

Quiet Water Homeowners Association

Amended Covenants, Conditions and Restrictions

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AMENDMENT OF ALL PRIOR COVENANTS,
CONDITIONS AND RESTRICTIONS
DECLARING NEW COMPREHENSIVE PROTECTIVE
COVENANTS, CONDITIONS AND RESTRICTIONS FOR
QUIET WATER, YACHATS, LINCOLN COUNTY, OREGON

RECITALS:

1. QUIET WATER is a planned unit development within the City of Yachats, Lincoln County, Oregon.

2. QUIET WATER has been developed in several phases. Different covenants, conditions and restrictions (CC&Rs) have been declared for different phases of the development.

3. Because QUIET WATER is located in a unique geographical setting and to enhance and protect the development and the lots therein, Declarants desire to amend all prior covenants, conditions and restrictions by declaring herein a comprehensive set of covenants, conditions and restrictions to control the improvement upon and the use of the lots within the QUIET WATER development. This will enhance the value of the lots and benefit all present and future owners thereof.

AMENDMENT

At least 75 percent (75%) of the Members of the QUIET WATER Homeowners Association and 100 percent (100) of the First Mortgagees, if any, on all lots within the Replats of QUIET WATER Phases I, II, III, and IV hereby completely amend and supercede any and all prior declarations of protective covenants, conditions and restrictions for any portion of QUIET WATER, Yachats, Lincoln County, Oregon, and specifically those recorded:

September 4, 1981
Book 126, page 2338

June 7, 1985
Book 161, page 1466

August 7, 1984
Book 152, page 1943

June 13, 1986
Book 171, page 1817

October 22, 1984
Book 155, page 261

December 2, 1987
Book 188, page 0182

April, 1990
Book 217, page 0766

by declaring and establishing that all lots within the QUIET WATER planned unit development hereinafter referred to as The Property shall be held, sold and conveyed on and subject to the covenants, conditions and restrictions hereinafter set forth all of which shall run with the title to said lots, shall be binding upon all persons having or acquiring any right, title or interest in and to said lots, and all persons claiming under them, and shall inure to the benefit of and the limitations upon all future owners of said lots therein.

ARTICLE I

DEFINITIONS

Whenever used in these CC&Rs, the following terms shall have the following meanings:

1. "Association" shall mean QUIET WATER HOMEOWNERS ASSOCIATION, INC., a non-profit corporation, organized under the laws of the State of Oregon, its successors and assigns.

2. "Cluster Lot" shall mean any lot within the Replats of QUIET WATER Phases I, II, III and IV, and Lot 20, Block 3, QUIET WATER.

3. "Standard Platted Lot" shall mean and refer to those lots in the original Plat of QUIET WATER Phase V, which abut platted streets.

4. "Common Area" shall mean all real property, and appurtenances thereto, now or hereinafter owned by the Association for the common use and enjoyment of all the members of the Association.

5. "Developer" shall mean and refer to QUIET WATER dba YACHATS TRADING CO., their successors, heirs and assigns, or to any successor or assign to all or substantially all of their interest in the development of The Property.

6. "Limited Common Area" shall mean all real property and appurtenances thereto now or hereinafter owned by the Owners of specific lots surrounding such Limited Common Area as described herein for the common use and enjoyment of that limited class of Owners.

7. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property with the exception of Commons Areas, and Limited Common Area or right of way.

8. "Member" shall mean and refer to every person or entity who holds membership in the Association.

9. "Mortgage", shall mean and refer to any mortgage or deed of trust.

10. "Mortgagee" shall refer to the mortgagee or beneficiary under a deed of trust. Those current first mortgagees whose consent is required for this amendment are listed on the attached Exhibit "C".

11. "Present Owners" shall mean those individuals and entities listed on Exhibit "B".

12. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereinafter be brought within the jurisdiction of the Association by recorded declarations in the manner hereinafter set forth.

13. "Set Back" means the minimum distance between the dwelling unit or other structure referred to and a given street right-of-way or lot line.

