Declaration of Protective Covenants, Conditions
Restrictions and Easements for
Ra’Nor Estates

This Declaration is made this 21st day of November 2007 by Ralph E. Johnson & Norma J. Johnson, trustees of the Johnson Living Trust.

RECITALS

A. Declarant has recorded the plat of “Ra’Nor Estates” in the plat records of Yamhill County, Oregon.

B. Declarant desires to subject the property described in such plat to the conditions, restrictions and charges set forth in this instrument for the benefit of such property, and its present and subsequent owners.

Now, Therefore, Declarant hereby declares that the property described in Section 2.1 below shall be held, sold and conveyed subject to the following easements, covenants, restrictions and charges, which shall run with such property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit or each owner thereof.

ARTICLE 1

DEFINITIONS

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

1.1 “Architectural Review Committee” or “the Committee” means the committee appointed pursuant to Article 7 below.

1.2 “Assessments” means all assessments and other charges, fines and fees imposed by the Association on an Owner in accordance with this Declaration and the Bylaws of the Association, including, without limitation, Annual Assessments, Special Assessments, Emergency Assessments, Common Area Assessments and Individual Assessments as described in Article 10 below.

1.3 “Association” means the nonprofit corporation to be formed to serve as the owners association as provided in Article 8 below, and its successors and assigns.

1.4 “Board of Directors” means the duly appointed or elected board of directors of the Association, which is invested with the authority to operate the Association and to appoint the officers of the Association. Prior to the turnover meeting described in Section 8.7, the Board of Directors shall be compromised of those individuals as set forth in that section. After the turnover meeting, the Board of Directors will be elected by the Owners.
1.5 “Common Facilities” means those areas, or improvements such as driveways, mailboxes, fences, walls, monument signs, wells, well pumps, well shelters, landscaping or any other product of construction efforts whether on a Lot, Common Facility or Public area, that is for the benefit of the Association and Owners of the Lots within the Property.

1.6 “Declarant” means Ralph E. Johnson and Norma J. Johnson and their successors and assigns if such successor or assignee should acquire Declarant’s interest in the remainder of the proposed project, or less than all of such property if a recorded instrument executed by Declarant assigns to the transferee some or all of Declarant’s rights under this Declaration.

1.7 “Design Guidelines” means the guidelines adopted from time to time by the Architectural Review Committee pursuant to Article 7 below.

1.8 “Improvement” means every structure or improvement of any kind, including but not limited to a fence, wall, driveway, mailbox and newspaper receptacles, landscaping or any other product of construction efforts on or in respect to the Property.

1.9 “Living Unit” means a building or a portion of a building located upon a Lot within the Property and designated for separate residential occupancy.

1.10 “Lot” means a platted lot within the Property, with the exception of any lot, or portion thereof, designated as a Common Facility or Easement by this Declaration, as may be amended or supplemented. Lot does not include Public Areas.

1.11 “Mortgage” means a mortgage or a trust deed; “mortgagor” means a mortgagee or a beneficiary of a trust deed; and “mortgagor” means a mortgagor or a grantor of a trust deed.

1.12 “Owner” means the person or persons, including Declarant, owning any lot in the Property, but does not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Lot. The rights, obligations and other status of being an Owner commence upon acquisition of the ownership of a Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge on Owner from obligations incurred prior to termination.

1.13 “Ra’Nor Estates” means the real property described in Section 2.1 below.

1.14 “Public Areas” means areas dedicated to the public or established for public use in any plat of the Property or so designated in this Declaration.

1.15 “Sold” means that the legal title has been conveyed or that a contract of sale has been executed and recorded under which the purchaser has obtain the right to possession.

1.16 “The Property” means Ra’Nor Estates.

1.17 “This Declaration” means all of the easements, covenants, restrictions and charges set forth in this instrument, together with any rules or regulations promulgated hereunder, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.
ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

2.1 The Property. Declarant hereby declares that all of the real property described below is owned and shall be owned, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Declaration.

   All the real property within that certain plat entitled “Ra’Nor Estates” filed in the official records of Yamhill County, Oregon, recorded on August 10th, 2007 as Instrument No. 200717954

2.2 Improvements. Declarant does not agree to build any Improvements on the Property other than as required by Yamhill County, but may elect at Declarant’s option, to build additional Improvements.

2.3 Conversion or Combination of Lots. Declarant may convert the use of any Lot into open common area space or improved common area space. Declarant may further combine any two or more lots or reconfigure any lot line. Such action(s) shall be by a declaration executed by the Declarant and recorded in the deed records of Yamhill County, Oregon. If a Lot is converted, combined or reconfigured the voting rights shall be reapportioned and any new common space expenses shall be reallocated amongst the remaining lots.

ARTICLE 3

LAND CLASSIFICATIONS

3.1 Land Classifications. All land within the Property is included in one or another of the following classifications.

   a) Lots, which shall consist of Lots 1 through 41 on the plat of the property.

   b) Common Facilities, which shall be any areas so identified on any Plat of the Property or as defined in this Declaration or any modification thereof or supplement thereto.

   c) Public Area, which shall the roads as shown on the plat of the Property.

ARTICLE 4

PROPERTY RIGHTS

4.1 Extent of Owner’s Rights. The rights and quiet enjoyment of The Property shall be subject to the following and all other provisions of this Declaration and any modification or supplement thereto.
a) Public and Utility Easements. Declarant or the Association may (and, to the extent required by law, shall) grant or assign such easements to municipalities or other utilities performing utility services and to communication companies, and the Association may grant free access thereon to police, fire and other public officials and to the employees of utility companies and communications companies serving the Property.

b) Use of Common Facilities, Public Areas and Easements. Common Facilities Public Areas and Easements shall not be partitioned or otherwise divided and no private structures of any type shall be constructed in these areas. Nothing herein shall prevent the placing of entry monuments, entrance walls or appropriate signage, provided such are approved by the Architectural Review Committee. The Board of Directors shall have the authority to abate any trespass or encroachment upon these areas at any time, by any reasonable means and with or without having to bring legal proceedings.

c) Easements Reserved by Declarant. So long as Declarant or any assignee so named by Declarant, owns any Lot, Declarant reserves the right to grant, either directly or through a named assignee, any easement over such Lot which would benefit the Lot, the Association or the majority of Owner’s of all Lots. Further, Declarant reserves an easement over, under and across any Public or Common Facilities in order to carry out sales and rental activities necessary or convenient for the sale or rental of any Lots or Living Units, such easement shall benefit Declarant and any third-party designated by Declarant or the Board of Directors. Declarant, for itself and its successors and assigns, hereby retains a right and easement of ingress and egress over, in, upon, under and across the Public Areas and the right to store materials thereon and to make such other use thereof as may be reasonably necessary or incident to the construction of any Improvements on the Property, however, that no such rights shall be exercised by Declarant in such a way as to unreasonably interfere with the occupancy, use, enjoyment or access to an Owner’s Lot by that Owner or his family, tenants, employees, guests or invitees.

**ARTICLE 5**

**PROPERTY RIGHTS IN LOTS**

5.1 Use and Occupancy. The Owner of a Lot in the Property shall be entitled to the exclusive use and benefit of such Lot, except as otherwise expressly provided in the Declaration, but the Lot shall be bound by and each Owner and the Declarant shall comply with the restriction contained in Article 6 below and all other provisions of this Declaration and the provisions of any supplement or amendment to this Declaration.

