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I, Richard Hobernicht, Director of Assessment and Taxation and Ex-Officio County Clerk for Washington County, Oregon, do hereby certify that the within instrument of writing was received and recorded in the book of records of said county.

Richard Hobernicht, Director of Assessment and Taxation, Ex-Officio County Clerk



After recording, please return to:
Vial Fotheringham LLP
7000 SW Varns St.
Portland, OR 97223

GRANTOR: King City Highlands Homeowners Association, Inc.,
An Oregon nonprofit corporation
GRANTEE: Public

**2013 RESTATEMENT OF
AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF KING CITY HIGHLANDS,
A PLANNED COMMUNITY**

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**2013 RESTATEMENT OF
AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF KING CITY HIGHLANDS,
A PLANNED COMMUNITY**

This 2013 Restatement of Amended and Restated Declaration of Covenants, Conditions and Restrictions of King City Highlands, a Planned Community ("2013 Restatement of Amended and Restated Declaration") is made by the King City Highlands Homeowners Association, Inc., an Oregon nonprofit corporation ("Association").

RECITALS

A. King City Highlands is a planned community located in Washington County, Oregon. King City Highlands is governed by the following documents recorded in the Records of Washington County, Oregon:

Amended and Restated Declaration of Covenants, Conditions and Restrictions of King City Highlands, a Planned Community recorded December 10, 1998 as Document No. 9813970 ("Amended and Restated Declaration").

Amended and Restated Bylaws of King City Highlands Homeowners Association, Inc. recorded December 4, 1998, as Document No. 98-136835 and rerecorded August 14, 2011 as Document No. 2011-058406.

B. King City Highlands Homeowners Association, Inc. is the association of owners incorporated as an Oregon nonprofit corporation by Articles of Incorporation filed February, 8, 1993, in the office of the Oregon Secretary of State, Corporation Division.

C. The property subject to Amended and Restated Declaration and the jurisdiction of the Association is described in attached *Exhibit I*.

D. Amended and Restated Declaration was amended by the following documents recorded in the Records of Washington County, Oregon:

1st Amendment to Amended and Restated Declaration of Covenants, Conditions and Restrictions of King City Highlands, A Planned Community recorded August 2, 2005 as Document No. 2005-091181.

Amendment to Article XI of the Amended and Restated Declaration of Covenants, Conditions and Restrictions of King City Highlands, A Planned Community recorded June 12, 2006 as Document No. 2006-069852.

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Second Amendment to the Amended and Restated Declaration of Covenants, Conditions and Restrictions of King City Highlands, A Planned Community recorded July 1, 2010 as Document No. 2010-050020.

E. King City Highlands is subject to the Oregon Planned Community Act (ORS 94.550 to 94.783) as provided in Article II of Amended and Restated Declaration.

F. ORS 94.590(6) permits a board of directors, upon the adoption of a resolution, to cause a restated declaration to be prepared, executed and recorded to codify individual amendments that have been adopted in accordance with ORS 94.590 without further approval of owners.

G. By resolution adopted June 12, 2013, in accordance with ORS 94.590(6), the Board of Directors voted to cause Amended and Restated Declaration to be restated to codify the amendments set forth in Recital D above and to cause 2013 Restatement of Amended and Restated Declaration to be executed and recorded as provided in ORS 94.590(6).

NOW, THEREFORE, pursuant to ORS 94.590(6), the Board of Directors hereby restates Amended and Restated Declaration to codify the amendments set forth in **Recital D** above. Amended and Restated Declaration is hereby restated to read as follows:

**AMENDED AND RESTATED DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS OF
KING CITY HIGHLANDS, A PLANNED COMMUNITY**

PREAMBLE

These Covenants, Conditions and Restrictions were originally set forth on August 23, 1988, in the document entitled "Declaration of Covenants, Conditions and Restrictions of King City Highlands, a Planned Community" and recorded in the deed records of Washington County, Oregon under fee number 88-37320.

The declaration was amended on March 10, 1989, by the document entitled "Amendments to Declaration of Covenants, Conditions and Restrictions of King City Highlands, a Planned Community" and recorded in the deed records of Washington County, Oregon under fee number 89-10423.

The declaration was amended in 1993 by the document entitled "Amendments to Declaration of Covenants, Conditions and Restrictions of King City Highlands, a Planned Community" and recorded in the deed records of Washington County, Oregon under fee number 93-025903.

The declaration was amended on March 28, 1994 by the document entitled "Amendments to Declaration of Covenants, Conditions and Restrictions of King City Highlands, a Planned Community" and recorded in the deed records of Washington County, Oregon under

The declaration was amended on November 28, 1995 by the document entitled "Annexation of Real Property to King City Highlands and Amendment to Declaration of Covenants, Conditions and Restrictions of King City Highlands, a Planned Community" and recorded in the deed records of Washington County, Oregon under fee number 95-087084.

Pursuant to Article XV, Section 1., of Declaration of Covenants, Conditions and Restrictions of King City Highlands, Declarant, King City Highlands Homeowners Association, Inc., Oregon a non-profit corporation hereby amends and restates the Declaration of Covenants, Conditions and Restrictions as herein set forth.

ARTICLE I DEFINITIONS

Section 1. "Articles of Incorporation" means the articles of incorporation for the non-profit corporation of King City Highlands Homeowners' Association, Inc. filed with the Oregon Corporation Commissioner, as amended from time to time.

Section 2. "Association" means the King City Highlands Homeowners' Association, Inc., an Oregon non-profit corporation.

Section 3. "Board" means the board of directors of the Association.

Section 4. "Bylaws" means the bylaws of the Association as amended from time to time.

Section 5. "Common Expenses" means expenditures made by, or financial liabilities incurred, by the Association and includes any allocations to the reserve account under Article X. Section 3.

Section 6. "Common Property" means the property described in Exhibit "A" as well as any real property or interest in real property which is owned or leased by the Association, or designated in a plat for transfer to the Association. "Common Property" includes real property or improvements thereon which are platted as part of a condominium, even though such real property and improvements may be owned or used in common by owners or occupants of those Living Units. "Common Property" includes personal property owned or leased by the Association.

Section 7. "Declaration" means this declaration and any amendments thereto.

Section 8. "Living Unit" means a building or a portion of a building located upon a Lot and intended for separate occupancy and ownership; it does not include a building or portion of a building on Common Property.

Section 9. "Lot" means a unit of land in the Property which is platted for the purpose of constructing thereon one or more Living Units.

Section 10. "Mortgage" means a mortgage or a deed of trust pertaining to a Lot or Living Unit.

Section 11. "Mortgagee" means a mortgagee or a beneficiary of a deed of trust.

