

DECLARATION OF INDIAN SHORES PROTECTIVE COVENANTS

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DECLARATION OF INDIAN SHORES PROTECTIVE COVENANTS

This Declaration is made this 1st day of June, 1972 by LAKEWOOD PROPERTIES, INC., an Oregon corporation ("Developer"), as holder and developer of a unique area in Lincoln City, Oregon, known as INDIAN SHORES. The purpose of this Declaration is to establish the protective framework within which Indian Shores 'will be developed and thereby to perpetuate for the benefit of all who acquire property therein the beauty and variety of the unspoiled, natural environment of Indian Shores.

Developer intends that Indian Shores shall provide for all who acquire property therein an opportunity to obtain unique satisfaction of their recreational needs in a manner which will insure preservation and full enjoyment of the natural advantages of the area and yet encourage diverse, individual expression appropriate to the environment. Developer believes that this concept of development serves both public and private interests by fostering a beneficial land use which will perpetuate the rare beauty of the area and enrich the lives of its inhabitants and guests.

It is assumed that all owners of property within Indian Shores will be inspired by its natural environment to accept the principle that the development and use of Indian Shores must preserve that environment for themselves and future owners. It is also assumed that those persons entrusted with the development and administration of Indian Shores will discharge their trust, in full recognition of that principle and, to the extent consistent therewith, will foster maximum individual flexibility and freedom of individual expression.

This Declaration is made for the purposes described above, and it is in recognition of those purposes that the limitations, restrictions, covenants, and conditions of this Declaration and of all other declarations supplemental hereto shall be construed and applied.

ARTICLE I - Definitions

As used in these Covenants, the terms set forth below shall have the following meanings:

1.01 Association means the nonprofit corporation to be formed to serve as an owners' association as provided in **Article V** hereof and its successors and assigns.

1.02 Developer means Lakewood Properties, Inc., an Oregon corporation, and its successors and assigns.

1.03 Improvement means every building of any kind, fence, wall, driveway, septic or other sewage facility, or other product of construction efforts on or in respect of land.

1.04 Indian Shores means the land described in **Article II** hereof.

1.05 Initial Development means the property shown as Indian Shores on that certain plat entitled "Indian Shores" filed in the Plat Records of Lincoln County, Oregon, on the 22nd day of May, 1972 in Book 11 of Plats at Page 34, except Lot 26 thereof.

1.06 Owner means the person or persons (including Developer except where otherwise expressly provided) holding the beneficial ownership of a parcel and includes the holder of a leasehold interest. The rights, obligations and other status of being an owner commence upon acquisition of the beneficial ownership of a parcel and terminate upon disposition of, such ownership, but termination of ownership shall not discharge an owner from obligations incurred prior to termination.

1.07 Parcel means a single family residential area within Indian Shores, including platted and unplatted lots, condominium units, single family living units in a multi-family structure, and any other division of land or space intended for occupancy by a single family and its invitees.

1.08 Sold means that legal title has been conveyed or that a contract of sale has been executed under which the purchaser has obtained the right to possession.

1.09 These Covenants means all of the limitations, restrictions, covenants and conditions set forth in this Declaration with respect to Indian Shores, together with the Design Committee Rules provided for by Section 4.04 hereof and the Indian Shores Rules provided for by Section 3.00 hereof, and the same may be amended and supplemented from time to time hereafter in accordance with the provisions of this Declaration.

ARTICLE II - Property Subject to These Covenants

2.01 Initial Development – Developer hereby declares that all of the real property described below is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to these Covenants:

The property shown as Indian Shores on that certain plat entitled "Indian Shores" filed in the Plat Records of Lincoln County, Oregon, on the 22nd day of May, 1972 in Book 11 of Plats at Page 34, except Lot 26 thereof. The above-described real property, together with other real property from time to time annexed thereto and made subject to these Covenants pursuant to Section 2.02, shall constitute Indian Shores.

2.02 Annexation of Subsequent Developments – Developer may from time to time and in its sole discretion annex to Indian Shores any adjacent real property now or hereafter

acquired by it, and may also from time to time and in its sole discretion permit other holders of adjacent real property to annex the adjacent real property owned by them to Indian Shores. The annexation of such adjacent, real property shall be accomplished as follows:

(a) The holder or holders of such real property shall record a declaration which shall be executed by or have the approval of Developer and shall, among other things, describe the real property to be annexed, establish any additional or different limitations, restrictions, covenants and conditions which are intended to be applicable to such property, and declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to these Covenants.