5.2 Easements Reserved. In addition to any utility and drainage easements shown on any recorded plat, Declarant hereby reserves the following easements for the benefit of Declarant and the Associations.

a) Adjacent Common Facility. The Owner of any Lot which blends together visually with any Common Area or Common Facility shall, if the Association
elects form time to time to so require, permit the Association to enter upon the Lot to perform the maintenance of such Common Facility.

b) **Utility Easements.** Easements for the installation and maintenance of utilities are reserved over portions of the Lots. Drainage ways and facilities may be reserved by Declarant over portions of some lots. Within these areas, the Architectural Review Committee will not permit any structure, planting or other material to be placed or permitted to remain in the area in a manner which may damage or interfere with the installation or maintenance of utilities, drainage ways, culverts, vegetation, landscaping or which may change the direction of flow of drainage, obstruct or retard the flow of water in these areas. These areas and all improvements thereon shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority or utility company is responsible, which will be maintained by the Association.

c) **Entry wall and Monuments.** Declarant reserves an easement over Lots 1, & 25 for an Entrance wall separating the Property from Chehalem Drive and for entry Monuments, Lighting and Landscaping, which shall be deemed Common Facilities.

d) **Well Head, Well Pump Houses, Distribution Lines & Utilities:**
   i. **Easements Reserved - Access to Well Head, Ingress/Egress, Distribution Lines & Utilities:** Declarant reserves easements over any Lot, as necessary, for ingress/egress to any well head for the inspection, testing, maintenance, replacement or other similar activities for any distribution line, well pump or related water distribution components. In absence of a more specific description, such easement shall be a minimum of ten (10) feet in width and shall extend from an adjacent public road across any Lot(s) following property boundaries as closely as reasonably feasible. Declarant further reserves ingress/egress and the right to extend high & low voltage electrical lines, electrical meters, water flow meters, water distribution lines, and any other utilities in this easement, as necessary for the operation, maintenance or replacement of the well pump or the distribution of water therefrom.

ii. **Easements Reserved – Pump House, Access to Pump House, Ingress/Egress:** Declarant further reserves an easement at each well head on the Property and, in absence of a more detailed description, such shall encompass an area not to exceed three hundred (300) square feet in size in a location as designated by the Declarant. This easement shall be utilized for the construction of a well pump building that shall house the well pump controls, distribution lines and other equipment or materials as necessary for the efficient distribution of water from the well. There shall be an accompanying easement for ingress/egress to and from such area that, in absence of a more specific description, shall be a minimum of ten (10) feet in width and shall extend from an adjacent public road across any Lot(s) following property boundaries as closely as reasonably feasible.

iii. **Definition and/or Creation of Easement After Transference of Title:** Should Declarant or the Board of Directors of the Home Owners Association deem it beneficial to specifically define and individually record the easements described in this Section, then the Owner(s) of any Lot(s) so requested by the Declarant or the Board of Directors shall
consent to having an easement(s), as described in this Section, specifically recorded against said Owner’s Lot(s) and shall execute any documentation as necessary to effectuate such. The costs of defining and recording said easement(s), including surveying, legal descriptions and recording fees shall be borne by the Declarant or the Association.

iv. Reservation of Right to Compel Definition and/or Creation of Easement:
This Section shall specifically grant the Declarant and/or the Association the power to compel any Owner of any Lot to record any easement, as described in this Section, if so requested by the Declarant or the Board of Directors through a fine levied by the Board of Directors or by means of any suit or other action. It shall further entitle the Declarant or Board of Directors to recovery any attorney’s fees or costs associated with doing so.

ARTICLE 6

GENERAL USE RESTRICTIONS

6.1 Structures Permitted. No structure shall be erected or permitted to remain on any Lot except structures containing a single detached Living Unit and structures normally accessory thereto, all of which have been first approved by the Architectural Review Committee pursuant to Article 7 below. Such provision shall not exclude the construction of a private greenhouse, private swimming pool, or structure for the storage of a boat and/or camping trailer for personal use, provided that the location of such structure is in conformity with the applicable Yamhill County regulations, is compatible in design and decoration with the dwelling structure constructed on such Lot, and has been approved by the Architectural Review Committee. The Living Unit, exclusive of garage, shall contain a minimum of 2500 square feet. If the Living Unit is a two-story or greater structure, the main floor shall contain a minimum of 1800 square feet. This Section shall not apply to any dwelling(s) or Living Unit(s) constructed on any Lot(s) by Declarant prior to that Lot’s first sale or transference of title. Any subsequent Owner of a Lot on which a dwelling or Living Unit was so constructed by Declarant shall modify or replace that dwelling or Living Unit in a manner which conforms to the standards provided for in this Declaration and in the Design Guidelines within twenty-four (24) months from the date of this Declaration, or longer if so approved by the Architectural Review Committee.

6.2 Residential Use. Lots shall only be used for residential purposes. Except with the consent of the Board of Directors of the Association, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any Lot. No firearms shall be discharged on any portion of the Property. No motorcycles, motorized trail bikes, ATVs or other motorized vehicles shall be used on the Property except for transportation to-and-from an Owner’s Lot. Nothing in this paragraph shall be deemed to prohibit (a) activities relating to the rental or sale of Living Units, (b) the right of Declarant or any contractor or homebuilder to construct a Living Unit on any Lot, to store construction materials and equipment on such Lots during the normal course of construction, and to use any Living Unit as a sales or rental office or model home for the purposes of sales or rental in Ra’Nor Estates, and (c) the right of the Owner of a Lot to maintain his professional personal library, keep his personal business or professional records or account, hand his personal business or professional telephone calls or to
confer with business or professional associates, clients or customers, in his Living Unit. The Board of Directors shall not approve commercial activities otherwise prohibited by this paragraph unless the Board of Directors determines that only normal residential activities would be observable outside the Living Unit and that the activities would not be in violation of any Yamhill County ordinances or State or Federal law.

6.3 **Water Usage from Shared Wells:** The Association, through its Board of Directors shall monitor water usage to promote the long-term preservation of the ground water supply for the entire community.

6.3.1 **Irrigation:** Only \( \frac{1}{2} \) acre of each lot may be irrigated for lawn or other irrigation dependent plantings. Additional area may be planted with drought tolerant plants, or used for other purposes, but it may not be irrigated. This follows State law at the time of drafting this Declaration and serves to promote the long-term preservation of the water supply for the entire community. Water usage is subject to review and monitoring by the ARC and Association.

6.3.2 **Daily Water Usage:** Water usage per Lot shall be restricted according to Table 1, below.
A water budget summary for landscape water use shall accompany each landscape plan application. Water usage will be metered and any water usage above that allowed in Table 1, below, may be charged in accordance with any rate schedule as may be set by the Board of Directors of the Association. Such charge shall become an assessment against Owners of any Lots so exceeding the allowed usage.

6.3.3 **Variances between Wells:** Because the Lots are served by different wells and the water systems are designed to rural standards, the amount of pressure and gallons per minute available at each lot will vary. Engineering and installation of the flow meter and related water distribution accessories must be accomplished in conjunction with the design and installation of irrigation and/or fire sprinkler systems and is the responsibility of individual Owners or builders. These systems must be designed to fit the available capacity at each meter location and neither the Declarant nor the Association shall have any liability with regard to the functionality of any such systems nor the quantity, quality or rate of flow from any well, pump or distribution system.