ARTICLE II

ASSOCIATION

1. Membership. Every person or entity who is a record owner (including contract buyers as above described) of a fee or undivided fee interest in any lot, by virtue of such ownership shall be a member of the Association. The foregoing is intended to exclude persons or entities who hold an interest merely as security for the performance of an obligation, and the general public, the City of Yachats, County of Lincoln, or State of Oregon as owners of any streets, rights of way, navigable waters or easements. Membership shall be appurtenant to and may not be separated from ownership of any lot made subject to the jurisdiction of the Association. Such ownership shall be the sole qualification for membership, and shall automatically commence upon a person becoming such owner, and shall automatically terminate and lapse when such ownership in a lot shall terminate or be transferred.

2. Voting Rights. Members shall be all record owners as defined in Article II. Members shall be entitled to one vote for each membership by virtue of Article II. When more than one person holds such interest in any lot, all such persons shall be members. The vote for such lot shall be exercised as they among themselves determine, or if unable to agree, they may cast fractional votes proportionate to their ownership interest, but in no event shall more than one vote be cast with respect to any one lot. The vote applicable to any lot being sold under a contract of purchase shall be exercised by the contract buyer unless the contract expressly provides otherwise.

3. Property Rights

3.1 Members' Easements of Enjoyment. Every member of the Association shall have a right of enjoyment and easement in and to the Common Areas and such easement shall be appurtenant to and shall pass with the title to every assessed lot; subject, however, to the following provisions:

3.1.1 The right of the Association to limit the number of members permitted to use a particular part of the Common Areas at any one time;

3.1.2 The right of the Association to charge reasonable admission fees for the use of any recreational facility now or hereafter situated upon the Common Areas or otherwise controlled by the Association, including, particularly, the right to charge an annual or other periodic fee for members who desire exclusive use of such facility and who are willing to pay a special fee for such use;

3.1.3 The right of the Association, in accordance with its Articles and By-Laws, to borrow money for the purpose of improving the Common Areas and facilities and in aid thereof to mortgage said Common Area facilities for such purposes, and the rights of any mortgagees in said properties shall be subordinate to the rights of the homeowners hereunder;

3.1.4 The right of the Association to suspend any member's voting rights and/or right to use any of the recreational facilities owned by the Association, for any period during which any assessments against said member's property remains unpaid; and for a period not to exceed thirty (30) days for each infraction of its published rules and regulations;

3.1.5 The right of the Association to dedicate or transfer all or any part of the Common Areas to any public agency, authority or utility for such purposes and subject to such conditions as may be agreed to by the members. No such condition or transfer shall be effective unless by a two-thirds majority vote of the membership and an appropriate document signed by the Association officers has been recorded in the appropriate county deed records agreeing to such dedication or transfer and unless written notice of the proposed action is sent to every member, not less than thirty (30) days nor more than sixty (60) days prior to such dedication or transfer;

3.1.6 The right of the Directors of the Association, from time to time, to promulgate reasonable guidelines, rules and regulations governing such rights of use in the interest of securing maximum safe usage of such Common Areas by the members of the Association entitled thereto without unduly infringing upon the privacy or enjoyment of the owner or occupant, including but not limited to, rules restricting persons under or over designated ages from using certain portions of the Property during certain times, and reasonable regulations and restrictions regarding parking.

3.1.7 Developer hereby declares and establishes blanket easements over all of the Common Area for the installation and maintenance of utilities to serve the lots within the Property. This included rights of ingress and egress for installation and maintenance of said utilities.

3.2 Declaration of Use. Any member may delegate in accordance with the Rules and Regulations adopted from time to time by the Directors, his right of enjoyment to the Common Areas and facilities to the members of his family and his tenants.

3.3 Title to Common Areas. The Developer hereby covenants that it will convey to the Association the fee simple title to the Limited Common Areas designated as such in the Replat of QUIET WATER Phase V, prior to the conveyance of the first lot.