(b) The property included by any such annexation shall thereby become a part of Indian Shores, the declaration with respect thereto shall become a part of these Covenants, and Developer and the Association shall have and shall accept, and exercise administration of these Covenants with respect to such property.

(c) Notwithstanding any provision apparently to the contrary, a declaration with respect to any annexed area may:

(1) Establish such new land classifications and such limitations, restrictions, covenants and conditions: with respect thereto as Developer may deem to be appropriate for the development of the annexed property.

(2) With respect to existing land classifications, establish such additional or different limitations, restrictions, covenants and conditions with respect thereto as Developer may deem to be appropriate for the development of such annexed property.

ARTICLE III - Land Classifications and Protective Covenants

3.01 Land Classifications – All land within the Initial Development of Indian Shores is included in one or another of the following classifications:

(a) Private areas, being the areas shown as numbered parcels in the Plat of Indian Shores.

(b) Common areas, being all areas which are so designated on the Plat of Indian Shores and which are intended for the common use and enjoyment of owners, but are not private ways.

(c) Private ways, being the ways of ingress and egress as installed by Developer on portions of the common areas.

Additional land classifications may hereafter be established in annexed areas as provided in **Article II**.

3.02 Private Areas: Use and Occupancy – The owner of a parcel within a private area in Indian Shores shall be entitled to the exclusive use and benefit of such parcel, except as otherwise expressly provided herein, but his parcel shall be bound by and he shall comply with the following and all other provisions of these Covenants for the mutual benefit of all owners of property within Indian Shores:

(a) **Maintenance** – Each owner shall maintain the grounds and improvements of his parcel in a clean and attractive condition, in good repair and in such fashion as not to create a fire hazard.

(b) **Appearance** – Each owner shall keep any garbage, trash and other refuse on his parcel in covered containers, and shall keep such containers and any fuel tanks, clothes lines and other service facilities screened from the view of neighboring parcels and common areas in a manner approved by the Design Committee.

(c) **Adjacent Common Area** – The owner of a parcel which blends together visually with any common area shall, if Developer elects from time to time so to require, permit Developer to enter upon such parcel to perform mowing and other maintenance in connection with the maintenance of such common area.

(d) **View** – The owner of a parcel shall permit Developer to enter upon such parcel to trim or remove trees or other vegetation thereon as reasonably required from time to time in order to preserve and protect the view from other parcels within Indian Shores.

(e) **Residential Use** – Private areas shall be used exclusively for residential purposes, and no parcel shall be improved with more than one single family dwelling, including outbuildings for use of the immediate family, transient guests and servants.

(f) **Offensive Activities** – No noxious or offensive activity shall be carried on in a private area, nor shall anything be done or placed upon any parcel which interferes with or jeopardizes enjoyment of other parcels or common areas within Indian Shores.

(g) **Animals** – No domestic animals of any kind shall be raised, kept or permitted within private areas other than a reasonable number of household pets which are not kept, bred or raised for commercial purposes and which are reasonably controlled so as not to be a nuisance to other owners.

(h) **Signs** – No sign shall be placed or kept on any parcel other than to identify the owner or advertise that his parcel is for sale or for rent. There shall be no more than one sign for each such purpose, and no sign shall be larger than five square feet.

(i) **Trailers and Campers** – No trailer or truck camper shall be placed or kept on any parcel so as to be visible from any other parcel, except temporarily for a period not in excess of one year for use in the construction of permanent improvements, if the Design Committee has so consented.

(j) **Temporary Structures** – No outbuildings or temporary structures shall be constructed on any parcel prior to the construction of the main residence thereon, except for temporary construction shelters or facilities, if the Design Committee has so consented, which temporary structures shall be removed within one year after erection.

(k) **Fires** – No exterior fires shall be permitted in private areas other than barbecue or trash disposal fires contained within receptacles therefor and such other fires as may from time to time be permitted by the Indian Shores Rules.

3.03 Private Areas: Covenants Subject to Design Committee Variation – The following covenants shall apply to every parcel within a private area in Indian Shores, and to the owner thereof, unless the owner applies for and obtains the consent of the Design Committee to a variation therefrom:

(a) **Commercial Use** – No commercial activities shall be carried on in a private area, except that two parcels may from time to time be designated by Developer for use in connection with management of Developer's affairs, and except further that any artist or artisan may pursue his artistic calling in a manner which, in the discretion of the Design Committee, does not constitute a violation of any other provision of these Covenants.