6.3.4 **Rights Reserved by the Association:** The Association reserves the right to enter upon any Lot at a reasonable hour for the purpose of reading the shared well flow meter for that Lot to verify usage. The Association, through its Board of Directors, may, at time to time, adjust a schedule of charges for water usage and assess the Owner of each Lot accordingly for their usage of such. The Association, through its Board of Directors, may, at time to time, adjust the allowed gallonages as represented in Table 1, below, or restrict usage in case of persistent drought or other unusual circumstance.

6.3.5 **Table 1, below:**

<table>
<thead>
<tr>
<th>Gallons per Day</th>
<th>Domestic use</th>
<th>Irrigation Use</th>
<th>Total Use</th>
</tr>
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<tr>
<td></td>
<td>500</td>
<td>2000</td>
<td>2500</td>
</tr>
</tbody>
</table>

6.4 **Offensive or Unlawful Activities.** No noxious or offensive activities shall be carried on upon the Property, nor shall anything be done or placed on the Property which interferes with or jeopardizes the enjoyment of the Property. No unlawful use shall be made of
the Property nor any part thereof, and all valid laws, zoning ordinances and regulations of all governmental bodies having jurisdiction over the Property shall be observed.

6.5 **Animals.** No animals, livestock or poultry of any kind shall be raised, bred or kept or permitted within any Lot other than a reasonable number of household pets which are not kept, bread or raised for resale or any commercial purpose and which are to be reasonably controlled so as not to be a nuisance. Any damage caused by such pets shall be the responsibility of their respective owners. No animal shall be permitted to roam the Property unattended. An Owner or occupant may be required to remove an animal upon receipt of the third written notice from the Association Board of Directors of a violation of this section.

6.6 **Landscaping & Street Trees:** All landscaping plans shall be approved by the Architectural Review Committee pursuant to the Design Guidelines in the discretion of the Architectural Review Committee. Landscaping for that portion of the Lot that is between Ra’Nor Lane and the Living Unit shall commence within ninety (90) days after an approved final building inspection for the Living Unit by the local government jurisdiction, and shall be completed within ninety (90) days after commencement. The remaining landscaping of the Lot shall be completed within a reasonable time thereafter, not to exceed twelve (12) months. Section 6.5 shall apply to Lots owned by builders with finished Living Units being held for sale at the discretion of the Architectural Review Committee and the Board of Directors. Within (90) ninety days after an approved final building inspection for the Living Unit, the Owner shall plant one (1) Street Tree of a variety approved by the Architectural Review Committee for every one hundred (100) feet of frontage along the Public Road known as Ra’Nor Loop. Should the calculation result in a fraction number, then the number of trees shall be rounded up to the next closest whole number. This Section shall not apply to any dwelling or Living Unit constructed by Declarant prior to the first sale or transference of title to a Lot.

6.7 **Tree Cutting Restrictions.** No trees with a diameter of eighteen inches (18") or more may be removed from any lot without the prior approval of the Architectural Review Committee. Provided, however, trees greater than eighteen inches (18") in diameter if such pose an immediate danger to persons or property. In all instances of tree removal, Owner shall comply with any governmental regulations.

6.8 **Maintenance of Structures & Grounds.** Each Owner shall maintain the Owner’s Lot and Improvements thereon in a clean and attractive condition, in good repair and in such fashion as not to create a fire or other hazard. Such maintenance shall include, without limitation, exterior painting, repair, replacement and care of roofs, gutters, downspouts, exterior building surfaces, walks, lights and perimeter fences and other exterior improvements and glass surfaces. All repainting or re-staining, any change in type of roof or roof color and any exterior remodeling or changes shall be subject to prior review and approval by the Architectural Review Committee. In addition, each Owner shall keep all walks, shrubs, trees, grass and plantings of every kind on the Owner’s Lot neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material. Damage caused by flood, fire, storm, earthquake, riot, vandalism, or other causes shall likewise be the responsibility of each Owner and shall be restored within a reasonable period of time.
6.9 **Parking.** Except as may otherwise be provided in the Rules and Regulations of the Association, parking of boats, trailers, motorcycles, commercial vehicles, mobile homes, campers or other recreational vehicles or equipment, regardless of weight, and parking of any other vehicles with a gross weight in excess of 9,000 pounds shall not be allowed to remain overnight on any part of the Property or on public streets within the Property, excepting only within the confines of an enclosed building, screened area or other area, the plans of which shall have been reviewed and approved by the Architectural Review Committee prior to construction, and which must be constructed behind the front building line of the dwelling. Each Owner shall provide adequate off-street parking on such Owner's Lot for parking of vehicles owned by such Owner. Any vehicle parked in such a manner as to prevent access by emergency response vehicles may be towed and impounded as provided in Section 11.1(c) below.

6.10 **Vehicles in Disrepair.** No Owner shall permit any vehicle which is in an extreme state of disrepair to be abandoned or remain parked on the Owner's Lot unless screened from view or on any street, road or easement for a period of more than ninety-six hours. A vehicle shall be deemed in an "extreme state of disrepair" when the Board of Directors reasonably determines it is so due to its continued inoperability. Should any Owner fail to remove such vehicle or screen such from view within ten (10) days following the date on which notice is mailed to him by the Association, the Association may have the vehicle removed from the property and charge the expense of such removal to the Owner.

6.11 **Signs.** No sign shall be erected or maintained on any Lot except that the Declarant and/or the Architectural Review Committee may approve of "For Sale" signs and other signage to advertise and provide information on Ra'Nor Estates, Living Units and those to be built and other marketing and informational materials deemed beneficial to completing the sales of Lots and Living Units to Owners. Not more than two (2) "For Sale" or "For Rent" signs may be placed by the Owner or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, which are temporarily displayed on any Lot, together with the standard realtor flyer box. The restriction contained in this paragraph shall not prohibit the temporary placement of "political" signs on any Lot by the Owner, subject to reasonable regulations adopted by the Architectural Review Committee relating to size and length of display.

6.12 **Rubbish and Trash.** No part of the Property 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, except during garbage pick-up days. Yard rakings, dirt and other material resulting from landscaping work shall not be dumped into Lots, streets, roads, drainage areas, easements or Common Areas. Should any Owner or occupant responsible for its generation fail to remove any trash, rubbish, garbage, yard rakings or any such materials from any street or the Property where deposited by such person within (10) ten business days following the date on which notice is mailed to the Owner or occupant by the Board of Directors of the Association, the Association may have such materials removed and charge the expense of such removal to the Owner.

6.13 **Construction.** All houses and other structures, including driveways, must be completed within fourteen (14) months after the start of construction, except where such completion is impossible or would result in great hardship to Owner, contractor or
builder due to strikes, fires, national emergency, natural calamity or other similar circumstance. Construction must commence within four (4) months following Architectural Review Committee approval. All construction debris, stumps, trees, etc. must be periodically removed from each Lot by builder or Owner, and such debris shall not be dumped in any area within the Property.

6.14 **Temporary Structures.** No structure of a temporary character, trailer, shack, tent, garage, barn or other outbuilding shall be used on any Lot at any time as a residence, either temporarily or permanently.

6.15 **Fences and Hedges.** Materials and design of fences or boundary hedges shall first be approved by the Architectural Review Committee prior to installation.

6.16 **Service Facilities.** Service facilities (garbage, fuel tanks, clotheslines, etc) shall be screened such that the elements screened are not visible from the street. All telephone, power, natural gas, cable television and other communications lines shall be placed underground, except as otherwise mandated by local jurisdictions or public utilities companies.