3.4 Limited Common Areas. The above set forth easements of enjoyment, delegations of use, and title provisions apply equally to the Limited Common Areas subject to and modified by the fact that said provisions apply only to and for the sole benefit of the Owners of the following listed lots with respect to each specific Limited Common Area:

Lots 1 through 9 Replat of QUIET WATER Phase I and Lot 20, Block 3, QUIET WATER, for the Limited Common Area shown on the Replat of Phase I;

Lots 10 through 17 Replat of QUIET WATER Phase II for the Limited Common Area shown on the Replat of Phase II;

Lots 18 through 24, except Lot 20, the Limited Common Area shown on the Replat of QUIET WATER Phase III;

Lots 35 through 37, the Limited Common Area shown on the Replat of QUIET WATER Phase IV as modified by the Replat of QUIET WATER Phase V;

Lots 38 through 46, the Limited Common Area shown on the Replat of QUIET WATER Phase V.

4. Covenant for Maintenance Assessment

4.1 Creation of the Lien and Personal Obligation of Assessments. The Developer hereby covenants that all the Property, and each owner of any lot by acceptance of Deed or Contract of Purchase therefore, whether or not it shall be expressed in any such Deed or other conveyance or agreement or conveyance, is deemed to covenant and agree to pay to the Association: (a) Quarterly Assessments, and (b) Special Assessments for capital improvements, to be fixed, established, and collected from time to time as provided in this document. The Quarterly and Special Assessments, together with interest and cost of collection shall be charged upon each lot and shall be a continuing lien upon the lot against which each assessment is made. Each assessment, together with interest, costs, and attorney's fees, shall also be the personal obligation of the person who was the Owner of the lot at the time the assessment was levied. The obligation shall remain a lien upon the lot until paid or foreclosed, but shall not be a personal obligation of successors in title unless expressly assumed by them.

4.2 Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in The Property and in particular for the improvement and maintenance of the Property, and Common Areas, the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, and of the dwelling units situated upon the Property and including, without being limited to, the payment of taxes and insurance on the Common Areas.

4.3 Quarterly Assessments. Quarterly assessments may be levied by the Association as follows:

4.3.1 Each Quiet Water homeowner shall pay a General Assessment. Each owner of an undeveloped lot in Quiet Water shall pay a General Assessment determined separately from that paid by the homeowners. Each homeowner within one of the four Limited Common Areas shall pay an additional Assessment, based on the facilities (pathways, lighting, carports, garages, storage and parking areas) provided within that particular Limited Common Area.

4.3.2 The maximum Quarterly Assessments may be increased by the Board of Directors, effective on the first day of the quarter following such increase, without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C., or successor U.S. Governmental Agency, U.S. City average).

4.3.3 The maximum Quarterly Assessments may be increased above that determined by reference to the Consumer Price Index, by a vote of the members, provided that any such increase shall be approved by the affirmative vote of not less than two-thirds of the members who are voting in person or by proxy. The Board may elect to conduct such a vote using electronic means. Alternatively, voting may occur at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

4.3.4 The Board of Directors shall, within the maximum specified above, set the Quarterly Assessments based on current maintenance costs and the costs of services paid for by the Association. Further, the Board of Directors shall establish reserve funds from the Quarterly Assessments. The amounts of these funds shall be based

on anticipated lives and frequencies of periodic maintenance, painting, repair and replacement of improvements in the Common and Limited Common Areas.

4.3.5 If any Owner should fail to properly keep and maintain his lot and any improvements located thereon in good condition, or if any part of his property becomes damaged or destroyed, then the Association, after giving the owner reasonable written notice (by Certified or Registered mail with Return Receipt Requested, quoting a copy of this paragraph), may enter upon his property and perform the required maintenance and assess the reasonable costs of the maintenance to the Owner, such assessment shall be added to the regular assessment and become a lien and enforceable in the same manner. Disputes concerning the enforcement of this provision and the necessity of such maintenance or replacement shall be arbitrated by an arbitrator to be mutually agreed upon by the parties, or if the parties are unable to agree, the Owner and the Association shall each select one person as an arbitrator, those two shall select a third and the three member panel shall arbitrate the issue.