(b) **Exterior Lighting or Noise-Making Devices** – No exterior lighting or noise-making devices shall be installed or maintained on a private area.

(c) **Horses** – No horses shall be raised, kept or permitted on a private area.

(d) **Vegetation** – No trees, shrubs or other vegetation shall be removed from a private area, and no trees, shrubs or other vegetation shall be planted on a private area except as permitted by the Design Committee Rules.

(e) **Residence** – No person shall reside on a parcel until the exterior of the main residence thereon has been completed, including stain, plumbing connected and cooking facilities installed.

3.04 Private Areas: Easement Reserved – Developer reserves to itself for the benefit of Developer and all owners of parcels within Indian Shores an easement five feet in width along the entire boundary of each platted lot within Indian Shores solely for installation and maintenance of power, water and other utility services and establishment of hiking trails. Developer may release any such easement running along the boundary separating two lots if Developer determines that the easement is not reasonably necessary for utility services or hiking trails. In addition, Developer hereby reserves an easement across the property described in Exhibit A attached hereto for the purpose of installation, maintenance, repair and replacement of sanitary sewer lines and access pathways.

3.05 Private Areas: Construction and Alteration of Improvements – No owner shall construct, reconstruct, alter, re-finish or maintain any improvement upon, under or above any parcel, or make any excavation or fill on a parcel, or make any change in the natural or existing surface drainage of a parcel, or install any utility line, outside antenna or other outside wire, unless the owner has first obtained the consent thereto of the Design Committee. Any such activities (hereafter referred to as "work") which are visible from any other parcel or common area within Indian Shores shall, after, being approved by the Design Committee, be completed within one year after commencement of construction thereof unless the owner applies for and obtains the consent of the Design Committee to an extension of the construction period.

3.06 Design Committee Consent – In all cases in which Design Committee consent is required by these Covenants, the following provisions shall apply:

(a) Major Construction – In the case of initial or substantial additional construction of a dwelling, the owner shall first give the Design Committee notice of his intentions and obtain from the Design Committee the site studies it has made of the owner's parcel. Thereafter the owner shall proceed to prepare and submit to the Design Committee such plans and specifications for the proposed work as the committee may require. Material required by the committee may include, but not necessarily be limited to, the following:

(1) A plot plan including contours, location of existing trees, plants and other significant natural features, grading and drainage plan, proposed removal of trees, landscaping plan, location of utility installations and location of all improvements.

(2) Working drawings and specifications for all construction.

(3) Drawings showing elevations, exterior materials and exterior color scheme of all improvements. The Design Committee shall render its decision with respect to the proposal within 45 days after it has received all material required by it with respect thereto.

(b) Minor Work – In the case of minor additions or remodeling, change of existing exterior color scheme or exterior material, removal or planting of trees, shrubs or other vegetation, or any other work not referred to in paragraph (a), above, the owner shall submit to the Design Committee such plans and specifications for the proposed work as the committee determines to be necessary to enable it to evaluate the proposal. The Design Committee shall render its decision with respect to the proposal within 15 days after it has received all material required by it with respect thereto.

(c) Design Committee Discretion – The Design Committee may in its sole discretion withhold consent to any proposed work if the committee finds that the proposed work would be inappropriate for the particular parcel or incompatible with the high design standards that Developer intends for Indian Shores. Considerations such as siting, shape, size, color, design, height, impairment of the view from other parcels within Indian Shores or other effect on the enjoyment of other parcels or common areas, disturbance of existing terrain and vegetation, and any other factors which the Design Committee reasonably believes to be relevant, may be taken into account by the committee in determining whether or not to consent to any proposed work.

(d) Failure to Act – In the event the Design Committee fails to render its decision with respect to any proposed work within the time limits set forth below, the committee shall conclusively be deemed to have consented to the proposal.

(e) Effective Period of Consent – Design Committee consent to any proposed work shall automatically be revoked one 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 Design Committee.

(f) Notices on Completion – Promptly after completion of any work the owner shall give written notice of completion to the Design Committee. The committee shall, within 30 days after receipt of such notice, inspect the completed work and give written notice to the owner of any respects in which the completed work fails to conform to the plans and specifications therefor as consented to by the Design Committee and is found objectionable by the Design Committee. The Design Committee shall specify in such notice a reasonable period, not less than 30 days, in which the owner may remedy the nonconformance. In the event a notice of non-conformance and requirement of cure is not given within such 30-day period, the committee shall conclusively be deemed to have consented to the work as completed.