Section 12. a. "Occupant" means the occupant of a Living Unit.

b. "Qualified occupant" means

(1) any person who is fifty-five (55) years of age or older,
or

(2) any person eighteen (18) years of age or older, residing in the unit with a qualified occupant, subject to Article VI Section 2.

Section 13. "Owner" means the legal owner or contract purchaser of any Lot or Living Unit which is part of the Property, but does not include a mortgagee who has an interest in the Lot or Living Unit merely as security for the performance of an obligation.

Section 14. "Plat" means the final map, diagram, drawing, replat or other writing containing the descriptions, locations and other information on Common Property, Living Units and/or Lots in a subdivision of all or a portion of the real property in the community.

Section 15. "Property" means the real property described in Exhibit "B" as well as each parcel of real property on which a plat shows all portions thereof to be part of King City Highlands. "Property" also means all improvements and fixtures located on the Property. "Property" includes tracts of Common Property identified as such on the recorded plat, whether or not such tract has been conveyed to the Association.

Section 16. "Condominiums Association" (known as Highland Park Condominium) means a separate Association on the Property which is formed in conjunction with the condominiums. A Condominiums Association may be vested with authority and responsibility to govern and maintain real property and improvements which are platted as part of the related Living Units, but the provisions of this Declaration shall also apply to all such real property and owners and occupants thereof. The members of a Condominiums Association may be assessed by the Condominiums Association as well as by the Association.

ARTICLE II
SUBMISSION TO PLANNED COMMUNITY ACT

To the extent its provisions do not conflict with this Declaration and any association By-laws, the governance and operation of the community shall conform with the Oregon Planned Community Act. ORS94.550 through 94.785.

ARTICLE III
NAME

The name by which the community is to be identified is "King City Highlands".

ARTICLE IV
GENERAL DEVELOPMENT

Section 1. **Common Property.** As each phase of the community is platted, the plat shall depict the tracts, if any, which will or may be transferred to the Association as Common Property. The Association shall accept each such conveyance and shall thereafter be responsible to operate and maintain such tract of Common Property and any facilities and improvements thereon at the Association's expense.

In addition to maintenance of the Common Property, the Association shall enter into an agreement, on terms acceptable to the Board of Directors, whereby the Association accepts responsibility for maintenance, repair, and restoration of the wall (including the clock tower) around the northern, western, and southern boundaries of Highland Park Condominium and along the western boundary of Lots 171, 172, and 173, King City Highlands No.6, and along the southern boundary of Lot 171, King City Highlands No. 6, and the areas (including the sidewalk) between the wall and the streets (SW Dickson, SW 131st, and SW Peachvale). This agreement was recorded on November 28, 1995 in the deed records of Washington County under fee no. 95087084

Section 2. **Street Trees.** Washington County requires that Street Trees be provided and planted. Such trees will be planted on or adjacent to such Common Property tracts and Lots along the street frontage as required. The Association and each owner will accept the placement and planting of street trees. The Association shall thereafter have the right and responsibility to maintain the street trees on the Common Property tracts and on the Lots, including trimming, fertilizing, spraying, and replacing street trees with the same specie (or as similar as possible) as necessary. Each Owner shall be responsible for providing adequate water to and for raking and removing leaves and other debris from the street trees on the Owner's Lot.

Section 3. **Sidewalks.** A concrete pedestrian sidewalk will be constructed along the street frontage of each Lot, in the location and to the specifications determined by Washington County. The sidewalk shall be constructed prior to issuance of an occupancy permit for a Living Unit constructed on the Lot. Thereafter, the Owner of the Lot shall maintain and repair the

ARTICLE V
ARCHITECTURAL CONTROL

Section 1. Architectural Committee. The Board shall select and appoint an Architectural Committee. The Architectural Committee shall be composed of at least three (3) individuals. The Board has discretion to select and appoint as many individuals as the Board shall decide, provided the Architectural Committee shall only have an odd number of individuals. The Architectural Committee shall have the authority and duty to regulate the external design, appearance, location and maintenance of any and all improvements on the Property and any and all landscaping thereon in accordance with the provisions of this Declaration and the Architectural Manual of King City Highlands.

Section 2. Committee Approval Required. No building, fence, wall, patio, deck, or other structure or improvement shall be commenced, erected, or maintained upon the Property nor shall any exterior addition to, or change or alteration therein, be made, nor shall any landscaping of any portion of the Property be commenced or maintained until the plans and specifications have been submitted to and approved in writing by the Architectural Committee pursuant to the procedure outlined in the Architectural Manual of King City Highlands.

Section 3. Architectural Manual. The Board may from time to time amend, modify or revise provisions of the Architectural Manual, including the procedures for submission to and approval of the Architectural Committee outlined therein; provided no such amendment, modification, or revision shall be binding upon the Owners until notice of the same has been given to the Owners by the Board, and no such amendment, modification or revision shall affect structures, improvements, or landscaping approved prior to the enactment of such amendment, modification or revision.

Section 4. Majority Action. Except as otherwise provided herein, a majority of the members of the Architectural Committee shall have the power to act on behalf of the Architectural Committee, without the necessity of a meeting but after consulting or notifying the remaining members of the Architectural Committee. The Architectural Committee may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

Section 5. Liability. The scope of the Architectural Committee's review is not intended to include any review or analysis of structural, geophysical, engineering, code compliance or other similar considerations.

Therefore the Architectural Committee's approval of an Owner's application shall not be construed as a warranty of any sort. Provided the Architectural Committee or committee member has, in accordance with the actual knowledge possessed by the Architectural Committee or by such member, acted in good faith, neither the Architectural Committee nor any member thereof

shall be liable to any Owner, occupant, builder, or developer for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Architectural Committee or a member thereof.

Section 6. Nonwaiver; Other Requirements. Consent by the Architectural Committee to any matter proposed to it or within its jurisdiction

(a) shall never under any circumstance be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent; and

(b) shall not be construed as an assertion or guaranty of compliance with governmental or other applicable requirements, which requirements must be satisfied by the Owner regardless of Architectural Committee approval.

Section 7. Effective Period of Consent. The Architectural Committee's consent to any proposal shall automatically be revoked one (1) year after issuance unless construction of the work has been commenced or the Owner has applied for and received an extension of time from the Architectural Committee.

ARTICLE VI **USE RESTRICTIONS AND OBLIGATIONS**

Section 1. Residential Use. No commercial activities of any kind shall be carried on in any Living Unit or on any other portion of the Property except activities relating to the sale or rental of Lots or Living Units. This provision, however, shall not be construed so as to prevent or prohibit an Owner from maintaining a professional personal library, keeping personal business or professional records or accounts, handling personal business or professional telephone calls, or occasionally conferring with business or professional associates in a Living Unit.