4.4 Special Assessments for Capital Improvements.

In addition to the Quarterly Assessments authorized above, the Association may levy in any assessment year, a Special Assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a capital improvement upon the Common Areas, including the necessary fixtures and personal property related thereto, provided that, except for repairs and replacements, any such assessment for structural alterations, capital additions or capital improvements reflecting an expenditure of in excess of One Thousand (\$1,000.00) Dollars shall require the consent of a two-thirds majority of the vote the members who are voting in person or by

proxy. The Board may elect to conduct such a vote using electronic means. Alternatively, voting may occur at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

4.5 Quorum For Any Action Authorized Under Section 4.3 and 4.4. The Board may elect to arrange for electronic voting to authorize such action on assessments, or it may call a meeting. Electronic voting if employed shall be consistent with Oregon statutes 94.647 through 94.661. Regardless of whether voting occurs electronically or at a meeting, the presence of members or of proxies entitled to cast fifty percent (50 %) of the votes of the membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Section 3 and 4, and the required quorum at such subsequent meeting shall be one half of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the date of the meeting at which no quorum was forthcoming.

4.6 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within ninety (90) days after the quarterly billing date, a late payment fee of \$50 shall be assessed for each quarter that the account is in arrears. At the pleasure of the Directors, the Secretary of the Association shall file in the office of the County Clerk of Lincoln County a statement of the amount of any charges or assessments which have become delinquent with respect to any lot and upon payment in full of any delinquent amounts, shall file and execute a proper release of the lien. The aggregate

amount of the assessments, together with charges, costs, and expenses and a reasonable attorney's fee for the filing and enforcement thereof, shall constitute a lien on the lot with respect to which it is fixed from the date the notice of delinquency is filed in the office of the County Clerk, until the lien has been paid or released. Such lien may be enforced by the Association in the manner provided by law with respect to liens upon real property. The Owner of a lot at the time an assessment is levied shall be personally liable for the expenses, costs and disbursements, including reasonable attorney's fees of the Developer or of the Association, as the case may be, of processing and if necessary, enforcing such liens, all of which expense, costs and disbursements and attorney's fees shall be secured by the lien, including attorney's fees on appeal, and the Owner at the time such assessment is levied, shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No Owner may waive or otherwise escape liability for any assessments by non-use of the Common Areas or abandonment of his lot.

4.7 Subordination of Assessment Lien to First Mortgagee. The lien of the Association on a lot for nonpayment of assessments shall be subordinate and inferior to the First Mortgage on the lot if the mortgage was recorded before the delinquent assessment was due.

ARTICLE III

ARCHITECTURAL DESIGN AND IMPROVEMENT CONTROLS

Section 1. General Provisions. No building, building addition or alteration, fence, wall, hedge, structure, landscaping or planting shall be placed or permitted to remain upon any lot unless a written request for approval thereof containing the plans and specifications therefore, including exterior color scheme, has been approved in writing by a majority of the Design Review Committee or by its representative designated by a majority of the Committee.

Section 2. Design Review Committee. The Design Review Committee shall be composed of the members of the Board of Directors of the Association, or a committee of 3 or more Members, which the Board of Directors may elect to periodically appoint. An applicant may submit an original and a copy of an application and request that the Chairman of the Design Review Committee sign and date the application, acknowledging receipt of the application upon the copy which shall be returned to the applicant. If the Committee or its designated representative fails to approve or disapprove an application within thirty (30) days after it has been submitted, as provided above, the application will deem to have been approved.

Section 3. No Compensation. No member of the Design Review Committee, however created or constituted, shall receive any compensation from the Association or make any charge for this service as such.

Section 4. Criteria. The Design Review Committee in making its decisions shall be ruled by the criteria below and any additional criteria contained in the "Guidelines,

Procedures and Practices of the Design Review Committee”.

4.1 Conditions pertaining to "standard" platted lots:

4.1.1 The minimum side yard setback shall be five (5) feet with a minimum separation of fourteen (14) feet between the dwelling units.

4.1.2 Minimum front yard setbacks shall be ten (10) feet from the property line for residential dwelling and twenty (20) feet from a garage.

4.1.3 The combined front and back yard setbacks shall be a minimum of 35 feet.

4.1.4 There shall be reserved a minimum of 25% of the total area of the lot for landscaping.

4.1.5 Fences are allowed and shall not exceed 6 feet in height. They shall be constructed of natural wood or masonry.

4.1.6 Accessory buildings are allowed. They shall be set back a minimum of 30 feet from the front lot line and a minimum of five (5) feet from the side and rear lot lines and shall not exceed 100 square feet in area. They shall be constructed of natural wood or masonry materials.