3.07 Private Ways and Common Areas: Easements, Uses and Improvements – Developer, the owners of parcels within Indian Shores and their respective invitees shall be entitled to

the exclusive use and benefit of the private ways and common areas within Indian Shores, subject to the following and all other provisions of these Covenants:

(a) **Easements** – Developer reserves to itself for the benefit of Developer and all owners of parcels within Indian Shores an easement on all private ways and common areas for installation and maintenance of power, water and other utility services, vehicular access within Indian Shores and to adjacent areas, and construction, maintenance and use of recreational facilities. Developer may grant or assign such easements to municipalities or other utilities performing such utility services.

(b) **Use of Common Areas** – The use of common areas shall be strictly limited to recreational activities which do not harm or otherwise disturb the natural setting of the areas or the trees or other vegetation thereon, except as Developer and the Design Committee may otherwise specifically permit, and the common areas shall not be platted or otherwise divided into parcels for residential use. Motorcycles and other motor vehicles shall not be permitted on any common areas or on easements established for hiking trails. Developer contemplates that certain portions of the common areas may be developed with recreational facilities for the general use and benefit of all owners of parcels within Indian Shores.

(c) **Limited Benefit Areas** – Certain portions of the common areas may be designated for use only by the owners of certain parcels and their invitees. Such limited-benefit areas shall include any boat moorage spaces installed by Developer in the boat lagoon. Developer may issue moorage permits for such boat moorage spaces to owners, and the holder of such permit and his invitees shall continue to have the exclusive use of such space as long as the holder is an owner of a parcel in Indian Shores. A moorage permit may be assigned by its holder to any other owner, provided written notice of such assignment is given to Developer. The sale, transfer or devise by a holder of his last remaining parcel in Indian Shores shall be construed to be assignment of his moorage permit to the transferee in the absence of an expression of a contrary intent by the parties. If a holder of a moorage permit ceases to be an owner of any parcel in Indian Shores without having assigned his permit as herein provided, such permit shall terminate. In lieu of issuing moorage permits, Developer may elect to lease moorage spaces to owners. In such event, the rental shall be sufficient to pay the cost of maintenance and shall be deposited in the maintenance fund. In addition, owners of certain parcels for recreational use or improvement of benefit to contributing owners only. Any owner or group of owners desiring to make such special use of common areas must first obtain the written consent thereto of Developer, and shall then proceed to apply for Design Committee consent in accordance with the procedures outlined in these Covenants for the use and improvement of private areas.

(d) Use of Private Ways – Each owner of a parcel within Indian Shores shall have a nonexclusive easement to use the private ways now or hereafter established within Indian Shores for the purpose of walking thereon or traveling thereon by bicycle or motor vehicle. Owners of parcels within Indian Shores may permit their guests and invitees to use the private ways for the purposes herein specified, and the easement granted to each owner shall be appurtenant to and assignable with the parcel in respect of which it is granted. Such easement shall not otherwise be assignable by owners, but Developer may hereafter in its discretion dedicate such ways to the public. Developer also intends to grant free access on private ways to police, fire and other public officials and to employees of utility companies serving Indian Shores.

3.08 Indian Shores Rules – In the exercise of its powers and performance of its obligations pursuant to these Covenants, Developer may, from time to time and in its sole discretion, adopt, amend and repeal rules and regulations to be known as "Indian Shores Rules" to provide for the use and maintenance of private ways, common areas and other facilities within Indian Shores, and to provide for services for the general benefit of all owners. Such rules may provide, among other things, for speed, and other traffic controls, safety patrol, trash disposal and reasonable fines and other penalties for violation of the rules. A current copy of such rules shall be kept on file at the principal office of Developer or the Association at all times. Such rules shall have the same force and effect as if set forth herein as a part of these Covenants.

ARTICLE IV - Design Committee

4.01 Members: Appointment and Removal – There shall be a Design Committee consisting of as many persons, not less than three, as Developer may from time to time appoint. Developer may remove any member of the Design Committee from office at any time and may appoint new or additional members at any time. Developer shall keep on file at its principal office a list of names and addresses of the members of the Design Committee.

4.02 Action – Except as otherwise provided herein, any two members of the Design Committee shall have power to act on behalf of the committee, without the necessity of a meeting and without the necessity of consulting the remaining members of the committee. The committee may render its decisions only by written instrument setting forth the action taken by the members consenting thereto.

4.03 Failure to Act – If at any time the Design Committee shall for any reason fail to function, the board of directors of Developer shall have complete authority to serve as a pro tem Design Committee.

