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QUAIL POINT ESTATES
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR LOTS 1 THROUGH 42

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DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR LOTS 1 THROUGH 42, QUAIL POINT ESTATES
TRACT 1432 IN KLAMATH COUNTY, OREGON

THIS DECLARATION is made by Quail Point Estates Home Owners Association.

Quail Point Estates was developed as a Class II planned community. Quail Point Estates, as a planned community, imposed these mutually beneficial covenants, conditions, restrictions, easements, assessments, and liens on the Property under a comprehensive general plan of improvement and development for the benefit of all Lots and Common Area in the City of Klamath Falls, County of Klamath, State of Oregon.

The Home Owners Association has deemed it desirable for the efficient preservation of the values and amenities in Quail Point Estates to create a non profit corporation, to which will be delegated and assigned the powers and authority to own, maintain, and administer the Common Areas and to administer and enforce the covenants, conditions, and restrictions of this Declaration, and to collect and disburse the assessments and charges hereinafter created.

ARTICLE 1

DEFINITIONS

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

1.1 "Architectural Review Committee" or "ARC", as defined in Article 6 hereof, has been held and thereafter shall refer to the Board of Directors unless the Board has appointed a separate body or architectural firm to carry out the functions described in Article 6 hereof, in which case "Architectural Review Committee" or "ARC" shall refer to the body so appointed.

1.2 "Articles" shall mean the Articles of Incorporation of Quail Point Estates Homeowners' Association, an Oregon nonprofit corporation, as filed with the Oregon Secretary of State.

1.3 "Association" shall mean and refer to Quail Point Estates Homeowners Association, an Oregon nonprofit corporation, its successors and assigns.

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

1.5 "Bylaws" shall mean and refer to the Bylaws of the Association.

1.6 "Common Area" shall mean and refer to Parcels A, B, C, D, E & F shown on the recorded Plat, which area has been subjected to this Declaration, including any improvements thereon, which is entitled to be devoted to the common use and enjoyment of Members and their guests and which land has been conveyed to the Association. Parcel B includes a storm detention pond

owned by the Association. The Association shall maintain all landscaping and the storm detention pond. All streets in Quail Point Estates shall be public streets.

1.7 "Home" or "Living Unit" shall mean and refer to any portion of a structure situated on a Lot, which portion is designed and intended for use and occupancy as a residence by a single family or household.

1.8 "Lot" shall mean and refer to each and any Lots 1 through 42 inclusive; provided, however, that Lot shall not include Parcels A, B, C, D, E, & F.

1.9 "Members" shall mean and refer to Owners, who by virtue of their ownership of a Lot, are members of the Association.

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

1.11 "Owner" shall mean and refer to the owner of record, whether one (1) or more persons or entities, of the fee simple title to any Lot or to a purchaser in possession under a land sale contract. The foregoing does not include persons or entities that hold an interest in any Lot merely as security for the performance of an obligation.

1.12 "Plat" shall mean and refer to the plat for Quail Point Estates, known as Tract 1432, which has been recorded in Klamath County Plat Records and which depicts the Lots and Common Area.

1.13 "Public Road" shall mean the roadways within the Plat of Quail Point Estates which serve as a means of access to Lots 1 through 42.

1.14 "Property" shall mean and refer to all real property that is subject to this Declaration, including Lots, the Common Area and all improvements located thereon, as more particularly set forth on the plat map Tract 1432.

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

1.16 "Rules and Regulations" shall mean and refer to the documents containing rules, regulations and policies adopted by the Board of the Association or the ARC, as such documents may be from time to time amended.

1.17 "Tracts, Parcels or Common Area" shall mean and refer to those parcels of land that are designated as a Parcel, Tract or Common Area Parcels A, B, C, D, E & F, on the Plat.

1.18 "Quail Point Estates" shall mean the Lots and Common Area described on the Plat.

1.19 "Quail Point Estates Homeowners Association" is an Oregon nonprofit corporation, membership in which is held by all Owners of Lots in Quail Point Estates.