4.1.7 Storage facilities for recreational vehicles are allowed if sight-screened with a 6 foot high sight obscuring facility consisting of natural wood or masonry materials.

4.1.8 No fences, accessory buildings, landscaping or other improvements will be allowed to obstruct driver's vision within a 45 foot radius of the center of any street intersection.

4.2 Conditions pertaining to "cluster lots":

4.2.1 As to Lot 20, Block 3 QUIET WATER only, there shall be no front side or rear yard setbacks.

4.2.2 The minimum side yard setback shall be five feet with a minimum separation of two feet for every three feet of height of the dwelling unit.

4.2.3 Minimum front yard setbacks shall be four feet from the property line for the residential dwelling.

4.2.4 The combined front and back yard setbacks shall be a minimum of ten (10) feet.

4.2.5 There shall be reserved a minimum of twenty-five percent (25%) of the total area of the lot for landscaping.

4.2.6 Any area of the lot not covered by a dwelling unit shall be landscaped. All landscaping shall be natural in appearance and consist only of plants indigenous to the area.

4.2.7 No fences or walls will be allowed except privacy screens within the lot lines constructed of natural wood or masonry material.

4.2.8 No accessory buildings are allowed.

4.3 Improvement Controls:

4.3.1 Any dwelling units constructed shall be a maximum of two stories in height and will be detached single family homes.

4.3.2 All improvements constructed upon the lots shall be composed of natural wood and masonry materials.

4.4 Landscaping Controls:

4.4.1 All landscaping and building materials and colors must be compatible with the quality of the development as a whole.

Section 5. Exterior Maintenance

5.1 Common Area Maintenance. The Association shall maintain or provide for the maintenance of the Common Areas. In the event that the need for maintenance or repair to the Common Areas is caused through the willful or negligent act or omission of an Owner, his family, tenants, guests or invitees, the cost of such maintenance or repairs may, in the discretion of the Directors be added to and become a part of the assessment to which he and his lot are subject, and a lien enforceable as provided herein. Damage to the Common Area caused by fire, flood, storm, earthquake, riot, vandalism and normal wear and use shall be the responsibility of the Association and funded by assessments as provided above to the extent not covered by insurance.

5.2 Limited Common Area Maintenance In addition to the provisions of Section 5.1 above, the costs of the maintenance of the Limited Common Areas shall be borne by assessment of the individual Owners of lots within each specific Limited Common Area as set out in Article II, Section 4.3.1 above.

5.3 Exterior Building Maintenance. The Association shall maintain and repair or provide maintenance and repair for the exterior of all improvements located on Common Areas. Said maintenance shall include but not be limited to periodic painting and repair and replacement of exterior surfaces including roofs. In the event that the need for maintenance or repair to any improvement

situated in the Common Area is caused through the willful or negligent act or omission of an Owner, his family, tenants, guests or invitees, the cost of such maintenance may, in the discretion of the Directors, be added to and become a part of the assessment to which he and his lot are subject, and a lien enforceable as provided herein. Damage to any Common Area improvement caused by fire, flood, storm, earthquake, riot, vandalism and normal wear shall be the responsibility of the Association and funded by the assessments as provided above to the extent not covered by insurance.

5.4 The Right of Association to Perform Maintenance If an Owner neglects or fails to maintain his lot and improvements to a standard commensurate with the standard in the project as a whole, the Association shall have the right after thirty (30) days written notice to the Owner by Certified or Registered Mail advising the Owner of his neglect or failure, to enter upon the property of said Owner and perform the necessary maintenance to the owner's property necessary to bring the property to the standard commensurate with the standard in the project as a whole. The Owner will be responsible for the cost of the maintenance done and the assessment shall be a lien enforceable as above.

5.5 Interior Maintenance Each Owner shall be responsible for maintaining and keeping in good order and repair the interior of his own dwelling unit.