4.04 Duties and Rules – The Design Committee shall consider and act upon all matters properly submitted to it pursuant to these Covenants. In furtherance of this function, the Design Committee may by unanimous vote, from time to time and in its sole discretion, adopt,

amend and repeal rules and, regulations to be known as "Design Committee Rules" to establish its operating procedures and interpret, detail and implement these Covenants. Such rules may provide, among other things, for a reasonable fee not to exceed \$100 per application to be paid to the Design Committee to cover its costs incurred in considering and acting upon matters submitted to it. A current copy of such rules shall be kept on file at the principal office of Developer or the Association at all times. Such rules shall have the same force and effect as if set forth herein as a part of these Covenants.

4.05 Nonwaiver – Consent by the Design Committee to any matter proposed to it and within its jurisdiction under these Covenants shall not be deemed to constitute a precedent or waiver impairing its rights to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

4.06 Estoppel Certificate – Within thirty days after written demand therefor by any owner, the Design Committee shall execute and deliver to the owner an estoppel certificate certifying with respect to the property of such owner that, as of the date of the certificate, either (a) all improvements and other work upon said property comply with these Covenants, or (b) such improvements and/or work do not so comply for reasons specified in the certificate. Any purchaser or mortgagee of property within Indian Shores may rely on such certificate with respect to the matters therein set forth, such matters being conclusive against Developer, the Association and all owners of property in Indian Shores.

4.07 Liability – Neither the Design Committee nor any member thereof shall be liable to any owner, the Association of Developer for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the committee or a member thereof, provided only that the member has, in accordance with the actual knowledge possessed by him, acted in good faith.

ARTICLE V - Indian Shores Association

Developer shall organize an association of all of the owners of property within Indian Shores. Such association, its successors and assigns (the "Association") shall be organized under the name "Indian Shores Association" and shall have property, powers and obligations as set forth in these Covenants for the benefit of Indian Shores and all owners of property located therein.

5.01 Organization – Developer shall within seven years after the recording of this Declaration 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 the Association is at any time dissolved, whether 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 each vesting shall thereafter be confirmed and 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.

5.02 Membership, Voting – Every owner of one or more parcels of land within Indian Shores shall, immediately upon creation of the Association and thereafter during the entire period of such owner's ownership of one or more parcels within Indian Shores, 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. Each owner shall have one vote on all matters submitted to the membership of the Association for each parcel owned by him within Indian Shores.

5.03 Delegation by Developer – Developer may at any time and from time to time delegate, convey or otherwise assign to the Association Developer's interest in the common areas and common facilities within Indian Shores and the powers and obligations of Developer pursuant to these Covenants. Such delegations, conveyances or other assignments may grant to the Association authority which is exclusive or which is concurrent with Developer, and may be made in general terms or with reference to specific items. If specific delegations, conveyances or other assignments are made, they shall cover only those items which are expressly described therein provided, however, that correlative powers and obligations shall be treated together. The timing and manner of such delegations, conveyances or other assignments shall be solely within the discretion of Developer provided, however, that Developer shall complete the delegation, conveyance or other assignment of all of its interest in the private ways, common areas and common facilities within Indian Shores, and of all of Developer's powers and obligations under these Covenants with respect to Indian Shores, within 15 years after this Declaration is recorded. The responsibility of Developer under these Covenants with respect to any property, powers or obligations shall cease upon the exclusive conveyance, delegation or other assignment thereof to the Association. Any delegation pursuant to this section shall be in writing, executed by Developer and recorded in the Deed Records of Lincoln County, Oregon.

5.04 Powers and Obligations – The Association shall have, exercise and perform all of the following powers and obligations:

- (a) The powers and obligations granted directly to the Association by these Covenants, or granted by such covenants to Developer and in turn delegated, conveyed or otherwise assigned by Developer to the Association.

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

(c) Any additional or different powers and obligations necessary or desirable for the purposes of carrying out the functions of the Association pursuant to these Covenants or otherwise promoting the general benefit of owners of property within Indian Shores. The powers and obligations of the Association may from time to time be amended, repealed, enlarged or restricted by changes in these Covenants made in accordance therewith or by changes in the Articles of Incorporation or Bylaws of the Association made in accordance with such instruments and the nonprofit corporation laws of the State of Oregon.