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

The real property that is and that shall be held, transferred, sold, conveyed and occupied and improved subject to this Declaration is located in Klamath County, Oregon, and is shown on the Plat for Quail Point Estates, Tract 1432 which has been filed in the plat records of Klamath County, Oregon.

ARTICLE 3

OWNERSHIP AND EASEMENTS

3.1 Non-Severability. The interest of each Owner in the use and benefit of the Common Area shall be appurtenant to the Lot owned by the Owner. No Lot shall be conveyed by any Owner separately from the interest in the Common Area. Any conveyance of any Lot shall automatically transfer the right to use the Common Area without the necessity of express reference thereto in the instrument of conveyance. There shall be no judicial partition of the Common Area. Each Owner, whether by deed, gift, devise or operation of law, for his own benefit and for the benefit of all other Owners, specifically waives and abandons all rights, interests and causes of action for judicial partition of any interest in the Common Area and agrees that no action for judicial partition shall be instituted, prosecuted or reduced to judgment. The ownership interest in the Common Area and Lots described in this Article 3 shall be subject to the easements granted and reserved in this Declaration. Each of the easements reserved or granted herein shall be deemed to be established upon the recordation of this Declaration and thenceforth shall be deemed to be covenants running with the land for the use and benefit of the Owners and their Lots and shall be superior to all other encumbrances applied against or in favor of any portion of Quail Point Estates.

3.2 Ownership of Lots. Title to each Lot in Quail Point Estates shall be conveyed in fee to an Owner. If more than one (1) person and/or entity owns an undivided interest in the same Lot, such person and/or entity shall constitute one (1) Owner.

3.3 Easements. Individual deeds to Lots may, but shall not be required to, set forth the easements specified in this Article 3.

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

3.3.2 Easements for Common Area. Every Owner shall have a nonexclusive right and easement of use and enjoyment in and to the Common Area, which right and easement shall be appurtenant to and shall pass with the title to every Lot.

3.3.3 Additional Easements. Notwithstanding anything expressed or implied to the contrary on the Plat, the Bylaws or herein, this Declaration shall be subject to all easements for the installation and maintenance of utilities and drainage facilities necessary for the development of Quail Point Estates. Lots 13 & 22 are subject to all or a portion of a sixteen-foot wide sanitary sewer easement at the side of those Lots as shown in the Plat. No structure, planting or other material that may damage or interfere with the installation or maintenance of utilities, that may change the direction of flow of drainage channels in the easement areas, or that may obstruct or retard the flow of water through drainage channels in the easement areas shall be placed or permitted to remain within any easement area. The easement area of each Lot and all improvements thereon shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, a utility company or the Association is responsible.

3.3.4 Association's Easements. Such easements as are necessary to perform the duties and obligations of the Association, as set forth in this Declaration, the Bylaws and Articles, as the same may be amended or supplemented, hereby are reserved to the Association and its duly authorized agents and representatives. In using the easements affecting Owners' Lots, the Association shall try to interfere in the Owners' use of their Lots as little as reasonably practicable and shall restore or repair any easement area on a Lot to its prior condition if any damage arises from use of it.

3.3.5 Easement to Governmental Entities. A nonexclusive easement over the Common Area hereby is reserved and granted to all governmental and quasi-government entities, agencies, and their agents for the purposes of performing their duties within Quail Point Estates.

3.3.6 Lake Ridge Park Easement. An easement has been granted over Tract 1432 in the form of a street to be known as Lake Ridge Drive for the benefit of Quail Point Estates and the Lake Ridge Park Homeowners in exchange for their release of the currently existing easement across Tract 1432 as granted in the Agreement for Easement from the B.P.O.E. Lodge #1247 to Wayne Connors and Pamela J. Connors, husband and wife, dated November 1, 1993 and recorded in the Official Records of Klamath County, State of Oregon at Vol. M93 Page 29109. More specifically described as:

Lots 18 through 27, Block 10, BUNEAS VISTA ADDITION to the City of Klamath Falls, according to the official plat thereof on file in the office of the County Clerk of Klamath County, Oregon.