Section 2. Restrictions. On Age of Occupancy of Residential Units No residential unit in King City Highlands shall be occupied by any person who is not a qualified occupant. At least one (1) person living in the unit must be fifty-five (55) years of age or older. Should an Owner need or desire that two (2) or more persons eighteen (18) years of age or older but younger than fifty-five (55) years of age reside in the Owner's Living Unit, such Owner must apply to the Board for a variance. The Board shall grant the variance unless the Board finds the granting of the variance will impair any privilege granted by state and federal housing law to senior residential communities. This restriction shall not prohibit temporary and social visitation of the occupants of a residential unit by persons not so qualified to be occupants, subject to the limitations set forth in section 12. a. of this Article.

Section 3. Animals. Other than a maximum of two (2) pets per Living Unit, no animals or fowl shall be raised, kept, or permitted within the Property. No animals of any kind shall be kept, bred or raised for commercial purposes. All pets shall be confined to the Owner's

Living Unit or Lot and shall not be permitted to run free or otherwise to be or become a nuisance or source of annoyance to other owners or occupants.

All owners of pets will abide by county or municipal sanitary regulations and leash laws, and rules or regulations promulgated by the Board. An Owner may be required to remove a pet after receipt of two (2) notices in writing from the Board of violations of this section or of any such laws, rules, or regulations governing pets.

Section 4. Vehicles. No trucks (except, pickups of three-fourths (3/4) ton weight or less), campers, motorhomes, trailers, boats, motorcycles, or similar recreational vehicle shall be parked on any Lot or street other than temporarily (in no case in excess of twenty (24) hours) and then solely for the purpose of loading or unloading or a service call; provided, however, that such vehicle may be kept within an Owner's enclosed garage.

Section 5. Signs. No signs shall be erected or displayed on any Lot, Living Unit, or any other portion of the Property without the prior written permission of the Board; provided, such permission shall not be required for one (1) sign no larger than six (6) inches by twenty-four (24) inches displaying the name and/or address of the occupant, or one (1) temporary sign no larger than eighteen (18) inches by twenty (24) inches advertising the Lot or Living Unit for sale or rent, which shall be removed upon the sale or rental of the Lot or Living Unit. Permission shall be denied based on aesthetic considerations only and permission may not be withheld or given based on the content of the sign.

Section 6. Poles, Antennas, Etc. No flag poles, exterior mounted television or radio antennae shall be installed or maintained on any portion of the Property except in the manner prescribed by the Architectural Manual. No exterior machinery or equipment for cooling and/or heating or TV or Radio antennas shall be installed or maintained on any portion of the Property without prior approval of the Architectural Committee.

The Committee's approval of the installation of any such device shall not constitute a waiver of this section nor obligate the Committee to approve the installation of any other such device. Installation of exterior television or radio antennae shall be by licensed and bonded contractors. The owner shall be responsible for any damage to the Common Property as a result of such installation.

Section 7. Trash Collection and Storage. All trash and garbage shall be deposited in closed containers to be picked up by the sanitary service crew with whom the Owner contracts. Storage of trash and garbage containers must be completely screened from view from adjacent properties.

Section 8. Underground Utilities. Other than temporary above-ground wiring for construction or emergencies, no outdoor overhead wire or service drop for the distribution of electrical energy or for telecommunication purposes nor any pole, tower, or other structure for independent transmission or support of an outdoor wire shall be erected, placed or maintained on

any portion of the Property. All such installations shall be underground.

Section 9. Leases. No more than five percent (5%) of the existing units may be leased or rented out at any one time. Each Owner shall have the right to lease his or her Lot or Living Unit providing the five percent (5%) limit has not been reached. Contact the Board before signing a lease agreement. For purposes of this section a Lot or Living Unit shall not be deemed to be leased when owned by an immediate family member.

All leases shall be in writing and shall provide that its terms shall be subject in all respects to the provisions of this Declaration (including the restrictions on age of occupants set forth in Section 2), the Articles of Incorporation and Bylaws of the Association, and any rules and regulations promulgated thereunder.

All leases shall specify that any failure by the lessee to comply with the provisions of the Declaration, Articles, Bylaws, or rules and regulations shall constitute a default under said lease.

If the Board of Directors finds that a lessee or tenant has violated any provision of this Declaration, the Articles of Incorporation, the Bylaws or the rules and regulations, the Board may require the Owner to terminate such lease or rental agreement.

Lessees shall be entitled to the use and enjoyment of the Common Property. An Owner may not sever the right to the use and enjoyment of the Common Property from the right to occupy his Lot or Living Unit thereon by means of lease or otherwise.

For purposes of this Section, the term "lease" includes, without limitation, a month-to-month rental agreement. However, no Owner may lease or rent his Living Unit or any portion or interest thereof for a period of less than thirty (30) days. The lease must refer to the governing documents of the Association, failure to do so is a violation of this Declaration.

If a Lot or Living Unit is conveyed or transferred to any heir or devisee under the age of fifty-five (55) years it may be leased to a third party who meets the occupancy requirements of Section 2 of this article as well as Article I, section 12, until the new owner reaches fifty-five (55) years of age. This lease shall not be included in the five percent (5%) total.

Section 10. Owner's Obligation. The Owner of a Lot will be responsible for any grading, drainage, or retaining walls necessary for the development of the Owner's Lot. The Association shall not be responsible for any of the cost thereof. Each Owner shall maintain the exterior appearance of his Living Unit and Lot in an attractive manner and in accordance with the Architectural Manual of King City Highlands. Owners of related Living Units, such as a condominium, may delegate their maintenance obligations to a Condominiums Association duly formed to perform such obligations.

Section 11. Additional 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 the Property as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property.

Such action may be modified by vote of not less than two-thirds (2/3) of members voting in person or by proxy, at a meeting duly called for this purpose.

A copy of the rules and regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Secretary promptly to each Owner and shall be binding upon all Owners and Occupants on any portion of the Property from the date of delivery.

Section 12. Variances and Waivers. The Board may grant variances and/or waivers to any person of any of the Use Restrictions and Obligations set forth in this Article VI on such terms as the Board, in its sole discretion, deems appropriate or necessary. A grant of a variance or waiver to one party shall not be deemed a variance or waiver to any other party, and nothing herein shall be construed as an obligation of the Board to grant a variance or waiver to any party.

a. **Guests.** Guests may use Association facilities only when accompanied by a qualified occupant. Under no circumstances may a clubhouse key be given or loaned to a guest. Guests are subject to all rules and regulations governing the facilities. After residency for sixty (60) days consecutively or in a calendar year, a guest eighteen (18) years of age or older must apply for associate membership. Visits of guests under eighteen (18) years of age are limited to thirty (30) days in a calendar year. Beyond thirty (30) consecutive days, a variance must be obtained from the Board which can be for no more than an additional thirty (30) consecutive days.

b. **House Sitters.** House sitters during the absence of the occupant must be fifty-five (55) years of age or older unless granted a variance by the Board. House sitters must be registered (including beginning and ending dates) with the Membership Committee. A variance is required for a stay of more than sixty (60) consecutive days in a calendar year.