6.17 **Mailboxes.** Mailboxes shall be approved of by the Architectural Review Committee and meet the requirements of the United States Postal Service.

6.18 **Antennas and Satellite Dishes.** Exterior antennas, satellite receiver and transmission dishes and other communications devices shall not be permitted to be placed upon any Lot except in accordance with rules established by the Architectural Review Committee in accordance with Section 7.3.

6.19 **Exterior Lighting or Noisemaking Devices.** Except with the consent of the Architectural Review Committee, no exterior lighting or noisemaking devices shall be installed or maintained on any Lot, other than as installed as a security and fire alarm system.

6.20 **Pest Control.** No Owner shall permit any thing or condition to exist upon any portion of the Property which shall induce, breed or harbor infectious plat or animal diseases or noxious insects or vermin.

6.21 **Grades, Slopes and Drainage.** Each Owner of a Lot shall accept the burden of, and shall not in any manner alter, modify or interfere with, the established drainage pattern and grades, slopes and courses related thereto over any Lot or portion of the Property so as to create erosion or change the direction of flow, obstruct or retard the flow of water through drainage channels.

6.22 **Fire Controls.** Any Living Unit shall be constructed with a fire sprinkler system as approved by the Fire Marshall and the Yamhill County Building Division. This Section shall not apply to any dwelling(s) or Living Unit(s) constructed on any Lot(s) by Declarant prior to that Lot's first sale or transference of title, but shall apply to any subsequent dwellings or Living Units constructed on any Lot, unless waived in writing by the Fire Marshall and the Yamhill County Building Division.

6.23 **Rules and Regulations.** In addition, the Association from time to time may adopt, modify or revoke such nondiscriminatory 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.

ARTICLE 7

ARCHITECTURAL REVIEW COMMITTEE

7.1 Architectural Review. No improvement shall be commenced, erected, placed or altered on any Lot until the construction plans and specifications showing the nature, shape, height, materials, colors and proposed location of the Improvement have been submitted and approved in writing by the Architectural Review Committee. The building plans to be submitted shall consist of one complete set of plans and specifications in the usual form insofar as appropriate, and such shall include: i) the size of the dimensions of the Improvements, (ii) the exterior design, (iii) approximate color scheme, (iv) location of the Improvements on the Lot, including setbacks, driveway and parking areas, and (v) location of existing trees to be removed. A set of these plans and specifications shall be left with the Committee until sixty (60) days after notice of completion has been received by the Committee- this is for the purpose of determining whether, after inspection by the Committee, the Improvement complies substantially with the plans and specifications submitted and approved. The Architectural Review Committee is not responsible for determining compliance with structural and building codes, solar ordinances, zoning codes or any other governmental regulation, all of which are the responsibility of the applicant. 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 Architectural Review Committee. The Committee may charge a reasonable fee to cover the cost of processing the application. In all cases in which the Architectural Review Committee consent is required by this Declaration, the provisions of this Article shall apply, except that this Article shall not apply to construction by Declarant.

7.2 Committee Decision. The Architectural Review Committee shall rend its decision with respect to the construction proposal within twenty (20) calendar days after it has received all materials required by it with respect to the application. In the event the Committee fails to render its approval or disapproval within thirty (30) calendar days after the Committee has received all materials required by it with respect to the proposal, or if no suit to enforce this Declaration has been commenced within one year after completion thereof, approval will not be required and the related provisions of this Declaration shall be deemed to have been fully complied with.

7.3 Committee Discretion. The Architectural Review Committee may, at its sole discretion, withhold consent to any proposed work if the Committee finds that proposed work would be inappropriate for the particular Lot or incompatible with the Design Guidelines or design standards that the Committee intends for Ra’Nor Estates. It is the intent and purpose of this Declaration to assure quality of workmanship and materials; to assure harmony of external design; and to be complimentary as to location with respect to topography and finish grade elevation. Considerations such as siting, shape, size, color, design, materials, height, solar access, screening, impairment of the view from other Lots, or other effect on the enjoyment of other Lots, disturbance of drainage, alteration of existing terrain and vegetation, and any other factors which the Committee
reasonably believes to be relevant, may be taken into account by the Committee in determining whether or not consent to any proposed work. Regulations on siting of television antennas and satellite receiving dishes shall be in conformance with any applicable Federal Communications rules.

7.4 Membership: Appointment & Removal. Until Living Units are constructed on all Lots the Architectural Review Committee shall consist of two classes of Committee Members. Principal Members shall be: Ralph Johnson, Roger Veatch and Brett Veatch. The Principal Members may from time to time appoint as many persons to the Committee as Secondary Members or remove Secondary Members, as the Principal Members deem appropriate and beneficial. At the time all Lots have Living Units which have received a final certificate of occupancy from the governing jurisdiction, the separate classes of Committee Members shall cease to exist. At such time, the Board of Directors shall assume responsibility for appointment and removal of members of the Architectural Review Committee, or serve as the Architectural Review Committee.

7.5 Majority Action. Except as otherwise provided in this Declaration, a majority of the members of the Architectural Review Committee shall have the power to act on behalf of the Committee, without the necessity of a meeting. The Committee may render its decision only by written instrument setting forth the action taken by the consenting members.

7.6 Liability. Neither the Architectural Review 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 Committee or as a member of the Committee, and the Association shall indemnify the Committee and its members therefrom provided that the member has, in accordance with actual knowledge possessed by him, acted in good faith.

7.7 Nonwaiver. Consent by the Architectural Review Committee to any matter proposed to it or within its jurisdiction shall not 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.

7.8 Appeal. Any Owner claiming to be adversely affected by action of the Architectural Review Committee may appeal such action to the Board of Directors of the Association. Appeals shall be made in writing within ten (10) days of the Committee’s action and shall contain specific objections or mitigating circumstances justifying the appeal. A final, conclusive decision shall be made by the Board of Directors of the Association within fifteen (15) working days after the receipt of such notification.

7.9 Effective Period of Consent. The Architectural Review Committee’s consent to any proposed work shall automatically be revoked four (4) months after issuance unless construction of the work has been substantially commenced in the judgment of the Architectural Review Committee and thereafter diligently pursued, unless the Owner has applied for and received an extension of time from the Committee.

7.10 Enforcement. If during or after the construction the Architectural Review Committee finds that construction does not reasonably comply with the approved plans, the Committee may require conforming changes to be made or that construction be
stopped. The cost of any required changes shall be borne by the Owner. The Committee shall have the power and authority to order any manner of changes or removal of any Improvement, alteration or other activity for which prior written approval from the Committee is required and has not been obtained or waived in writing. If an Owner fails to comply with an order of the Committee, then, subject to the Owner's right of appeal under Section 7.8, either the Architectural Review Committee or the Association may enforce compliance in accordance with the procedures set forth in Section 11.1 below.

ARTICLE 8

ASSOCIATION

Declarant shall organize an association of all of the Owner's within Ra'Nor Estates. Such Association, its successors and assigns, shall be organized under the name "Ra'Nor Estates Owners Association" or such similar name as Declarant shall designate, and shall have such property, powers and obligations as are set forth in this Declaration for the benefit of the Property and all Owner of Lots located therein.

8.1 Organization. Declarant shall, before the first Lot is conveyed to an Owner, organize the Association as a nonprofit corporation under the general nonprofit corporation laws of the State of Oregon. The Articles of Incorporation of the Association shall provide for its perpetual existence, but in the event that the Association is at any time dissolved, either inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event, all of the property, powers and obligations of the incorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, and such vesting shall thereafter be confirmed as evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws of the Association as if they had been made to constitute the governing documents of the unincorporated association.