ALSO that portion of Buena Vista, not platted, designated as Hotel Park, comprising of 18.504 acres, more or less, saving and excepting the following portion thereof:

Beginning at the Southwest corner of Lot 27, Block 41, Buena Vista Addition to the City of Klamath Falls, Oregon, thence Westerly along the Northerly line of Front Street a distance of 80 feet, thence Northerly at right angles to Front Street a distance of 140 feet, thence Easterly parallel to Northerly line of Front Street a distance of 80 feet to the Northwest corner of said Lot 27, thence Southerly along the Westerly line of said Lot

27 a distance of 140 feet to the point of beginning. ALSO a tract beginning 80 feet Westerly from the Southwest corner of Lot 27, Block 41, BUENA VISTA ADDITION to the City of Klamath Falls, Oregon, thence Westerly along the Northerly line of Front Street a distance of 100 feet, thence Northerly at right angles to Front Street a distance of 140 feet, thence Easterly parallel to the Northerly line in Front Street a distance of 100 feet, thence Southerly to a place of beginning a distance of 140 feet.

ARTICLE 4

LOTS AND HOMES

4.1 Residential Use. The Lots with residential designations shall be used for only residential purposes. Except with the consent of the Board, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot; nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any Lot. Nothing in this paragraph 4.1 shall be deemed to prohibit (a) activities relating to the sale of residences, (b) the right of any contractor or homebuilder to construct residences on any Lot, to store construction materials and equipment on such Lots in the normal course of construction, and to use any residence as a sales office or model home for purposes of sales in Quail Point Estates, and (c) the right of the Owner of a Lot to maintain his professional or personal library, keep his personal business or professional records or accounts, handle his personal business or professional telephone calls or confer with business or professional associates, clients or customers in his residence. The Board shall not approve commercial activities otherwise prohibited by this paragraph 4.1 for residential properties unless the Board determines that only normal residential activities would be observable outside of the residence and that the activities would not be in violation of Klamath County ordinances. The Lot with the commercial/retail designation shall be utilized in accordance with the uses allowed for this property under the Klamath County Zoning Ordinance.

4.2 Construction of Homes. No construction, reconstruction or exterior alterations shall occur on a Lot unless the approval of the ARC is first obtained pursuant to Article 6 hereof. Considerations such as siting, shape, size, color, design, height, solar access, or material may be taken into account by the ARC in determining whether or not to consent to any proposed work. Each home shall have a minimum living area of 1800 square feet.

4.3 Building Locations. No structure shall be located on any lot nearer than:

- ten (10) feet to an interior side or rear lot line;
- fifteen (15) feet to an exterior side lot line;
- front yard set back to house twenty (20) feet from the lot line;
- Garage set back on front entrance garage twenty-five (25) feet;
- and garage set back on side entry garage twenty (20) feet.

4.4 Maintenance of Lots and Homes. Each Owner shall maintain all portions of his or her Lot including the planting strip between the curb and the sidewalk, and all improvements on such Lot

in a clean and attractive condition, in good repair and in such fashion as not to create a fire hazard. Such maintenance shall include, without limitation, painting, repair, and replacement of and care for roofs, gutters, downspouts, exterior building surfaces, walks and other exterior improvements and glass surfaces. All repainting or re-staining and exterior remodeling shall be subject to prior review and approval by the ARC. In addition, each Owner shall keep all shrubs, trees, grass and plantings of every kind on his Lot neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material. No trees, in excess of six feet in height, or four inches in diameter, may be removed without approval by the ARC. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes shall likewise be the responsibility of each Owner, and any Lot or improvement thereon that is so damaged shall be restored within a reasonable period of time. Undeveloped lots, including planting strips, and vacant residential structures shall be maintained in a visually appealing manner at all times. The Board of Directors shall have the final and sole discretion to determine if any lot or residential structure does not comply with this standard.

