December.

8. Acceptance of advertising does not constitute an endorsement by the Summerfield

9. Acceptance of advertising Homeowners Association.

10. The Summerfield name shall not be used in any advertisement to imply that any entity is owned or operated by the Summerfield Association.

IX. SIGNAGE WITHIN Summerfield

Refer to CCRs Section 6.10 "Signs".

A-BOARDS

Only open house and garage sale A-boards rented through the Summerfield Association can be used within Summerfield. A-boards are rented at a rate of \$5.00 per sign refundable deposit plus a \$1.00 per day per sign rental fee. Long term rentals of open house signs are also available with a \$20.00 deposit plus a \$10.00 rental fee.

FOR SALE OR LEASE SIGNS PROVIDED BY Summerfield

For sale/for lease signs are rented through the Association Office. A placard, which fits into the runners on the sign, is provided. This is used to provide contact information.

Additional larger signs may not be used to cover the information on the sign. Screws, nails and tape are also prohibited on the sign itself Only the for sale/for lease signs rented through the Association Office can be used in Summerfield.

FOR SALE SIGNS - OTHER

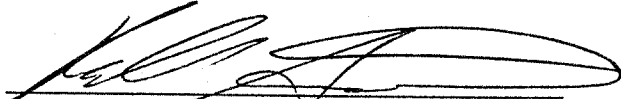
Signs from individual real estate companies (and promotional balloons) are strictly prohibited in Summerfield. Violators are subject to a fine and revocation of sign privileges within Summerfield. An exception to this policy may be granted by applying to the Board of Directors. Exceptions will be granted only for signs specifically designed to meet Summerfield Association design and color criteria. All signs must be the same size, color and design as current Association signs, however, the placard area may be replaced with information specific to the broker/sales agent/company.

Once approved, these signs must be registered at the Summerfield Association Office and may be used in Summerfield.

An annual fee of \$10.00 per sign will be charged.

EXHIBIT "A" ATTACHED -DEFINES THE "PROPERTY" IN IT'S ENTIRETY.

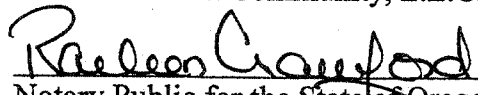
DECLARANT; SUMMERFIELD RESIDENTIAL COMMUNITY, LLC


Randall Simonson----Managing Member

State of Oregon
County of Klamath ss

This instrument was acknowledged before me on this ^{4th} ~~6th~~ day of June, 2007, by Randall Simonson as Managing Member of Summerfield Residential Community, L.L.C.




Notary Public for the State of Oregon
My Commission Expires ~~5-25-10~~ 5-25-10