8.2 Membership. Every Owner of one or more Lots within the Property shall, immediately upon creation of the Association and thereafter during the entire period of such Owner's ownership of one or more Lots within the Property, be a member of the Association. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

8.3 Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Class B members and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any Lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast or recognized with respect to any Lot.
Class B. Class B members shall be Declarant and Declarant’s designated appointees and assigns. Class B members shall be entitled to three votes for each Lot owned by Class B members. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) When thirty-seven (37) of the Lots have been sold and conveyed to Owners other than the Class B members; or
(ii) At such earlier time as Class B members elect in writing to terminate Class B membership.

8.4 General Powers and Obligations. The Association shall have, exercise and perform all of the following powers, duties and obligations.

(a) The powers, duties and obligations granted to the Association by this Declaration.

(b) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon.

(c) Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit or the Owners within the Property.

The powers and obligations of the Association may from time to time be amended, repealed, enlarged or restricted by changes in this Declaration made in accordance with its provisions, accompanied by changes in the Articles of Incorporation or Bylaws of the Association in accordance with such instruments and with the nonprofit corporations laws of the State of Oregon.

8.5 Specific Powers and Duties. The powers and duties of the Association shall include, without limitation, the following:

(a) Maintenance Services. The Association shall provide maintenance and services for the Property as provided in Article 9 and other provisions of this Declaration.

(b) Insurance. The Association shall obtain and maintain in force policies of insurance as provided in this Declaration or the Bylaws of the Association.

(c) Rulemaking. The Association shall make, establish, promulgate, amend and repeal rules and regulations as provided in Section 6.24 of this Declaration.

(d) Assessments. The Association shall adopt budgets and impose and collect Assessments as provided in Article 10 of this Declaration.

(e) Enforcement. The Association shall perform such acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce the provisions of this Declaration and the rules and regulations adopted by the Association, including without limitation, enforcement of the decisions of the Architectural Review Committee.
(f) **Employment of Agents, Advisers and Contractors.** The Association, through its Board of Directors, may employ the services of any person or corporation as managers, hire employees to manage, conduct and perform the business, obligations and duties of the Association, employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, landscape architects, architects, planners, lawyers and accountants, and contract for or otherwise provide for all services necessary or convenient for the management, maintenance and operation of the Property.

(g) **Borrow Money.** The Association may borrow and repay moneys for the purpose of performing its duties under this Declaration.

(h) **Implied Rights and Obligations.** The Association may exercise any other right or privilege reasonably to be implied from the existence of any right or privilege expressly given to the Association under this Declaration or reasonably necessary to effectuate any such right or privilege.

(i) **Create Classes of Service and Make Appropriate Charges.** The Association may, in its sole discretion, create various classes of service and make appropriate Individual Assessments or charges therefore to the users of such services, including but not limited to residential water wells; water well pumps; well control systems; pressure tanks; and other water system related components; easement roads; and similar facilities or services that would benefit a limited number of Lots and their Owners.

### 8.6 Liability

A member of the Board of Directors or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his duties, except for acts of gross negligence or intentional acts. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

### 8.7 Interim Board; Turnover Meeting

The Interim Board of Directors shall consist of Declarant and Declarant’s designated appointees and assigns, who shall serve as the Board of Directors of the Association until their successors take office at the turnover meeting following termination of Class B membership. At such meeting the Interim Directors shall resign and be replaced by their successors, who shall be designated as provided in this Declaration and the Bylaws of the Association. The Interim Board shall call a meeting of the Association for the purpose of turning over administrative responsibility for the Property to the Association not later than ninety (90) days after termination of the Class B membership in accordance with Section 8.3 above. If the Interim Board fails to call the turnover meeting required by this section, any Owner or mortgagee of a Lot may call the meeting by giving notice as provided in the Bylaws.

### 8.8 Contracts Entered into by Interim Board Prior to Turnover Meeting

Notwithstanding any other provision of this Declaration, any management contracts, service contracts or employment contracts entered into by the Interim Board of Directors on behalf of the Association prior to the turnover meeting described in Section 8.7 above shall have a
term of not in excess of two (2) years. In addition, any such contract shall provide that it
may be terminated without cause or penalty by the Association or Board of Directors
upon not less than thirty (30) days’ notice to the other party given not later than sixty
(60) days after the turnover meeting described in Section 8.7 above.

ARTICLE 9

MAINTENANCE, UTILITIES AND SERVICES

9.1 Maintenance of Common Facilities. The Association shall perform, or contract to
perform, all maintenance upon any Common Area or Common Facilities, including but
not limited to entry landscaping and irrigation, entry monuments and signs, roads, and
walls, unless the maintenance thereof is assumed by a public body.

9.2 Shared Private Water Systems. Shared wells in the development shall be administered
as follows:

9.2.1 Maintenance of Pump Systems: Upon decision by the Board of Directors of the
Association and upon their instruction, the Association may perform, or contract to
perform, the maintenance, repair or replacement of submersible water pumps for any
of the fifteen (15) original shared wells on the Property, any pump controls, pressure
tanks, switching mechanisms, water meters, electrical lines or other related
components which were originally installed to work with the original shared wells on the
Property. This work shall be paid for out of the appropriate reserve account or
operations account unless such work is deemed an emergency by the Board, in which
case the Board may levy an emergency assessment and/or individual assessments.

9.2.2 Initial Installation – Burden of Individual Owners: Neither the Association nor the
Declarant shall be required to install the initial well pump; pump controls; electrical
wiring, distribution lines; or other components associated with distributing water from
the shared wells to individual Lots- those cost shall be borne equally by the Lots
serviced from the shared well. Should the Association or Declarant choose to install the
initial well pump; pump controls; electrical wiring, distribution lines or any other
components associated with distributing water from the shared wells to individual Lots,
then this Section shall grant the Association the authority to levy an assessment against
the Lot after the first transference of title for that Lot’s proportional share of the costs of
such installation.

9.2.3 Maintenance of Private Distribution Lines: The Association shall not be obligated to
perform any maintenance, repair or replacement of any private water line which may
extend to any Lot from a pump house or similar origination point, nor shall there be any
obligation to maintain, repair or replace any additional water facility or component
which has been installed on a Lot either with or without the express written permission
of the Architectural Review Committee.

9.3 Owner’s Responsibility. Except as otherwise provide in this Declaration or by written
agreement with the Association, all maintenance of the Lots and Improvements thereon
as provided in Section 6.5, 6.6, 6.7 above shall be the sole responsibility of the Owner
thereof, who shall maintain such Lot in a safe, neat and attractive condition in accordance with the communitywide standard of Ra'Nor Estates. The Association shall, in the discretion of the Board of Directors, assume the maintenance responsibilities of such Owner if, in the opinion of the Board of Directors, the level and quality of maintenance being provided by such Owner does not satisfy such standard. Before assuming the maintenance responsibilities, the Board of Directors shall notify the Owner in writing of its intention to do so, and if such Owner has not commenced and diligently pursued remedial action within fifteen (15) days after mailing of such written notice, then the Association shall proceed. The expense of such maintenance by the Association shall be reimbursed to the Association by the Owner, together with interest as provided in Section 11.5 below. Such charges shall be an lien on the Lot as provided in Sections 10.8 and 11.2 below.