4.4.1 Undeveloped Lots. Undeveloped lots shall be landscaped in a manner as approved by the ARC if a residential structure has not been started on the lot with 24 months of purchase date.

4.5 Rental of Homes. An Owner shall be entitled to rent or lease his residence for any length of time the Owner wishes, provided that the tenant or renter complies with all provisions of the Bylaws and Rules and Regulations of the Association. The Owner will ensure that each tenant or renter has a copy of the Bylaws and Rules and Regulations of the Association.

4.6 Animals. No animals, livestock or poultry of any kind, other than a maximum of four (4) household pets, which are not kept, bred or raised for commercial purposes and which are reasonably controlled so as not to be a nuisance, nor which may be responsible for the loss of property value, shall be permitted within any Lot. Dogs shall not be permitted to roam the Property unattended, and all dogs shall be kept on a leash while outside their owner's Lot. An Owner may be required to remove a pet upon the receipt of the third notice in writing from the Board of violation of any rule, regulation or restriction governing pets within the Property. Any dog which the Board of Directors reasonably determines is vicious or dangerous to Owners of Lots, their families and guests, shall be removed by the Owner thereof immediately upon written notice from the Board of Directors. At the owner's request after such removal, a hearing will be held by the Board of Directors to review its determination and affirm or reverse its previous determination. Any dog, which is considered vicious under any Klamath County ordinance, shall be conclusively deemed a vicious dog, which the Board of Directors shall exclude from the Property.

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

4.8 Parking. There shall be no on-street parking. Parking of boats, trailers, truck campers or other recreational vehicle or equipment shall not be allowed to park on any part of the street, Lot nor Common Area, except only if or within the confines of an enclosed garage or screened area, and no portion of the same may project beyond the screened area. The paved parking areas located in Common Areas A, B, and C shall be used for guest parking. Parking in the Common Areas is allowed for a maximum of seventy-two (72) hours.

4.9 Vehicles in Disrepair. No Owner shall permit any vehicle that is in an extreme state of disrepair to be abandoned or to remain parked upon any Lot or on the Common Area for a period in excess of seventy-two (72) hours. A vehicle shall be deemed to be in an extreme state of disrepair when the Board reasonably determines that its presence may be responsible for the loss of property value, or devalues the appearance of Quail Point Estates. Should any Owner fail to remove such vehicle within five (5) days following the date on which the notice is mailed to him by the Association, the Association may have the vehicle removed from the Property and may charge the expense of such removal to the Owner.

4.10 Signs. No permanent signs shall be erected or maintained on any Lot. Not more than one "For Sale" or "For Rent" sign, placed by the Owner or by a licensed real estate agent, may be temporarily displayed on any Lot. The restrictions contained in the Section 4.10 shall not prohibit the temporary placement of "political" signs on any Lot by the Owner or Occupant. Provided, however, political signs shall be removed within three days after the election day pertaining to the subject of the sign. Real estate signs shall be removed within three days after the sale closing date. During the construction phase the Contractor may erect a sign not to exceed 4 feet by 8 feet and the sign must be removed within 5 business days after the final approval for occupancy is granted.

4.11 Rubbish and Trash. No Lot, roadway, or part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal and out of public view. Yard rakings, dirt and other material resulting from landscaping work shall not be dumped onto the Common Area or roadways. A reasonably sized compost area shall be permitted as long as it is not offensive to other Owners. Should any Owner fail to remove any trash, rubbish, garbage, yard rakings or any such materials from any Lot, any streets or Common Areas where deposited by him/her within five (5) days following the date on which notice is mailed to him by the Board, the Association may have such materials removed and may charge the expense of such removal to the Owner.