ARTICLE VII **COMMON PROPERTY**

Section 1. Common Property. The Common Property, as described in Exhibit A hereto, has been transferred to the Association as Common Property. Such Common Property may contain landscaping, and/or facilities or improvements for the use or benefit, in common, of the members of the Association.

Section 2. Mortgage or Conveyance of Common Property. The Common Property cannot be mortgaged or conveyed without the affirmative vote of four-fifths (4/5) of all members voting in person or by proxy at a meeting duly called for this purpose; provided, however, this Section shall not apply to the granting of easements for public utilities or other public purposes, or to the dedications described in Article VIII, Section 2 (b).

Section 3. Condemnation of Common Property. The Board shall have the sole authority to negotiate with any public or private body or person having the power of eminent domain and to sue or defend in any litigation involving such bodies or persons with respect to the Common Property or any portion thereof which is the subject of any condemnation or eminent domain proceeding.

ARTICLE VIII **EASEMENTS**

Section 1. Utility Easements. There is hereby created a blanket easement upon, across, over, through and under the Property for ingress and egress, installation, replacement, repair and maintenance of all utility and service lines and systems including, but not limited to, water, sewers, gas, telephones, electricity, television, cable or communication lines and systems. By virtue of this easement, it shall be expressly permissible for the utility or service company to install and maintain facilities and equipment on the Property, to excavate for such purposes and to affix and maintain wires, circuits and conduits on, in and under the roofs and exterior walls of Living Units providing such company restores disturbed areas to the condition in which they were found.

Notwithstanding anything to the contrary contained in this paragraph, no sewers, electrical lines, water lines or other utility service lines or facilities for such utilities may be installed or relocated on said Property except as programmed and approved by the Architectural Committee. This easement shall in no way affect any other recorded easements on the Property. This easement shall be limited to improvements and utility installations as originally constructed or repairs and replacements thereof.

Section 2. Members Easement of Enjoyment. Subject to the provisions of this Declaration and rules and regulations of the Association, every Owner shall have a right and easement of enjoyment in and to the Common Property, and an easement of access through the Common Property as reasonably necessary for access to the Owner's Lot or Living Unit, which easements shall be appurtenant to and shall pass with the title to every Lot or Living Unit. The Owner's easements created hereby shall be subject to the following rights of the Association:

- a. 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.
- b. The right of the Association to dedicate the streets, or to dedicate and transfer all or any other portion of the Common Property to any public agency or authority subject to such conditions as may be agreed to by the members.

Other than streets and except as to the grant of easements for utilities and similar or related purposes, no such dedication and transfer shall be effective unless approved by a vote of

two-thirds (2/3) of all members voting in person or by proxy at a meeting duly called for this purpose, and unless the holders of first mortgage liens on any of the Lots or Living Units have approved such dedication or transfer.

c. Any owner may delegate his right of enjoyment to the Common Property to the members of his family and to his guests, as well as to any lessee of his Lot or Living Unit, subject to the terms of this Declaration as well as regulations which may be established from time to time by the Board.

Section 3. Easements for Encroachments. If an encroachment results from construction, reconstruction, repair, shifting, settlement or movement of any portion of the community, an easement for the encroachment exists to the extent that any Lot or Common Property encroaches on any other Lot or Common Property. An easement continues for maintaining the encroachment so long as the encroachment exists. Nothing in this Section relieves an Owner of liability in case of the Owner's willful misconduct or relieves any other person of liability for failure to adhere to the plats of the community.

ARTICLE IX **ASSOCIATION**

Section 1. Organization; Adoption of Bylaws. Upon the execution and recording of this Declaration, the Articles of Incorporation shall be filed, and the Association shall be organized to provide for the preservation and architectural control of the Property, the maintenance of the Common Property, and to promote the health, safety, and welfare of the Owners and Occupants of the Property.

Section 2. Board of Directors. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws.

Section 3. Power and Duties of the Association. The Association shall have such powers and duties as may be granted or delegated to it by law, the Articles of Incorporation, this Declaration, and the Bylaws.

Section 4. Liability. Neither the Association, any officer or member of its Board of Directors nor any member of the Architectural Committee or other committee constituted by the Board shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any action or failure to act by the Association, any of its officers or any member of its Board of Directors, Architectural Committee or other committee constituted by the Board, provided only that the officer or Board member or committee member has acted in good faith in accordance with the actual knowledge possessed by him or her.

ARTICLE X
MEMBERSHIP AND VOTING RIGHTS

Section 1. Members. Every person or entity who is a record owner of a fee interest or undivided fee interest in any Lot or Living Unit or a purchaser in possession under a land sale contract shall be a mandatory member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall not be assigned, transferred, pledged, hypothecated, conveyed or alienated in any way except upon the transfer of title to said Lot or Living Unit and then only to the transferee of title to such Lot or Living Unit. Any attempt to make a prohibited transfer shall be void.

Section 2. Voting Rights. The Owner or Owners of each Lot or Living Unit shall be entitled to one vote for each Lot or Living Unit that they own; provided, however, that at such time as one or more Living Units have been constructed on a Lot, the vote for that Lot shall cease to exist. When more than one (1) person or entity is the Owner of a Lot or Living Unit, all such persons or entities shall be members of the Association and shall exercise their vote for said Lot or Living Unit as they determine; provided, in no event shall more than one vote be cast with respect to any Lot or Living Unit. The Association Board of Directors shall be entitled to vote on behalf of any Lot or living Unit which has been acquired by or on behalf of the Association; provided, however, that the Association Board of Directors shall not be entitled to vote such Lots in any election of directors.

ARTICLE XI
COVENANTS FOR ASSESSMENTS

Section 1. Creation of the Lien and personal Obligation of Assessments. Each Owner of any Lot or Living Unit by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay the Association (1) annual assessments or charges, (2) special assessments, and (3) individual assessments to be established and collected as hereinafter provided.

All such assessments, together with interest thereon and together with attorney fees and costs of collection thereof as hereinafter provided, shall be a continuing lien upon the Lot or Living Unit against which each such assessment is made. Each such assessment, together with interest thereon, attorneys fees and costs of collection thereof, shall also be the personal obligation of the person who was the Owner of such Lot or Living Unit at the time when the assessment fell due, as well as a lien on his respective Lot or Living Unit. The personal obligation for delinquent assessments shall not pass to an Owner's successors in title unless expressly assumed by them, but the lien of the assessment shall run with the Lot or Living Unit.