ARTICLE 10

ASSESSMENTS

10.1 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of the Property and for the improvement, operation and maintenance of any Common Facilities.

10.2 Type of Assessments. The Association may levy Annual Assessments, Special Assessments, Emergency Assessments and Individual Assessments, all as more particularly described below.

10.3 Apportionment of Assessments. Lots owned by Declarant shall not be subject to Annual Assessments, Special Assessments, Emergency Assessments or Individual Assessments until such time as the Lot is occupied for residential use, except that Annual Assessments for reserves as described in Section 10.11(b) below shall begin accruing from the date that the first Lot is conveyed. All Lots other than unoccupied Lots owned by Declarant shall be subject to assessments and shall pay an equal share of the Annual Assessments, Special Assessments and Emergency Assessments. No Owner by the Owner's own action may claim exemption from liability for contribution towards Assessments by waiver by the Owner of use or enjoyment of any Lot or Common Facility or by abandonment by the Owner of the Owner's Lot. An Owner may not claim an offset against an Assessment for failure of the Association to perform its obligations, and no Owner may offset amounts owing or claimed to be owing by the Association or Declarant to the Owner.

10.4 Annual Assessments. The Board of Directors of the Association shall from time to time and at least bi-annually prepare an operating budget for the Association, taking into account the current costs of maintenance and services and future needs of the Association and any previous over-assessment. The budget shall take into account the number of Lots subject to assessment as of the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year. The budget shall provide for such reserve or contingency funds as the Board deems necessary or as may be required by law, but not less than the reserves required by Section 10.10 below. Annual Assessments for such
operating expenses and reserves ("Annual Assessments") shall then be apportioned among the Lots as provided in Section 10.3 above. Within thirty (30) days after adopting the annual budget, the Board of Directors shall provide a summary of the budget to all Owners. If the Board of Directors fails to adopt an annual budget, the last adopted budget shall continue in effect. The manner of billing and collection of Assessments shall be as provided in the Bylaws.

10.5 Special Assessments. In addition to the Annual Assessment authorized above, the Board of Directors may levy during any fiscal year a Special Assessment ("Special Assessment"), applicable to that year only, for the purpose of deferring all or any part of the cost of any construction or reconstruction, unexpected repair, capital improvement, or for any other one-time expenditure not to be paid for out of Annual Assessments. Special Assessments which in the aggregate in any fiscal year exceed an amount equal to ten percent (10%) of the budgeted gross expenses for the Association for the fiscal year may be levied only if approved by a majority of the voting rights voting on such matter, together with the written consent of the Class B members, if any.

10.6 Emergency Assessments. If the Annual Assessments levied at any time are, or will become, inadequate to meet all expenses incurred under this Declaration for any reason, including nonpayment of any Owner's Assessments on a current basis, the Board of Directors of the Association shall immediately determine the appropriate amount of such inadequacy and issue a supplemental budget, noting the reason therefore, and levy an Emergency Assessment for the amount required to meet all such expenses on a current basis ("Emergency Assessment"). Any Emergency Assessment which in the aggregate would exceed an amount equal to five percent (5%) of the budgeted gross expenses for the Association for the fiscal year may be levied only if approved by not less than a majority of the voting rights voting on such matter, together with the written consent of the Class B members, if any.

10.7 Individual Assessments. Any common expense or any part of a common expense benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited ("Individual Assessment"). Individual Assessments include, without limitation, charges for services provided under Section 8.5(i) and 9.3 above, and any common expense that is the fault of the Owner and is not paid by insurance. Individual Assessments shall also include default assessments levied against any Lot to reimburse the Association for costs incurred in bringing such Lot or its Owner into compliance with the provisions of this Declaration or the Rules and Regulations of the Association and for fines or other charges imposed pursuant to this Declaration for violation thereof. Unless otherwise provided for by the Board of Directors, Individual Assessments shall be due 30 days after the Board of Directors has given written notice thereof to the Owners subject to the Individual Assessments.

10.8 Operations Fund. The Association shall keep all funds received by it as Assessments, other than the reserves described in Section 10.9, separate and apart from its other funds, in a bank account in the name of the Association to be known as the "Operations Fund". All expenses of the Association shall be paid from the Operations Fund or the Reserve Fund referred to in Section 10.9. The Association shall use each fund exclusively for the purpose of promoting the health, safety, welfare and enjoyment of the residents within the Property and in particular for the improvement and
maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of any Common Area, Common Facility and the Lots situated on the Property, including but not limited to:

a) Payment of the cost of maintenance, utilities and services described in Article 9.

b) Payment of the cost of insurance as described in the Bylaw of the Association.

c) Payment of the cost of other services which the Association deems to be of general benefit to the Owners, including but not limited to accounting, legal and secretarial services.

10.9 Reserve Fund.

a) Establishment of Account. The Declarant shall establish a bank account in the name of the Association (the "Reserve Fund") for the replacement of common facilities which will normally require replacement in whole or part in more than three (3) and less than thirty (30) years. The Reserve Fund need not include those items that could be reasonably be funded from the operating assessments.

b) Funding of Reserve Fund. The Reserve Fund shall be funded by assessments against the individual Lot assessed for maintenance of the items for which the Reserve Fund is being established, which sums shall be included in the regular monthly Annual Assessment for the Lot. The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The Association is responsible for administering the Reserve Fund and making periodic payments into it.

c) Reserve Studies. The amount of the reserve payments shall be adjusted at least every five (5) years to recognize changes in the current replacement cost over time. The Board of Directors shall annually review the existing reserve study to determine whether or not an update of the existing study or a new study should be conducted, however an update or new study shall be conducted by the Board at least every five (5) years. The reserve study shall include:

i. Identification of all items for which reserves are to be established;

ii. The estimated remaining useful life of each item as of the date of the study;

iii. An estimated cost of maintenance, repair or replacement of each item at the end of its useful life;

iv. A thirty (30) year plan with regular and adequate contributions, adjusted by estimated inflation and interest on earned reserves, to meet the maintenance, repair and replacement schedule.

d) Use of Reserve Fund. The Reserve Fund shall be used only for maintenance, repair and replacement of Common Facilities for which reserves have been established and shall be kept separate from other funds. After the turnover meeting described in Section 8.7, however, the Board of Directors may
borrow funds from the Reserve Fund to meet emergency expenditures or temporary expenses which will later be paid from Annual Assessments, Special Assessments, Individual Assessments or Emergency Assessments. Nothing in this Section shall prohibit prudent investment of the reserve account. Following the second year after the turnover meeting, future Assessments for the Reserve Fund may be reduced, eliminated or decreased by an affirmative vote of not less than seventy-five percent (75%) of the voting power of the Association. Assessments paid into the Reserve Fund are the property of the Association and are not refundable to sellers or Owners of Lots. Seller of the Lots, however, may treat their outstanding share of the Reserve Fund as a separate item in any sales agreement.

10.10 Creation of Lien and Personal Obligation Assessments. Declarant, for each Lot owned by it within the property, does hereby covenant, and each Owner of any Lot by acceptance of conveyance thereof, whether or not so expressed in any such conveyance, shall be deemed to covenant to pay to the Association all assessments or other charges as may be fixed, established and collected from time to time in the manner provided in this Declaration or the Association Bylaws. Such assessments and charges, together with any interest, expenses or attorney’s fees imposed pursuant to Section 11.5, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment charge is made. Such Assessments, charges and other costs shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Article 11 below.