ARTICLE IV

PROPERTY USE

RESTRICTIONS

The following restrictions shall be applicable to the Property and shall be for the benefit of all present and future owners of the Property:

1.1 Unless written approval is first obtained from the Design Review Committee, no sign of any kind shall be displayed to public view on any building or building site on said property except one professional sign of not more than five square feet advertising the property for sale or rent, or signs, without size limit, used by the developer to advertise the property during the construction and sales period. If a property is sold or rented, any sign relating thereto shall be removed immediately, except that the Developer and only the Developer or its agent may post a "Sold" sign for a reasonable period following a sale.

1.2 No animals, livestock or poultry of any kind shall be raised, bred or kept on any part of said property, except dogs, cats, or other household pets, provided that such household pets are not kept, bred or maintained for any commercial purpose.

1.3 No part of said property shall be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No Garbage, trash or other waste shall be kept or maintained on any part of said property except in a sanitary container. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

1.4 No noxious or offensive or unsightly conditions shall be permitted upon any part of said property, nor shall

anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

1.5 No trailer, mobile home, modular home, factory built dwelling, pre-fabricated house, motor home, camper-truck, tent, garage, barn, shack, or other out-building shall at any time be used as a residence temporarily or permanently on any part of said property.

1.6 Parking of boats, trailers, motorcycles, trucks, truck campers and like equipment, shall not be allowed on any part of said property nor on public ways adjacent thereto excepting only within the confines of an enclosed garage. All other parking of equipment shall be prohibited except as approved in writing by the Design Review Committee. No junk cars or unsightly vehicles are allowed on the property.

1.7 No Owner shall remove or otherwise alter any plant or tree or any landscaping or improvement in any common or in any recreational area without the written consent of the Design Review Committee.

1.8 No exterior loudspeakers, portable exterior sound devices, window air conditioners, heat pumps, or other devices which create loud or consistent noxious noise shall be permitted. Quiet ductless heat pumps, when adequately screened and with piping and duct components painted may be installed if approved by the Design Review Committee.

1.9 A carport designed for the exclusive use of a lot shall be used only for parking of an operable vehicle or boat of less than fifteen (15) feet in length. No mechanical work shall be performed on any vehicle, and no machines, tools or equipment shall be used for any activity other than washing the vehicle shall be performed in a carport. Without limitation, nothing other than an operable vehicle

or boat of less than fifteen (15) feet shall be stored in a carport except in an enclosed designated storage space located in a carport. The enclosed storage space shall be used only for storage of household items. Without limitation, no exposed or uncontained junk, trash, garbage, or other refuse or rags, paint, chemicals, gasoline, flammable, explosive, corrosive or poisonous substances shall be stored in a carport or its enclosed storage area.

1.10 All Owners are members of the Association and are entitled to an equal share in the rights and interest and privileges and obligations as such, including the right to use all recreational and other Common Areas owned by such Association subject to the rules and regulations and restrictions applicable thereto. Owners of the Lots listed in Article II, Section 3.4 above are the only owners entitled to the use and enjoyment of the specific individual Limited Common Areas as provided in Article II, Section 3.4.

1.11 Except within the Limited Common Area, all walks and streets are for the use of the members on an equal basis, subject to reasonable rules and regulations promulgated from time to time in writing by the Directors. It shall be the responsibility of each member to allow maximum ease of pedestrian and vehicular traffic by prohibiting automobile parking across or adjacent to sidewalks which would interfere with any member's use of the Common Area or access to his own lot. All walks and parking areas within the Limited Common Areas are for the use of the lot owners having an interest in that specific Common Area as shown in Article II, Section 3.4 herein above. Said special class of Owners shall not engage in any activity within the Limited Common Area which prevents other members entitled to use the area from using same.

1.12 Installation of satellite dishes and radio and/or television antennae is prohibited outside any building without written approval by the Design Review Committee.

1.13 The use of each dwelling unit is further restricted so that no management rental pool or group may operate to rent any combination of dwelling units located on the property.

EASEMENTS

All conveyances of lots made by the Developer, and by all persons claiming by, and through, or under the Developer, shall be subject to the following easements whether or not the same be expressed in the instruments of conveyance:

2.1 An easement over and across all of the Common Areas of the property for the purpose of traveling by foot or conveyance or resting or otherwise being thereon.