Section 2. Purpose of Annual Assessments. The annual assessments levied by the Association shall be used exclusively to promote the health, safety, and welfare of the Owners and Occupants, and to pay the common expenses of the Association. Common expenses shall

include:

- a. Expenses of administration
- b. Expenses of maintenance of the Common Property after conveyance to the Association as provided for in Article VI, Section 2.
- c. Cost of insurance or bonds as provided in Article XII.
- d. Costs of funding reserves as provided in Section 3 of this Article.
- e. Any deficit in common expenses for any prior fiscal year of the Association.
- f. Any other items properly chargeable as an expense of the Association.
- g. Any other items agreed upon as common expenses by Owners.
- h. Cost of cable or satellite television pursuant to the terms of a service agreement between the Association and television provider. The cost may include the monthly or other periodic service fee, and the cost of maintaining, installing, or repairing equipment necessary to provide television to the Owners.

Section 3. Reserve Accounts for Major Repair and Replacement of Improvements.

The Association shall maintain a reserve account or accounts for repair or replacement of those structures or improvements on the Common Property which will require replacement in more than three (3) but less than thirty (30) years, taking into account the estimated remaining life of such items and the replacement cost thereof. The reserve account or accounts will be funded out of the annual assessments each year.

The initial budget of the Association shall provide for not less than five percent (5%) of the amounts of each annual assessment to be paid into the reserve account.

That initial amount may be increased annually as provided in Section 4 below. That initial amount shall not be decreased nor shall the funds be used for any purpose other than defraying all or part of the costs of major repair or replacement as provided herein, except by a vote of two-thirds (2/3) of all members voting in person or by proxy, at an annual meeting or special meeting duly called for this purpose. The Board shall invest the reserve funds in an insured interest-bearing account or United States Treasury obligations until needed. Assessments paid into the reserve account shall be the property of the Association and are not refundable to an Owner who sells or otherwise conveys a Lot or Living Unit. Sellers of Lots or Living Units may treat their outstanding share of the reserve account as a separate item in any agreement for the sale of their Lots or Living Units.

Section 4. Annual Assessments. The Board shall fix the amount of the annual assessment at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to the Owners of every Lot or Living Unit subject thereto. In the event the Board fails to fix the amount of the assessment and give notice thereof, the assessment fixed for the preceding year shall continue until new assessments are fixed and notice given as provided herein. The annual assessments may be made payable on a monthly, quarterly, or annual basis, as determined by the Board. The Board may increase the maximum annual assessment each year not more than ten percent (10%) above the maximum assessment for the previous year without a vote of the membership.

Section 5. Special Assessments for Capital Improvements. The Association may levy, in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement upon the Common Property for which the reserve account is inapplicable or inadequate, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of all members of the Association voting in person or by proxy, at a meeting duly called for this purpose.

Section 6. Transfer Fee. In addition to the annual assessments authorized above, the Association will assess a special fee referred to as a TRANSFER FEE. Such fee shall be imposed upon the sale, including foreclosure sales and any transfer by deed-in-lieu of foreclosure, of any Lot or Living Unit closing after July 1, 2010. The fee shall be in the amount of one percent (1%) of the sales price, and shall be paid to the King City Highlands Homeowners Association by the party acquiring the property within thirty (30) days of closing of the transaction. This non-refundable fee will be deposited in the Replacement Reserve Account.

Section 7. Uniform Rate of Assessment. Both annual and special assessments must be fixed at a uniform rate for all Lots and Living Units; provided, however, that at such time as one or more Living Units on a Lot are assessed, the Lot shall no longer be assessed. A Living Unit shall be assessed at such time as an occupancy permit has been issued by the appropriate governing body.

Section 8. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage which was recorded before the assessment became due. Sale or transfer of any Lot or Living Unit shall not affect the assessment lien. However, the sale or transfer of any Lot or Living Unit pursuant to the foreclosure or deed in lieu of foreclosure of a first mortgage with priority over the lien shall extinguish the lien of such assessments as to payments which became due prior to such sale or transfer, and such unpaid expenses or assessments shall be deemed a common expense of the Association. No sale or transfer shall relieve such Lot or Living Unit from liability for any assessments thereafter becoming due or from the lien thereof.

Junior Lienholders or purchasers under them who acquire title to a Lot or Living Unit as a result of foreclosure of such junior lien shall take title subject to the lien of any unpaid

Section 9. Individual Assessments. The Association may assess an Owner individually for common expenses incurred through such Owner's fault or direction or by such Owner's default in the performance of the obligations imposed on Owners by this Declaration, the Bylaws, the Architectural Manual, or rules and regulations promulgated by the Board.

Section 10. Waiver of Assessments. Assessments may not be waived due to limited or nonuse of Common Property.

ARTICLE XII **COLLECTION OF ASSESSMENT; ENFORCEMENT**

Section 1. Compliance With Declaration, Bylaws, Rules and Regulations. Each Owner and Occupant shall comply with the Declaration, Bylaws, and rules and regulations adopted pursuant thereto.

Section 2. Authority to Enforce and Collect. The Board shall take prompt action against any violator to enforce the provisions of the Declaration and Bylaws, including collection of unpaid assessments. In doing so, the Board may exercise one or more of the remedies, separately or concurrently, specified in the Declaration or Bylaws, as well as any other remedies which may be available at law. In addition, any aggrieved Owner may bring an action to recover damages or to enjoin, abate, or remedy any noncompliance or breach by appropriate legal proceedings.

Section 3. Abatement and Enjoining of Violations. In the event of a violation of provisions of the Declaration, Bylaws, or any rules or regulations adopted pursuant thereto, the Board shall have the right to:

- a. Enter the Lot or Living Unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the Owner, any thing or condition that may exist therein contrary to the intent and meaning of such provisions, and the Board shall not thereby be deemed liable in any manner of trespass; or
- b. Enjoin, abate, or remedy such thing or condition, including removal or alteration of construction by appropriate legal proceedings.

Section 4. Interest; Late Charges; Fines. Interest shall accrue on any assessment or portion thereof not paid when due at the rate of twelve percent (12%) per annum until paid. The Board may, if it deems appropriate, impose charges for late payments of assessments and, after giving notice and an opportunity to be heard, levy reasonable fines for violations of the Declaration, Bylaws, and rules and regulations adopted pursuant thereto.

Section 5. Acceleration of Assessment. In the event that an Owner fails to pay an installment of an assessment when it is due, the Board may, after ten (10) days written notice, declare the defaulting Owner's entire annual or special assessment due immediately, and interest thereafter shall accrue on the entire assessment at twelve percent (12%) per annum until paid.

Section 6. Attachment, Notice Recordation, Duration, and Foreclosure of Lien, Appointment of Receiver, Power to Bid at Foreclosure Sale. The Association shall follow the provisions regarding the attachment, notice, recordation and duration of liens established on real property under ORS 87.352 to 87.382 and provisions regarding the foreclosure of liens under ORS Chapter 88, except that notwithstanding ORS 87.376, a lien for an unpaid assessment shall continue in force and the suit to foreclose need not be commenced for a period of three (3) years from the date the particular unpaid assessment became due.