4.12 Landscape Completion. All landscaping must be completed within six (6) months from the date a Certificate of Occupancy is issued by the governing authority for the dwelling unit constructed thereon. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval of ARC. Undeveloped lots shall be landscaped in a manner as approved by the ARC if a residential structure has not been started on the lot within 24 months of purchase date.

4.13 Temporary Structures. No structure of a temporary character, trailer, basement, tent, shack, car port, garage, barn or other outbuildings shall be used on any Lot at any time as a residence either temporarily or permanently.

4.14 **Manufactured Dwellings Excluded.** No manufactured dwellings, as that term is defined in ORS Chapter 446 as of the date of this declaration, shall be used on any lot at any time as a residence either temporarily or permanently.

4.15 **Fences.** All fences, screens and similar structures shall not obstruct any Lot's view, and are subject to the city's Community Development Ordinances. No chain link fence on a Lot's front boundary or a Lot's street side boundary. All fences must be approved by the ARC.

4.16 **Service Facilities.** All telephone, power, natural gas, cable television and other communication lines shall be placed underground. Garbage containers, fuel tanks, clotheslines, etc. shall be screened so that such facilities are not visible from the street.

4.17 **Solar Panels, Basketball Hoops, Antennas, Satellite Dishes and Cooling Units.** Exterior solar panels, basketball hoops, antennas and satellite receivers shall not be permitted to be placed upon any Lot or Improvement except as approved by ARC. Exterior satellite dishes with a surface diameter of thirty-six inches or less may be placed on any Lot so long as they are placed in a location that is least visible from the street as possible. Protruding window mounted air cooling units are not permitted on street facing windows. Solar panels must have ARC approval.

4.18 **Roofing Materials.** Roofs are to be constructed of materials approved by ARC.

4.19 **Outdoor Lighting.** The number, type, design and candle power of outdoor lighting shall be subject to the review of ARC. Outdoor lighting that is offensive to a neighbor, or which may be responsible for the loss of property value, may require change at the direction of ARC.

4.20 **Grades, Slopes and Drainage.** The established drainage patterns or systems over or through any Lot within Quail Point Estates shall not be interfered with so as to affect any other lot or Common Area or any real property outside Quail Point Estates unless adequate alternative provision is made for proper drainage and is approved by the ARC. The term "established drainage" shall mean the drainage swales, conduits, inlets and outlets naturally existing or designed and constructed for storm water run off.

4.21 **Damage or Destruction to Home and/or Lot.** If all or any portion of a Lot or Home is damaged by fire or other casualty, the Owner shall either (i) restore the damaged improvements or (ii) remove all damaged improvements, including foundations, and leave the Lot in a clean and safe condition. Any restoration proceeding under (i) above must be performed so that the improvements are in substantially the same condition in which they existed prior to the damage, unless the provisions of Article 6 hereof are complied with by the Owner. The Owner must commence such work within sixty (60) days after the damage occurs and must complete the work within six (6) months thereafter. In addition, Owners shall act in accordance with the provisions of any applicable party wall and maintenance agreement; provided, however, that in the event of a conflict between the provisions hereof and of such an agreement, the provisions hereof shall control.

4.22 Construction Debris. Every contractor building any improvement upon any lot or the Common Area shall furnish trash containers and at all times shall keep the premises free from accumulation of trash and scrap caused by construction. Trash shall not be allowed outside a designated trash and scrap area and any that does intrude beyond shall be cleaned up immediately. Upon completion of the work, all remaining trash and scrap shall be disposed of legally. Tools, construction equipment, machinery, and surplus materials shall be removed from the site. The ARC shall be entitled to enter upon any construction site within Quail Point Estates and to clean up, remove and dispose of materials on-site, to charge the contractor for any costs incurred by the ARC in performing such acts, and to recover such costs and attorneys' fees and court costs in a legal action against contractor.