5.05 Capital Improvement Assessments – At any time after the Association has more than 25 members, exclusive of Developer, the Association may elect to purchase, construct or otherwise acquire additional equipment, facilities or other capital improvements for the general use and benefit of all of the members of the Association, and for that purpose may impose a special, assessment to be called a "Capital Improvement Assessment." Any such assessment shall be levied against all of the parcels within Indian Shores, except those as, to which Developer is owner, equally or in proportion to the assessed value thereof for ad valorem tax purposes, as the Association may determine at the time. Any action by the Association pursuant to this section shall be effective only if approved by the vote or written consent of owners owning not less than 80 percent of the parcels within Indian Shores subject to such assessment.

5.06 Liability –Neither the Association nor any officer or member of its board of directors shall be liable to any owner or to Developer for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Association, its board of directors or any member of its board of directors, provided only that the board member has, in accordance with the actual knowledge possessed by him, acted in good faith.

ARTICLE VI - Maintenance: Assessments and Fund

6.01 Maintenance – Developer shall maintain, or provide for the maintenance of, the private ways and common areas and all improvements thereon of whatever kind for whatever purpose. Developer may delegate or otherwise assign its obligation of maintenance to the Association.

6.02 Maintenance Assessment – Developer shall assess and collect from every owner, and every owner shall pay to Developer, an annual maintenance assessment of \$100 per parcel. The annual assessment shall be made as of July 1 of each year and shall be payable in a lump sum with a three percent discount on or before July 15 or at the rate of \$15 per month on or before the first day of each month; provided, however, that no such maintenance assessment

shall be made with respect to parcels as to which Developer is owner. Developer shall place all amounts received as maintenance assessments hereunder in the Maintenance Fund to be established and used as provided herein.

6.03 Maintenance Fund – Developer shall keep all funds received by it as maintenance assessments, together with any other funds received by it pursuant to these Covenants which are by the terms of such covenants to be deposited in the Maintenance Fund, separate and apart from its other funds in an account to be known as the "Maintenance Fund," and shall use such fund only for the following purposes:

- (a) Payment of the cost of maintaining private and public ways serving Indian Shores, entrance and other signs, common areas, hiking trails, recreational facilities for the general benefit of all owners of property within Indian Shores, and other facilities designed to serve the general benefit of such owners.
- (b) Payment of taxes assessed against private ways and common areas within Indian Shores and the improvements thereon.
- (c) Payment of the cost of providing patrol service and garbage and trash disposal for common areas.
- (d) Payment of the cost of insurance, including insurance protecting Developer, the Design Committee and the Association against liability arising out of their functions and activities in the administration of these Covenants.
- (e) Payment of the cost of enforcing these Covenants.
- (f) Payment of the cost of other services which Developer deems to be of general benefit to owners of property within Indian Shores.

6.04 Adjustments – Developer may adjust the amount of the annual maintenance assessment in accordance with increases in the cost of living, as set forth in **Section 8.05**. In addition, in the event Developer deems the Maintenance Fund to be inadequate or excessive for the purposes set forth above, taking into account the need for reasonable reserves for such purposes, the annual maintenance assessment provided for by **Section 6.02** may be increased or decreased on a uniform basis in such amount as is approved in writing or at a meeting of the Association members by the owners of 60 percent of the parcels within Indian Shores which are subject to assessment and which vote on such change.

6.05 Limited-Benefit Areas – The limited benefit areas described in Section 3.0/(c) shall be maintained by Developer. The cost of such maintenance and the cost of any insurance upon and any ad valorem taxes and assessments against such areas shall be borne equally by the owners having the beneficial use of each such area. For this purpose, if moorage

permits are issued pursuant to said section, all boat moorage spaces shall be considered as being in the same limited-benefit area, and the holder of each moorage permit shall bear a pro rata share of such costs in the same proportion as the number of spaces which he is entitled to use bears to the total number of spaces. Developer shall either (a) add such proportionate costs to the regular maintenance assessment of each such owner, or (b) separately assess such proportionate costs to each such owner, in which event such amount shall be payable within 30 days of assessment. Developer may, in addition to any other remedy herein provided, suspend or revoke the permit of any owner who does not pay such assessment within 30 days after written notice to the owner of the amount past due and of intent to suspend or revoke the permit.

ARTICLE VII – Enforcement

7.01 Use of Common Areas and Facilities – In the event any owner shall violate any provision of these Covenants or the Indian Shores Rules relating to the use of private ways, common areas or common facilities, Developer may impose upon such owner a fine not to exceed \$25 for each such violation. Such fine shall become payable upon delivery by Developer to the owner of notice thereof, and shall be paid into the Maintenance Fund.