In any such foreclosure suit, the Owner shall be required to pay reasonable rental for the Lot or Living Unit. The Plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect the rent. The Board, acting on behalf of the Association, shall have the power to bid on the Lot or Living Unit at the foreclosure sale, and to acquire and hold, lease, mortgage and convey the same, on behalf of the Association.

Section 7. Action to Obtain and Recover a Money Judgment. The Board may bring an action to obtain a money judgment against an Occupant or Owner for damages for the Occupant's or Owner's breach or noncompliance with the provisions of the Declaration, Bylaws, or rules or regulations adopted pursuant thereto. The Board may bring an action to obtain a money judgment for unpaid assessments against the Owner personally obligated to pay the same; the action to recover a money judgment for unpaid assessments may be maintained without foreclosing or waiving the lien securing the same.

Section 8. Collection Costs; Attorney Fees. Owners who fail to pay assessments when due shall be obligated to pay reasonable fees and costs including, but not limited to, attorney fees incurred in connection with the Board's efforts to collect the delinquent or unpaid assessments, whether or not suit or action is commenced. In the event the Board commences suit or action for the collection of any amounts due or to seek damages or enforcement of any provision of the Declaration, Bylaws, or rules and regulations adopted pursuant thereto, the defendants, jointly and severally, will be liable for the costs of such suit or action, including reasonable attorney fees to be fixed by the court or courts, both at trial and on appeal, in addition to all other sums or obligations.

Section 9. Mediation and Arbitration. Any dispute among Owners concerning the provisions of this Declaration, the Bylaws, or any rule or regulation adopted by the Board of Directors of the Association shall be referred to the Board of Directors for resolution. The Board of Directors, in its sole discretion, shall have the option to hear the dispute or to decline to hear the dispute and require the disputing Owners to seek resolution through binding arbitration as provided herein. The Board's decision not to hear a dispute shall be effective either upon written notice to the Owners involved or if no such notice is given by the Board, at thirty (30) days after

the dispute has been reported to the Board. If the Board chooses to hear the dispute, any decision by the Board shall be binding upon the parties.

Any dispute between any Owner(s) and the Association concerning this Declaration, the Bylaws, or any rule or regulation adopted by the Board of Directors of the Association or Division shall first be subject to mediation at the election of either party to the dispute, and in such a situation mediation shall be a mandatory prerequisite to arbitration.

Unsuccessful mediation of disputes between any Owner(s) and the Association, and all disputes between Owners which the Board declines to hear, shall be settled by mandatory arbitration before a single arbitrator, using the rules of commercial arbitration of the American Arbitration Association. Arbitration shall occur in Washington County, Oregon. The parties shall be entitled to conduct discovery in accordance with the Federal Rules of Civil Procedure, subject to limitation by the arbitrator to secure just and efficient resolution of the dispute.

If the amount in controversy exceeds \$2,500.00, the arbitrator's decision shall include a statement specifying in reasonable detail the basis for and computation of the amount of the monetary award, if any. A party substantially prevailing in the arbitration shall also be entitled to recover such amount for its costs and attorney fees incurred in connection with the arbitration as shall be determined by the arbitrator. Judgment upon the arbitration award may be entered in any court having jurisdiction and there shall be no opportunity for appeal in any court except as provided in ORS 36.355 to 36.365. Nothing herein, however, shall prevent an Owner, the Association, or other interested party from resort to a court of competent jurisdiction in those instances where injunctive relief may be appropriate.

ARTICLE XIII **INSURANCE**

Section 1. **Types of Insurance Policies.** For the benefit of the Association and the Owners, the Board shall obtain and maintain at all times, and shall pay for out of the common expense funds, the following insurance:

a. Property damage insurance covering loss or damage from occurrences including, but not limited to, fire, earthquake, vandalism, and malicious mischief, with extended coverage endorsement, and such other coverage such as flooding, which the Association may deem desirable, for not less than the full insurable replacement value of the applicable Common Property, subject to a reasonable deductible. The policy or policies shall include all fixtures and building service equipment to the extent that they are part of the Common Property and all personal property and supplies belonging to the Association. Such policy or policies shall name the Association as insured and shall provide for loss payable in favor of the Association.

b. A policy or policies insuring the Association, its Board and the Owners individually, against any liability to the public or the Owners and their invitees or tenants, incident to the ownership, supervision, control or use of the Common Property. Limits of

liability under such insurance shall be not less than \$500,000 per occurrence for bodily injuries and property damage liability. Such limit and coverage shall be reviewed at least annually by the Board which may increase the limit of and/or coverage, in its discretion. Said policy or policies shall be issued on a comprehensive liability basis and shall provide cross liability endorsements wherein the rights of the named insured under the policy or policies shall not be prejudiced as respects his, her or their action against another named insured.

c. The Board may obtain and maintain a fidelity bond naming such persons as may be designated by the Board as principals and the Association and the Owners as obligees, for the amount determined by the Board, and may require that all officers and employees of the Association handling or responsible for Association funds obtain adequate fidelity bonds. The premiums on such bonds shall be paid by the Association.

The Association shall not be responsible for any loss or damage to real or personal property of any Owner, whether stored on the Common Property or in the Owner's Lot or Living Unit, nor shall the Association maintain any insurance coverage for such loss.

Section 2. Insurance Companies Authorized. All policies shall be written by a company licensed to do business in Oregon and holding a "Commissioner's rating" of "A+" and a size rating of "AAA", or better, by Best's Insurance Reports, or as may be otherwise acceptable to the Board.

Section 3. Authority to Adjust Losses. All losses under policies hereafter in force regarding the Common Property shall be settled exclusively with the Board or its authorized representative. Releases and proofs of loss shall be executed by at least two (2) directors.

Section 4. Prohibition of Contribution. In no event shall the insurance coverage obtained and maintained by the Board hereunder be brought into contribution with insurance purchased by the individual Owners or their Mortgagees.

Section 5. Provisions in Insurance Policies. The Board of Directors shall make every effort to secure insurance policies that will provide for the following:

- a. A waiver of subrogation by the insurer as to any claims against the Board, the manager, the Owners and their respective servants, agents and guests.
- b. A provision that the policy cannot be canceled, invalidated or suspended on account of the conduct of any one or more individual Owners.
- c. A provision that the policy cannot be canceled, invalidated or suspended on account of the conduct of any officer or employee of the Board without prior demand in writing that the Board of Directors or manager cure the defect.
- d. A provision that any "no other insurance" clause in the policy exclude individual

Owners' policies from consideration.