10.11 Voluntary Conveyance. In a voluntary conveyance of a Lot the grantee shall be jointly and severally liable with the grantor for all unpaid assessments against the grantor of the Lot up to the time of the grant or conveyance, without prejudice to the grantee’s right to recover from the grantor the amounts paid by the grantee therefore. However, upon request of a prospective purchaser, the Board of Directors of the Association shall make an deliver a statement of the unpaid Assessments against the prospective grantor or the Lot, and the grantee in that case shall not be liable for, nor shall the Lot when conveyed be subject to a lien filed thereafter for any unpaid Assessments against the grantor in excess of the amount set forth in the statement.

ARTICLE 11

ENFORCEMENT

11.1 Violation of General Protective Covenants. In the event any Owner construct or permits to be constructed on his Lot an Improvement contrary to the provisions of this Declaration, or shall violate any provisions of this Declaration, the Bylaws of the Association or the rules and regulations, then the Association acting through its Board of Directors shall notify the Owner in writing of any such specific violations. If the Owner is unable, unwilling or refuses to comply with the Associations specific directives for remedy or abatement, or if the Owner and the Association cannot agree to a mutually acceptable solution within the framework and intent of this Declaration, after notice and opportunity to be heard and within fifteen (15) days of written notice to the
Owner, then the Association acting through its Board of Directors, shall have the right to do any of the following:

a) Assess reasonable fines against such Owner in the manner and amount the Board deems appropriate in relation to the violation, which fines shall constitute Individual Assessments for the purposes of this Declaration;

b) Enter the offending Lot and remove the cause of such violation, or alter, repair or change the item which is in violation of this Declaration in such as manner as to make it conform thereto, in which case the Association may assess the Owner for the entire cost of the work done, which amount shall be payable to the Operations Fund as an Individual Assessment, providing that no items of construction shall be altered or demolished in the absence of judicial proceedings;

c) Cause any vehicle parked in violation of this Declaration or the rules and regulations to be towed and impounded at the Owners' expense;

d) Suspend the voting rights and any utility services paid for out of the Assessments for the period that the violations remain unabated, provided that the Association shall not deprive any Owner of access to and from his Living Unit; and

e) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration.

11.2 Default in Payment of Assessments; Enforcement of Lien. If an Assessment or other charge levied under this Declaration is not paid within thirty (30) days of its due date, such Assessment or charge shall become delinquent and shall bear interest from the date due at a rate set forth below. In such event the Association may exercise any or all of the following remedies:

a) Suspend the voting rights and any utility services paid for out of the Assessments for the period that the violations remain unabated, provided that the Association shall not deprive any Owner of access to and from his Living Unit.

b) The Association shall have a lien in accordance with ORS 94.709 against each Lot for any Assessment levied against the Lot, including any fines or other charges imposed under this Declaration or the Bylaws against the Owner of the Lot.

c) The Association may bring an action to recover a money judgment for unpaid Assessments, fines and charges under this Declaration without foreclosing or waiving the lien described in paragraph (b) above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

d) The Association shall have any other remedy available at law or equity

11.3 Reports to First Mortgages. In response to a written request of any first mortgagee of a Lot, the Association shall report to such mortgagee whether such Lot is current or past due with respect to Assessments.
11.4 **Subordination of Lien to Mortgages.** The lien of the Assessments or charges provided for in this Declaration shall be subordinate to the lien of any mortgage or deed of trust on such Lot which was made in good faith and for value and which was recorded prior to the recording of the notice of lien. Sale or transfer of any Lot shall not affect the Assessment lien, but the sale of transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a decree of foreclosure thereunder or any deed or proceeding, deed or assignment in lieu of foreclosure shall extinguish any lien of an Assessment notice of which was recorded after the recording of the mortgage or trust deed. The unpaid Assessments as a result of such foreclosure or sale shall become a common expense of all Owners, including the mortgagee or purchaser, and such sale or transfer shall not release the Lot from liability for any Assessment or charges thereafter becoming due or from the lien of such Assessments or charges.

11.5 **Interest, Late Charges and Expenses.** Any amount not paid to the Association when due in accordance with this Declaration shall bear interest from the due date until paid at a rate which is the greater of twelve percent (12%) per annum or such other rate as may be established by the Board of Directors, but not to exceed the lawful rate of interest under the laws of the State of Oregon. A late charge may be charged for each delinquent Assessment in an amount established from time to time by resolution of the Board of Directors of the Association not to exceed five percent (5%) of such Assessment. In the event the Association shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice, and fee for preparing the notice of lien established from time to time by resolution of the Board of Directors of the Association.

11.6 **Costs and Attorney's Fees.** In the event the Association shall bring any suit or action to enforce this Declaration, the Bylaws of the Association or the Rules and Regulations, or to collect any money due hereunder or to foreclose a lien, the Owner-defendant shall pay to the Association all costs and expenses incurred by it in connection with such suit or action, including a foreclosure title report, and the prevailing party in such suit or action shall recover such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof or in connection with any bankruptcy proceeding or special bankruptcy remedies.

11.7 **Nonexclusiveness and Accumulation of Remedies.** An election by the Association to pursue any remedy provided for violation of this Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted under this Declaration. The remedies provided in this Declaration are not exclusive but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to the Association. In addition, any aggrieved Owner may bring an action against another Owner or the Association to recover damages or to enjoin, abate or remedy any violation of this Declaration by appropriate legal proceedings.

11.8 **Enforcement by Yamhill County.** The provisions of this Declaration relating to the preservation and maintenance of roadways, drainage areas and easements shall be deemed to be for the benefit of Yamhill County as well as the Association and Owners of Lots, and Yamhill County may enforce such provisions by appropriate proceedings at law or in equity, or may cause such maintenance to be performed, the costs of which shall become a lien upon the Property.
ARTICLE 12

DISPUTE RESOLUTION

12.1 Mediation/Arbitration. Any claim, controversy or dispute by or among Declarant, Association, the Architectural Control Committee or one or more Owners, or any of them, arising out of or related to this Declaration, the Bylaws of the Association, the Rules and Regulations or the Property shall be first subject to mediation and, if not timely settled by mediation, resolved by arbitration in accordance with this Article 12. Any party may at any time opt to forego mediation and submit the matter directly to arbitration as provided herein. The decisions and award of the arbitrator shall be final, binding and nonappealable. The arbitration shall be conducted in Yamhill County, Oregon pursuant to the arbitration statutes of the State of Oregon and any arbitration award may be enforced by any court with jurisdiction. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statute of limitations or for the purposes of filing a notice of pending action ("lis pendens").

12.2 Selection of Arbitrator. The arbitration shall be conducted by a single arbitrator selected by mutual agreement of the parties. The arbitrator selected shall be neutral and unbiased, except to the extent the arbitrator's prior relationship with any party is fully disclosed and consented to by the other party or parties. If the parties are unable to agree upon an arbitrator within ten (10) days after a party's demand for arbitration, upon application of any party, the Presiding Judge of the Circuit Court of Yamhill County, Oregon shall designate the arbitrator.

12.3 Consolidated Arbitration. Upon demand by any party, claims between or among the parties and third parties shall be submitted in a single, consolidated arbitration.

12.4 Discovery. The parties to the arbitration shall be entitled to such discovery as would be available to them in an action in Yamhill County Circuit Court. The arbitrator shall have all the authority of the Court incidental to such discovery, including without limitation authority to issue orders to produce documents or other materials, to issue order to appear and submit to deposition, and to impose appropriate sanctions including without limitation award against a party for failure to comply with any order.