7.02 Nonqualifying Improvements – In the event any owner constructs or permits to be constructed on his parcel an improvement contrary to the provisions of these Covenants, or in the event an owner maintains or permits any improvement, activity, condition or other thing on his parcel contrary to the provisions of such covenants, Developer may no sooner than 60 days after delivery to such owner of written notice of the violation enter upon the offending parcel and remove the cause of such violation, or alter, repair or change the item which is in violation of such covenants in such a manner as to make it conform thereto. Developer may charge such owner for the entire cost of the work done by Developer pursuant to this section. Such amount shall become payable upon delivery by Developer to the owner of notice of the amount due, and shall be paid into the Maintenance Fund to the extent that the costs being reimbursed were paid out of the Maintenance Fund.

7.03 Landscape – In the event any owner fails to comply with the provisions of these Covenants limiting removal of trees and shrubs, Developer may impose on such owner a fine in an amount not to exceed \$25 for each shrub removed in violation of such covenants and not to exceed \$25 per inch of the diameter at the stump of each tree removed in violation of such covenants. Developer may also restore the original landscape insofar as is reasonably possible, and charge the owner for the entire cost involved in such restoration. Such fines and costs shall become payable upon delivery by Developer to the owner of notice of the amount thereof; fines shall be paid into the Maintenance Fund, and costs shall be paid into the Maintenance Fund to the extent that the amounts being reimbursed were paid out of the Maintenance Fund.

7.04 Interest – Any amount not paid to Developer or the Association when due in accordance with these Covenants shall bear interest from the date due until paid at a rate three percentage points per annum above the prevailing Portland, Oregon prime rate at the time.

7.05 Default in Payment of Assessments and Fines – Each assessment or fine levied pursuant to those Covenants shall be a separate, distinct and personal debt and obligation of the owner against whom the assessment or fine is levied. Sale or transfer of the parcel by the owner shall not release him from the personal liability imposed hereunder. If the owner fails to pay such fine or assessment or any installment thereof when due, the owner shall be in default and the amount of the fine or assessment not paid (including installments not otherwise due if Developer or the Association elects that such installments be accelerated), together with interest, costs and attorneys' fees as elsewhere provided for herein, shall become a lien upon the parcel or parcels against which the fine or assessment was made upon recordation by Developer or the Association of a notice of lien. Such liens shall be subordinate to the lien of any mortgage or deed of trust upon such parcel or parcels which was made in good faith and for value and which was recorded prior to recordation of the notice of lien. Developer or the Association may commence proceedings to foreclose any such lien at any time within one year following such recordation.

7.06 Expenses and Attorneys' Fees – In the event Developer or the Association shall bring any suit or action to enforce these Covenants, to collect any money due to them or either of them thereunder, or to foreclose a lien, the owner-defendant shall pay to the successful plaintiff all costs and expenses incurred by such plaintiff in connection with such suit or action, including a foreclosure title report and such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal thereof.

7.07 Non-exclusivity and Accumulation of Remedies – An election by Developer or the Association to pursue any remedy provided for violation of those Covenants shall not prevent concurrent or subsequent exercise of another remedy permitted under such covenants. The remedies provided in these Covenants 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 laws.

7.08 Right of Entry – Developer, any member of the Design Committee authorized by it, and any representative of the Association authorized by it, may at any reasonable time, and from time to time at reasonable intervals, enter upon any parcel within Indian Shores for the purpose of determining whether or not the use and/or improvement of such parcel are then in compliance with these Covenants. No such entry shall be deemed to constitute a trespass or otherwise to create any right of action in the owner of such parcel.

ARTICLE VIII - Miscellaneous Provisions

8.01 Amendment and Repeal – These Covenants, or any provision thereof, us from time to time in effect with respect to all or any part of Indian Shores, may, at any time with the written consent of Developer, or at any time more than 19 years after the date on which this Declaration is recorded without the consent of Developer, be amended or repealed as provided by the vote or written consent of owners owning not less than 75 percent of the parcels within Indian Shores. Any such amendment or repeal shall become effective only upon recordation of a certificate of the secretary or an assistant secretary of Developer or the Association setting forth in full the amendment, amendments or repeal so approved and certifying that said amendment, amendments or repeal have been approved in the manner required therefor herein.