2.2 An easement over and across all of the Limited Common Areas of the property for the purpose of traveling by foot or conveyance or resting or otherwise being thereon.

2.3 An easement over, under, across and upon all portions of the Common Areas and Limited Common Areas for the purpose of building, constructing and maintaining underground or concealed electric and telephone lines, water, sewer, storm drain lines, radio and television antennae and cables and other utilities and services nor or hereinafter commonly supplied by public utilities or municipal corporations. In utilizing this easement users shall be required to restore the area insofar as is reasonably practicable to the condition existing prior to the

use, all at the user's expense within a reasonable time after completing use.

2.4 An easement upon all Common Areas for constructing and maintaining thereon streets, driveways, community and recreational facilities, ornaments and statues, swimming pools, tennis courts, lawns, landscaping and planted areas thereon.

2.5 An easement upon all Limited Common Areas for constructing and maintaining thereon walkways, driveway and parking areas, community and recreational facilities, ornaments and statues, swimming pools, tennis courts, lawns, landscaping and planted areas thereon.

2.6 An easement to the owner of each cluster lot for the exclusive use of a designated carport and enclosed storage space located on the Limited Common Area appurtenant to said lot, as described in Article II, Section 3.4, for the exclusive use and benefit of that cluster lot owner.

2.7 Easements numbered 1, 3, and 4 are for the benefit of all members of the Association, their heirs, successors and assigns. Easements numbered 2 and 5 are for the benefit of the members and owners of lots having an interest in each specific Limited Common Area as set forth in Article II, Section 3.4 herein above, and also those lot owners' heirs, successors and assigns. All easements are also for the benefit of the Association.

ARTICLE V

GENERAL PROVISIONS

1. Enforcement The Association, or any Owner, or the owner of any recorded mortgage on any part of said property shall have the right to enforce, by any proceeding

at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens and charges now or thereafter imposed by the provisions of the Declaration. Failure by the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

2. Severability Invalidation of any one of these covenants or restrictions by judgment or court order shall remain and shall in no wise affect any other provision which shall remain in full force and effect.

3. Amendments

3.1 New Proposed. Amendments to these CC&Rs shall be proposed by either a majority of the Board of Directors or by Owners holding thirty percent (30%) or more of the voting rights. A proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon or attached to any request for consent to the amendment.

3.2 Approval Required. Except as otherwise may be provided in these CC&Rs, any of the covenants and restrictions of these CC&Rs except for the easements granted above may be amended if such amendment is approved by seventy-five percent (75%) of the members of the Association.

3.3 Recordation. All amendments shall become effective when reduced to writing, executed by the appropriate Association officers and recorded in the Lincoln County Deed Records.

4. No Right of Reversion Nothing contained in these CC&Rs, or in any form of deed which may be used by Developer, or its successors and assigns, in selling said Property, or any part thereof, shall be deemed to vest or reserve in Developer or the Association any right of reversion.

5. Benefit of Provisions; Waiver The provisions contained in these CC&Rs shall bind and inure to the benefit of and be enforceable by Developer, the Association, and the Owner or Owners of any portion of said property, and their heirs and assigns, and each of their legal representatives, and failure by Developer or by the Association or by any of their property owners or their legal representatives, heirs, and successors or assigns, to enforce any of such conditions, restrictions or charges herein contained shall in no event be deemed a waiver of the right to do so.

6. Assignment By Developer. Any or all rights, powers, and reservations of Developer herein contained may be assigned to the Association or to any other corporation or association which is now organized or which may hereinafter be organized and which will assume the duties of Developer hereunder pertaining to the particular rights, powers and reservations assigned; and upon any such corporation or association evidencing its intent in writing to accept any such assignment, and assume such duties, it shall, to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given and assumed by developer herein. All rights of Developer herein reserved or created shall be held and exercised by the undersigned alone, so long as they own any interest in any portion of the Property.

In accordance with Article 5, section 3.2 above, these CC&Rs were approved by 75% of the membership at the annual meeting of the Quiet Water Homeowners Association held on June 9, 2018.

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(S. Walter Orchard, President)

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(Sherry Dickinson, Secretary)