12.5 Evidence. The parties to the arbitration may offer such evidence as they desire and shall produce such additional evidence as the arbitrator may deem necessary for an understanding and determination of the dispute. The arbitrator shall determine the admissibility of the evidence offered. All evidence shall be taken in the presence of the arbitrator and all of the parties, except where any of the parties is absent in default or has waived its right to be present.

12.6 Excluded Matters. Notwithstanding the foregoing, the following matters shall not be subject to mediation or arbitration under this Article 12 (but shall be subject to the application provisions of Section 12.6 below): a) actions relating to the collection of fees, assessments, fines and other charges imposed or levied by the Association (other than disputes as to the validity or amount of such fees, assessments, fines or charges, which disputes shall be subject to mediation/arbitration as provided above), and b) actions to enforce any order, decision or award rendered by arbitration.
pursuant to this Article 12. The filing of a lis pendens or the application to any court for the issuance of any provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the procedures specified in this Article 12.

12.7 Costs and Attorneys' Fees. The fees of any mediator and the costs of mediation shall be divided and paid equally by the parties. Each party shall pay its own attorneys' fees and costs in connection with any mediation. The fees of any arbitrator and the costs of arbitration shall be paid by the nonprevailing part or parties; if none, such fees and costs shall be divided and paid equally by the parties. Should any suit, action or arbitration be commenced in connection with any dispute related to or arising out of this Declaration, the Bylaws or Rules and Regulations, to obtain a judicial construction of any provision of this Declaration, the Bylaws or Rules and Regulations, to rescind this Declaration or to enforce or collect any judgment or decree of any court or any award obtained during arbitration, the prevailing party shall be entitled to recover its costs and disbursements, together with such investigation, expert witness and attorneys' fees incurred in connection with such dispute as the court or arbitrator may adjudge reasonable, at trial, in the arbitration, upon any motion for reconsideration, upon petition for review, and on any appeal of such suit, action or arbitration proceeding. The determination of who is the prevailing party shall be decided by the arbitrator (with respect to attorney's fees incurred prior to and during the arbitration proceedings) and by the court or courts, including appellate or review court, in which such matter is tried, heard or decided, including a court that hears a request to compel or enjoin arbitration or that hears exceptions made to an arbitration award submitted to it for confirmation as a judgment (with respect to attorneys' fees incurred in such proceedings).

12.8 Survival. The mediation and arbitration agreement set forth in this Article 12 shall survive the transfer by any party of its interest or involvement in the Property and any Lot therein and the termination of this Declaration.

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.1 Amendment and Repeal. This Declaration, or any provision thereof, as from time to time in effect with respect to all or any part of the Property, may be amended or repealed by the vote or written consent of Owners representing not less than seventy-five percent (75%) of the Lots, based upon one vote for each such Lot, together with the written consent of the Class B members, if such Class B membership has not be terminated as provided in this Declaration. Any such amendment or repeal shall become effective only upon recordation in the Deed Records of Yamhill County, Oregon of a certificate of the president or secretary of the Association setting forth in the full amendment, amendments or repeal so approved and certifying that said amendment, amendments or repeal have been approved in the manner required by this Declaration. In no event shall an amendment under this section create, limit or diminish special Declarant rights without Declarant's written consent, or change the boundaries of any Lot or any uses to which any Lot is restricted unless the Owners of
the affected Lots unanimously consent to the amendment. Declarant may no amend
this Declaration to increase the scope of special Declarant rights reserved in this
Declaration unless Owners representing seventy-five percent (75%) of the total vote
agree to amendment.

13.2 Regulatory Amendments. Notwithstanding the provisions of Section 13.1 above, until
the turnover meeting described in Section 8.7 has occurred, Declarant shall have the
right to amend this Declaration or the Bylaws of the Association in order to comply with
the requirements of any applicable statute, ordinance or regulation of the Federal
Housing Administration, the United States Department of Veterans Affairs, the
Farmers Home Administration of the United States, the Federal Nation Mortgage
Association, the Government National Mortgage Association, the Federal Home
Mortgage Loan Corporation, any department, bureau, board, commission or agency of
the United States or the State of Oregon, or any corporation wholly owned, directly or
indirectly, by the United States or the State of Oregon which insures, guarantees or
provides financing for a planned community or lots in a planned community. After the
turnover meeting, any such amendment shall require the approval of a majority of the
voting rights of the Association voting in person, by proxy or by ballot at a meeting or
ballot meeting of the Association at which a quorum is present.

13.3 Joint Owners. In any case in which two or more persons share the ownership of any
Lot, 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 any one 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 Association, 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.

13.4 Lessees and Other Invitees. Lessees, employees, invitees, contractors, family
members and other persons entering the Property under rights derived from an Owner
shall comply with all the provision of this Declaration restricting or regulating the
Owner's use, improvement or enjoyment of his Lot 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 himself.

13.5 Nonwaiver. Failure by the Association or by 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.

13.6 Construction; Severability; Number; Captions. This Declaration shall be liberally
construed as an entire document to accomplish the purposes thereof as stated in the
introductory paragraphs hereof. Nevertheless, each provision of this Declaration shall
be deemed independent and severable, and the invalidity or partial invalidity of any
 provision shall not affect the validity or enforceability of the remaining part of that or
any other provision. As used in this Declaration, the singular shall include the plural
and the plural the singular, and the masculine and neuter shall each include the
masculine, feminine and neuter, as the context requires. All captions herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Declaration.

13.7 Notices and Other Documents. Any notice or other document permitted or required by this Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed made twenty-four (24) hours after having been deposited in the United States Mail as certified or registered mail, with postage prepaid, addressed as follows: if to Declarant or the Association: 16705 NE Chehalem Drive, Newberg, Oregon 97132; if to an Owner, at the address given at the time of the Owner purchase of a Lot or at the Lot. The address of a party may be changed at any time by notice in writing delivered as provided herein.

13.8 NonRemonstrance and Waiver of Rights to Contest Neighboring Farming Practices:

Owners of Lots in Ra'Nor Estates acknowledge that the Property consists of a rural residential development surrounded by agricultural operations. Commercial agricultural, forestry and ranching activities may take place on lands adjacent to the development. Activities that may regularly take place include, but are not limited to: Burning; Spraying; Harvesting; Dusting, Pruning, Fertilizing; etc. These activities may take place at any hour of the day. Owners of Lots in Ra'Nor Estates acknowledge that they have checked with the appropriate governing agencies as to what allowable farming, forestry and ranching practices entail. The Owners of Lots in Ra'Nor Estates acknowledge that the State of Oregon has strong “right-to-farm” laws and as becoming an Owner of a Lot in Ra'Nor Estates each Owner covets not to file complaint or suit and waives all rights to any action against any reasonable and commonly accepted farming practice.

IN WITNESS WHEREOF, Declarant has executed this Declaration on the date set forth above.

Ralph E. Johnson, Trustee- Johnson Living Trust

Norma J. Johnson, Trustee- Johnson Living Trust

State of OREGON )
)ss.
County of YAMHILL )

The foregoing instrument was acknowledged before me this 31st day of
Nov. 2007, by Ralph E. Johnson and Norma J. Johnson,

Trustees of the Johnson Living Trust.

Notary Public for OREGON

My commission expires on:

26/26