Section 6. Review of Insurance policies. At least annually, the Board shall review all insurance carried by the Association, which review shall include an appraisal of all improvements made to the Common Property by a representative of the insurance carrier writing the master Policy.

ARTICLE XIV **DAMAGE AND DESTRUCTION**

Section 1. Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty or any other damage and destruction, the insurance proceeds of the policy, if sufficient to reconstruct the damaged or destroyed structure, shall be applied to such reconstruction. Reconstruction of the damaged or destroyed structure, as used in this paragraph, means restoring the structure to substantially the same condition in which it existed prior to the fire, casualty or disaster. Such reconstruction shall be accomplished under the direction of the Board.

Section 2. Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed structure, the damage to, or destruction of, such structure shall be promptly repaired and restored by the Board, using the proceeds of insurance, if any, on the structure for that purpose. If the members approve, as provided in Article XI, Section 5, the Association may levy a special assessment to increase the proceeds available for reconstruction.

ARTICLE XV **GENERAL PROVISIONS**

Section 1. Records. In addition to the records required in the Bylaws, the Board shall keep detailed records of the actions of the Board, including minutes of the meetings of the Board and minutes of the meetings of the Association. The Board shall also keep detailed and accurate financial records in chronological order of the receipts in which there shall be an account for each Lot or Living Unit subject to assessment. Such account shall designate the name and address of the Owner, the dates and amounts on which the assessment becomes due, the amounts paid upon the account, and the balance due on the assessments.

Section 2. Indemnification of Directors, Officers, Employees and Agents. The Association shall indemnify any director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he is or was a director, officer, employee or agent of the Association or is or was serving at the request of the Association as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he acted

in good faith and in a manner he reasonably believed to be in, or not opposed to, the best interest of the Association, and with respect to any criminal action or proceedings, had no reasonable cause to believe his conduct was unlawful.

The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of nolo contendere or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he reasonably believed to be in, or not opposed to, the best interest of the Association, and with respect to any criminal action or proceedings, had reasonable cause to believe his conduct was unlawful.

Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association to recover such payments should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a director, officer, employee or agent shall have a right to contribution over and against all other directors, officers, employees or agents and members of the Association who participated with or benefited from the acts which created said liability.

Section 3. Enforcement. The Association, the Owners of Lots or Living Units within the Property, and/or the holder of any recorded mortgage on any Lot or Living Unit shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or hereinafter imposed by any of the provisions of this Declaration as may appertain specifically to said bodies or Owners by any proceeding at law or in equity. Failure by any of them to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of this Declaration, the prevailing party shall be entitled to its attorney's fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorneys fees, to be set by the appellate court. In addition thereto, the Association shall be entitled to its reasonable attorneys fees incurred in any enforcement activity whether or not suit or action is filed.

Section 4. Severability. Invalidation of anyone of these covenants or restrictions by judgment or court order shall not affect the other provisions hereof and the same shall remain in full force and effect.

Section 5. Duration. The Covenants and restrictions of this Declaration shall run with and bind the land for a term of twenty (20) years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at least ninety percent (90%) of all members and approved by ninety percent (90%) of the holders of first mortgages on the Lots and Living Units.

Section 6. Rights of Mortgagees. Any holder of a first mortgage lien on any Lot or Living Unit upon written request to the Board, shall have the right to:

- a. Receive timely written notice of meetings of the Association
- b. Receive timely written notice of any proposed abandonment or termination of the Association
- c. Receive timely written notice of any material amendment of the Declaration or the Articles of Incorporation or Bylaws of the Association
- d. Receive timely written notice of any decision by the Association to terminate professional management and to assume self-management of the Association, if the Association previously has retained professional management services
- e. Inspect the financial records and similar documents of the Association at reasonable intervals during normal business hours
- f. Receive written notice of substantial damage to or destruction of any Common Property and/or any improvements thereon
- g. Receive timely written notice of any condemnation or eminent domain proceeding affecting the common Property or any portion thereof

Section 7. Notice of Default By Mortgagor. Upon written request of the mortgagee, the Association shall give the mortgagee written notification of any default by the mortgagor in the performance of such mortgagor's obligations under this Declaration which is not cured within thirty (30) days.

Section 8. Joint Owners. In any case in which two (2) or more persons share the ownership of any Lot or Living Unit, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility and the act or consent of anyone or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Board of Directors, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter.

Section 9. Lessees and Others Invitees. Lessees, invitees, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration restricting or regulating the Owner's use, improvement or enjoyment of such Owner's Lot or Living Unit and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner.

Section 10. Nonwaiver. Failure by the Association, The Board, the Architectural Committee, any other committee constituted by the Board, or any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

Section 11. Notice of Sale Mortgage, Rental, or Lease. Immediately upon the sale, mortgage, rental, or lease of any Lot or Living Unit, the Owner shall promptly inform the appropriate secretary or manager of the name and address of said vendee, mortgagee, lessee, or tenant.

Section 12. Notices and Other Documents. All notices and other communications under this Declaration shall be in writing and shall be deemed to have been given on the date of delivery when delivered by personal service, or three (3) business days after delivery to the United States Post Office, first class mail, addressed to the party to which such notice is directed at the last known address of the Owner as shown in the Association's records.

ARTICLE XVI **AMENDMENTS TO DECLARATION**

Section 1. Amendment by Members. The Declaration may be amended by affirmative vote of not less than three-fourths (3/4) of all members. Provided however that no amendment to Article XV, Section 6, shall be effective without the prior written approval of all holders of first mortgages on Lots or Living Units.

Section 2. Recordation of Amendments. Amendments to the Declaration shall be executed and certified by any officer of the Association designated for that purpose or, in the absence of designation, by the President of the Association, and recorded in the deed records of Washington County.

ARTICLE XVII **PROVISIONS FOR BENEFIT OF WASHINGTON COUNTY**

Section 1. Waiver of Remonstrance Against Road Maintenance Local Improvement District. Each Owner and Occupant of any Living Unit or Lot is deemed to covenant and agree to a waiver of remonstrance against the formation by Washington County, or any other municipal governmental body having control for such public improvement, of a Road Maintenance Local Improvement District (L.I.D.) for the public streets within the King City Highlands.

Section 2. Waiver of Remonstrance Against Storm Drainage Facility Local Improvement District. Each Owner and Occupant of any Living Unit or Lot is deemed to covenant and agrees to a waiver of remonstrance against the formation by Washington County, or any other municipal governmental body having control for such public improvement, of a Local Improvement District (L.I.D.) to maintain and repair storm drainage facilities which

benefit King City Highlands and are outside of the public right of way. This consent extends to the assessment of Costs of such maintenance and repair during the existence of the district.