8.02 Duration – These Covenants shall run with the land and shall Low and remain in full force and effect at all times with respect to all property included within Indian Shores and the owners thereof for an initial period of 30 yours commencing with the date on which this Declaration is recorded. Thereafter, these Covenants shall continue to run with the land and be and remain in full force and effect at all times with respect to all property within Indian Shores and the owners thereof for successive additional periods of ten years each. The continuation from the initial or any additional period into the next subsequent period shall be automatic and without the necessity of any notice, consent or other action whatsoever; provided, however, that these Covenants may be terminated at the end of the initial or any additional period by resolution approved not less than six months prior to the intended termination date by the vote or written consent of owners owning not less than 75 percent of the parcels within. Indian Shores. Any such termination shall become effective only if a certificate of the secretary or an assistant secretary of Developer or the Association, certifying that termination as of a specified termination date has been approved in the manner required therefor herein, is duly acknowledged and recorded in the Deed Records of Lincoln County, Oregon, not less than one year prior to the intended termination date.

8.03 Joint Owners – In any case in which two or more person's share the ownership of any parcel, regardless of the form of ownership, the responsibility of such persons to comply with these Covenants 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 Developer and 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 each matter.

8.04 Lessees and Other Invitees – Lessees, invitees, contractors, family members and other persons entering Indian Shores under rights derived from an owner shall comply with all of the provisions of these Covenants restricting or regulating the owner's use, improvement or enjoyment of his parcel and other areas within Indian Shores. 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.

8.05 Cost of Living Adjustments – The dollar amount is set forth in Section 4.04 with respect to Design Committee fees, Section 6. 02 with respect to maintenance assessments and Sections 7. 01 and 7.03 with respect to penalties for violations, may in the sole discretion of Developer be increased by five percent for each five percent increase occurring after January 1, 1972 in the United States Department of Labor Bureau of Labor Statistics Consumer Price Index, all Items, U. S. City Average (1957-59=100), or the successor of each index.

8.06 Construction, Severability, Number, Captions – These Covenants shall be liberally construed as an entire document to accomplish the purposes thereof as stated in the introductory paragraphs of this Declaration. Nevertheless, each provision of these Covenants 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 herein, 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 used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Covenants.

8.07 Notices and Other Documents – Any notice or other document permitted or required by these Covenants may be delivered either personally or by mail. Delivery by mail shall be deemed made 24 hours after having been deposited as certified or registered mail in the United States Mail, with postage prepaid, addressed as follows: if to Developer, the Design Committee or the Association, 4522 S. W. Water Avenue, Room 109, Portland, Oregon 97201; if to an owner, at the address given by him at the time of his purchase of a parcel, or at his parcel within Indian Shores. The address of a party may be changed by him at any time by notice in writing delivered as provided herein.

8.08 Limitation of Liability of Developer – Neither Developer nor any officer or director thereof, shall be liable to any owner or the Association on account of any action or failure to act of Developer in performing its duties or rights hereunder, provided only that Developer has, in accordance with actual knowledge possessed by it, acted in good faith.

THIS PAGE IS A SCAN OF THE ORIGINAL NOTARY PAGE ATTACHED TO
THE ORIGINAL CC&R DOCUMENT (1972) FROM WHICH THIS CURRENT
DOCUMENT WAS EXTRACTED, CONVERTED, AND FORMATTED
SOLELY FOR THE PURPOSE OF LEGIBILITY.

IN WITNESS WHEREOF, Developer has executed this
Declaration the day and year first above written.

LAKEWOOD PROPERTIES, INC.

By *Alvin M. Brumfield*
President

By *William J. Thomas*
Secretary

STATE OF OREGON)
County of *Washington*) ss.

On the *12th* day of *April*, 1972 personally ap-
peared *Alvin M. Brumfield* who, being duly sworn, did say that he
is the president of LAKEWOOD PROPERTIES, INC., that the seal
affixed to the foregoing instrument is the corporate seal of
said corporation and that said instrument was signed and
sealed in behalf of said corporation by authority of its
board of directors, and he acknowledged said instrument to
be its voluntary act and deed.

Before me:

B. L. Brumfield
Notary Public for Oregon
My commission expires: *4-10-73*

STATE OF OREGON)
County of *Washington*) ss.

On the *12th* day of *April*, 1972 personally ap-
peared *William J. Thomas* who, being duly sworn, did say that he is
the secretary of LAKEWOOD PROPERTIES, INC., that the seal af-
fixed to the foregoing instrument is the corporate seal of
said corporation and that said instrument was signed and
sealed in behalf of said corporation by authority of its board
of directors, and he acknowledged said instrument to be its
voluntary act and deed.

Before me:

B. L. Brumfield
Notary Public for Oregon
My commission expires: *4-10-73*