4.23 Right of Maintenance and Entry by Association. If an Owner fails to perform maintenance and/or repair that he is obligated to perform pursuant to this Declaration and if the Board determines, after notice and a hearing (given pursuant to the provisions of the Bylaws), that such maintenance and/or repair is necessary to preserve the attractiveness, quality, nature and/or value of Quail Point Estates, the Board may cause such maintenance and/or repair to be performed and may enter any Lot whenever entry is necessary in connection with the performance of such maintenance and/or repair that the Board is authorized to undertake. Entry shall be made with as little inconvenience to the Owner of the Lot as practicable and only after advance written notice of not less than forty-eight (48) hours, except in emergency situations. The costs of such maintenance and/or repair shall be chargeable to the Owner of the Lot as a special assessment.

4.24 Association Rules and Regulations. The Board from time to time may adopt, modify or revoke Rules and Regulations governing the conduct of persons and the operation and use of Lots and Common Areas as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property. A copy of the Rules and Regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Board promptly to each Owner and shall be binding upon all Owners and Occupants of all Lots upon the date of delivery or actual notice thereof. The method of adoption of such Rules and Regulations shall be provided in the Bylaws.

ARTICLE 5

COMMON AREA

5.1 Use of Common Areas. Use of Common Areas shall be subject to the provisions of the Declaration, Bylaws, Articles and Rules and Regulations promulgated by the Board. There shall be no use of the Common Area except by Owners and their invitees. There shall be no obstruction of any part of the Common Area. Nothing shall be stored or kept in the Common Area without the prior written consent of the Board. No alterations or additions to the Common Area shall be permitted without the prior written approval of the Board. Nothing that shall increase the rate of insurance on the Common Area shall be stored or kept in the Common Area without the prior written consent of the Board.

5.2 Maintenance of Common Area. The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Area, including, without limitation, the planters and planting strips, except where such maintenance is provided by the City of Klamath Falls, a government agency or utility company, at the equal expense of the Owners of Lots 1 through 42. The Association shall keep the Common Area and improvements thereon in good condition and repair, shall provide for all necessary services and shall cause all acts that may be necessary or proper to assure the maintenance of the Common Area in first-class condition to be done.

5.3 Alterations to Common Area. The Association shall repair and maintain the Common Area (i.e., Common Areas A through F, the drainage facilities within the Common Area B and the Detention Pond) and the Commonly Maintained Property. Only the Association shall construct, reconstruct, or alter any improvement situated upon the Common Area.

5.4 Funding. Expenditures for alterations, maintenance or repairs to an existing capital improvement for which a reserve has been collected shall be made from the reserve account. The Board may levy a special assessment to fund any construction, alteration, repair or maintenance of an improvement for which no reserve account is insufficient to cover the cost of the proposed improvement.

5.5 Landscaping. All landscaping on the Common Areas, shall be maintained and cared for in a manner consistent with the standards of design and quality as originally established by the ARC. The Association shall be responsible for all landscaping located in Common Areas. Any weeds or diseased or dead lawn, tree, ground cover or shrubs shall be removed or replaced. All lawn areas shall be neatly mowed and trees and shrubs shall be neatly trimmed. All landscaping shall be irrigated in a horticulturally proper manner, subject to water use restrictions or moratoria by government bodies or agencies.

5.6 Condemnation of Common Area. If all or any portion of the Common Area is taken for any public or quasi-public use under any statute, by right of eminent domain or by purchase in lieu of eminent domain, the entire award shall be received and expended by the Board in a manner that, in the Board's discretion, is in the best interest of the Association. The Association shall represent the interest of all Owners in any negotiations, suit or action or settlement relating to such matters.

5.7 Damage or Destruction of Common Area. If any Common Area is damaged or destroyed by an Owner or any of his Occupants, guests, tenants, licensees, agents or members of his family in a manner that would subject such Owner to liability for such damage under Oregon law, such Owner does hereby authorize the Association to repair such damage. The Association shall repair the damage and restore the area in a workmanlike manner as originally constituted or otherwise, in the discretion of the Board. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot of the Owner who caused or is responsible for such damage.