Section 3. Waiver of Remonstrance Against Road Improvement and Maintenance

Local Improvement District For SW 131st Avenue. Each Owner and Occupant of any living Unit or Lot is deemed to covenant and agrees to a waiver of remonstrance against the formation by Washington County, or any other municipal governmental body having control for such public improvement, of a Local Improvement District (L.I.D.) or other mechanism to improve and maintain the center two (2) lanes of SW 131st Avenue between SW Beef Bend Road and SW Fischer Road to County standard. In the event that the Association constructs a half street improvement, full street improvement, or improvement to the intersection at SW 131st Avenue and SW Beef Bend Road to County standard along the King City Highland frontage, the Property will receive credit for this improvement and the County shall credit against the L.I.D. assessment.

Section 4. Waiver of Remonstrance Against Road Improvement and Maintenance

Local Improvement District for SW Beef Bend Road. Each Owner and Occupant of any Living Unit or Lot is deemed to Covenant and agrees to a waiver of remonstrance against the formation by Washington County, or any other municipal governmental body having control for such public improvement, of a Local Improvement District (L.I.D.) or other mechanism to improve and maintain the center two (2) lanes of SW Beef Bend Road between SW 150th Avenue and Pacific Highway to County standard. In the event that the Association constructs improvement to the intersection at SW 131st Avenue and SW Beef Bend Road to County standard, the Property will receive credit for this improvement and the County shall credit against the L.I.D. assessment.

Section 5. Minimum Yard Requirements.

The minimum yard setback requirements for the R-9 Land Use District portions of the King City Highlands as defined by Washington County have been reduced and are as follows:

Front Yard Eighteen (18) feet as measured from the Lot Line to the structure at the garage.

Front Yard Twelve (12) feet as measured from the Lot Line to structure other than garage.

Side Yard Five (5) feet as measured from the Lot Line to the structure.

Side Yard Adjacent to Street Eight (8) feet as measured from the Lot Line to the structure.

Rear Yard Twelve (12) feet as measured from the Lot Line to the structure.

Bourbon Acres is not subject to the R9 standards.

Section 6. Notice of Change in Residential Use. Prior to a change in the occupancy requirements described in Article VI, Section 2, herein, the Board shall notify the Washington County Director of Land Use and Transportation of the proposed change. The Director shall review what effect, if any, the proposed change will have on public roadways within and immediately adjacent to King City Highlands. If the director deems that improvements are required to the public road way improvements as a result of a change in the age of occupants, then the Owners shall be required to pay for any required changes to meet the standards of the County.

**KING CITY HIGHLANDS HOMEOWNERS
ASSOCIATION, INC., an Oregon nonprofit
corporation**

By: Mary Davis
Mary Davis, President

By: D. Darlene Whitten
Darlene Whitten, Secretary

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CERTIFICATION

The undersigned President and Secretary of King City Highlands Homeowners Association, Inc., an Oregon nonprofit corporation, hereby certify that 2013 Restatement of Amended and Restated Declaration of Covenants, Conditions and Restrictions of King City Highlands, a Planned Community includes all previously adopted amendments in effect and includes no other changes, except to correct scrivener's errors or to conform format and style.

Mary Davis

Mary Davis, President
King City Highlands Homeowners Association,
Inc., an Oregon nonprofit corporation

STATE OF OREGON)
) ss
County of Washington)

The foregoing instrument was acknowledged before me this 19th day of June, 2013 by Mary Davis, President of King City Highlands Homeowners Association, Inc., an Oregon nonprofit corporation, on its behalf.

Julie A. Larsen

Notary Public for Oregon
My Commission Expires: March 8, 2016



D. Darlene Whitten

Darlene Whitten, Secretary
King City Highlands Homeowners Association,
Inc., an Oregon nonprofit corporation

STATE OF OREGON)
) ss
County of Washington)

The foregoing instrument was acknowledged before me this 19th day of June, 2013 by D. Darlene Whitten Secretary of King City Highlands Homeowners Association, Inc., an Oregon nonprofit corporation, on its behalf.

Julie A. Larsen

Notary Public for Oregon
My Commission Expires: March 8, 2016



EXHIBIT 1

The following described property located in Washington County, Oregon is subject to Amended and Restated Declaration:

KING CITY HIGHLANDS, recorded in Book 67, Page 22, Plat Records.
KING CITY HIGHLANDS NO. 2, recorded in Book 69, Page 34, Plat Records
KING CITY HIGHLANDS NO. 3, recorded in Book 70, Page 24, Plat Records
KING CITY HIGHLANDS NO. 4, recorded in Book 78, Page 34, Plat Records
KING CITY HIGHLANDS NO. 5, recorded in Book 83, Page 7, Plat Records
KING CITY HIGHLANDS NO. 6, recorded Book 84, Page 51, Plat Records
BOURBON ACRES recorded in Book 103, Page 25, Plat Records, a portion of Lot 1,
LAMBERTS ADDITION TO PEACHVALE, described as follows:

Beginning at the point that is South 0°07'14" West, 568.66 feet, from the Section corner common to Sections 9, 10, 15, and 16, Township 2 South, Range 1 West, Willamette Meridian; thence South 89°28'30" West, 181.5 feet to the East right of way line of SW 128th Ave.; thence along said right of way line South 0°18'30" East, 181.5 feet to a point; thence North 0°18'10" West 240 feet to the point of beginning.

EXHIBIT A

- Tract A, KING CITY HIGHLANDS, Washington County, Oregon
- Tract B, KING CITY HIGHLANDS, Washington County, Oregon
- Tract C, KING CITY HIGHLANDS, Washington County, Oregon
- Tract D, KING CITY HIGHLANDS NO.2, Washington County, Oregon
- Tract E, KING CITY HIGHLANDS NO.2, Washington County, Oregon
- Tract F, KING CITY HIGHLANDS NO.3, Washington County, Oregon
- Tract G, KING CITY HIGHLANDS NO.3, Washington County, Oregon
- Tract H, KING CITY HIGHLANDS NO.4, Washington County, Oregon

EXHIBIT B

KING CITY HIGHLANDS, Washington County, Oregon
KING CITY HIGHLANDS NO.2, Washington County, Oregon
KING CITY HIGHLANDS NO.3, Washington County, Oregon
KING CITY HIGHLANDS NO.4, Washington County, Oregon
KING CITY HIGHLANDS NO.5, Washington County, Oregon
KING CITY HIGHLANDS NO.6, Washington County, Oregon
BOURBON ACRES, A portion of Lot 1, LAMBERTS ADDITION TO PEACHVALE,
described as follows:

Beginning at the point that is South 0°07'14" West, 568.66 feet, from the Section corner common to Sections 9,10, 15, and 16, Township 2 South, Range 1 West, Willamette Meridian; thence South 89°28'30" West, 181.5 feet to the East right of way line of SW 128th Ave.; thence along said right of way line South 0°18'30" East, 181.5 feet to a point; thence North 0°18'10" West 240 feet to the point of beginning.