5.8 Members' Easement of Enjoyment. Subject to the provisions of this Declaration, the Bylaws, and Rules and Regulations of the Association, every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Property, which shall be appurtenant to

and shall pass with the title to every Lot. The members' easements of enjoyment created hereby shall be subject to the following;

5.8.1 Rules, Assessments and Fees. It is the right of the Association to establish reasonable rules and to charge reasonable assessments and fees for capital expenditures on the Common Property and the maintenance and upkeep of the Common Property and payment of all Association expenses.

ARTICLE 6

ARCHITECTURAL REVIEW COMMITTEE

6.1 Architectural Review. No improvement shall be commenced, erected, placed or altered on any Lot until the construction plans and specification showing the nature, shape, heights, materials, colors, and proposed location of the improvement have been submitted to and approved in writing by the ARC. It is the intent and purpose of this Declaration to assure quality of workmanship and materials and the harmony of exterior design with the existing improvements and landscaping. The ARC is not responsible for determining compliance with structural and building codes, solar ordinances, zoning codes or other governmental regulations. Nor shall the ARC's review analyze structural, geophysical, engineering or other similar factors. Such compliance and analysis are the responsibilities of the Owners. The procedure and specific requirements for review and approval of construction may be set forth in design guidelines adopted from time to time by the ARC. In all cases in which the ARC's consent is required by this Declaration, the provisions of this Article 6 shall apply.

6.2 Architectural Review Committee, Appointment and Removal. The ARC shall consist of no fewer than three (3) members and no more than five (5) members, unless an architectural firm is appointed to serve as the ARC. The term of office for each member of the ARC shall be one (1) year unless lengthened by the Board at the time of appointment or entry into contract with architectural firm or unless the Board serves s the ARC, in which event the terms of ARC members shall be the same as their terms as Board members. The Board may appoint one (1) or more members who are not Owners but who have special expertise regarding the matters which come before the ARC to the ARC. In the sole discretion of the Board, such non-Owner members of the ARC may be paid.

6.3 Majority Action. A majority of the members of the ARC shall have the power to act on behalf of the ARC, without the necessity of a meeting and without the necessity of consulting the remaining members of the ARC. The ARC may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

6.4 Duties. The ARC shall consider and act upon the proposals and/or plans submitted pursuant to this Article 6. The ARC, from time to time and at its sole discretion, may adopt architectural rules, regulations and guidelines of the Architectural Standards. The Architectural Standards shall interpret and implement the provisions of this Declaration for architectural

review and guidelines for architectural design, placement of buildings, color schemes, exterior finishes and materials and similar features that may be used in Quail Point Estates; provided, however, that the Architectural Standards shall not be in derogation of the minimum standards established by this Declaration.

6.5 ARC Decision. The ARC shall render its approval or denial decision with respect to a construction proposal within thirty (30) working days after it has received all materials required by it with respect to the application. All decisions shall be in writing. In the event that the ARC fails to render its decision of approval or denial in writing within thirty (30) days of receiving all material required by it with respect to the proposal, the application shall be deemed approved.

6.6 ARC Discretion. The ARC may, at its sole discretion, withhold consent to any proposed work if the ARC finds the proposed work would be inappropriate for the particular Lot or incompatible with the design standards that the ARC determines are appropriate for Quail Point Estates. Siting, shape, size, color, design, height, solar access, effect on the enjoyment of other Lots or the Common Area, effect on an easement and any other factors which the ARC reasonably believes to be relevant may be taken into consideration by the ARC in determining whether to consent to any proposed work.

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

6.8 Appeal. Any Owner adversely affected by action of the ARC may appeal such action to the Board. Appeals shall be made in writing within ten (10) days of the ARC's action and shall contain specific objections or mitigating circumstances justifying the appeal. If the Board is already acting as the ARC, the appeal shall be treated as a request for a rehearing, but in such case the Board must actually meet and receive evidence and argument. A final decision shall be made by the Board within fifteen (15) days after receipt of such notification. The determination of the Board shall be final.

6.9 Effective Period of Consent. The ARC's consent to any proposed work shall automatically be revoked six (6) months after issuance unless construction of the work has been commenced or the Owner has applied for and has received an extension of time from the ARC. Once commenced, any such work shall be completed in six (6) months.

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

6.11 Noncompliance. If the ARC determines that an Owner has not constructed an improvement consistent with the specifications of an approval granted, and if the Owner fails to agree to and diligently commence to remedy such noncompliance in accordance with the

provisions of the notice of noncompliance, then at the expiration of the third (3rd) day from the date of such notification, the ARC shall provide notice to such Owner of a hearing at which such Owner's continuing noncompliance shall be considered. The hearing shall be held not more than thirty (30) days after the date of the notice of noncompliance. At the hearing, if the ARC finds that there is no valid reason for the continuing noncompliance, the ARC shall determine the estimated costs of correcting it. The ARC shall then require the Owner to remedy or remove the same within ten (10) days after the date of the ARC's determination. If the Owner does not comply with the ARC's ruling within such period or within any extension of such period as the ARC, at its discretion, may grant, the ARC may remove the noncomplying improvement, remedy the noncompliance, or file suit to compel compliance. The costs of such action, including all attorneys' fees and other costs incurred to enforce compliance, whether incurred before or after suit is filed, at trial or on any appeal or review therefrom, shall be assessed against the Owner and his Lot.

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

6.13 Estoppel Certificate. Within thirty (30) working days after written request is delivered to the ARC by an Owner, and upon payment to the ARC of a reasonable fee fixed by the ARC to cover costs, the ARC shall provide such Owner with a certificate executed by the chairman of the ARC and acknowledged, certifying with respect to any Lot owned by the Owner, that as of the date thereof either: (a) all improvements made or done upon or within such Lot by the Owner comply with this Declaration and any Rules and Regulations promulgated by the Board or the ARC or (b) such improvements do not so comply, in which event, the certificate shall also identify the non-complying improvement and set forth with particularity the nature of such non-compliance. The Owner, his heirs, devisees, successors and assigns shall be entitled to rely on the certificate with respect to the matters set forth therein. The certificate shall be conclusive as among the ARC, the Association and all Owners and such persons deriving any interest through any of them.

6.14 Approval of Contractors and Insurance. Contractors providing services in connection with the development or improvement of any Lot or Common Area shall be subject to the following requirements: Contractors shall be approved by the ARC. General Contractors and subcontractors shall be licensed as required by local governmental ordinances and regulations. General contractors shall warrant all materials and workmanship to be of good quality and to remain in good condition for a period of one (1) year. A general contractor shall furnish to the Association evidence of public liability insurance in amounts reasonably acceptable to the ARC. Combined single limits of One Million Dollars (\$1,000,000) shall be deemed acceptable. The ARC may require the contractor to post a bond to assure that the interests of the Association are protected and the requirements of the Declaration and Bylaws are followed. The ARC may place limitations on the hours and days on which construction activity can take place. In addition, the ARC may impose restrictions on the noise or decibel level at construction sites.

6.15 Other Applicable Law. All improvements must be constructed in full compliance with all applicable governmental building codes. All ARC review and inspection procedures are intended to assure compliance only with aesthetic considerations. The ARC is not responsible for design or construction defects or failure of the building to meet appropriate building codes.

ARTICLE 7

ADOPTION

It is hereby certified that these Bylaws have been adopted by Quail Point Estates Homeowners Association Inc., an Oregon non-profit corporation, and will be recorded in the Deed Records of Klamath County, together with the Declaration of Covenants, Conditions and Restrictions for said planned community.

Dated: 11-25-13

By: Robert Nieman
President, Quail Point Estates Homeowners Association

This instrument was acknowledged before me on this day of , 2013. 11.25.

Denise Eayrs

NOTARY PUBLIC FOR OREGON

My Commission Expires: 7.28.2015

