

ARTICLE IV
AMBLESIDE HOMEOWNERS ASSOCIATION

Section 1. Creation. The Ambleside Homeowners Association has been incorporated and is currently an Oregon nonprofit corporation in good standing. The Corporation is intended to be a real estate management association as defined in and operating in accordance with Sec 528 of the Internal revenue Code of 1986, as from time to time amended. The Corporation shall have the powers, duties and shall be organized and operate in accordance with the terms of this Article IV.

Section 2. Office. The principal office of the Corporation shall be located in Eugene or Springfield, Oregon.

Section 3. Meetings of Members. An annual meeting of the Members shall be held for the purpose of electing Directors and for transacting such other business as may come before the meeting. The meeting shall be called and held in accordance with the procedures set forth in the Bylaws of the Corporation and as required by Oregon law.

Section 4. Board of Directors. The affairs of the Corporation shall be managed by its Board of Directors. The number of the Board of Directors shall be three (3) or more Members. The term of each office of each Director shall be three (3) years. The terms shall be staggered so that the terms of no more than one (1) Director shall expire each year, if there are only three Directors. The number of Directors may be increased or decreased from time to time in accordance with the Corporation's Bylaws. Each Director shall hold office for the term as elected or until his or her successor shall have been elected and qualified. Any Director may be removed by a majority vote of the Members present at either the annual meeting or a special meeting of the Members called in accordance with the Bylaws of the Corporation or as required by Oregon law.

Section 5. Meetings of Board of Directors. A regular annual meeting of the Board of Directors shall be held without other notice immediately after, and at the same place as, the annual meeting of Members. Other meetings of the Board of Directors may be called in accordance with the procedures specified in the Corporation's Bylaws. The Board of Directors may provide by resolution the time and place within Lane County Oregon for the holding of additional regular meetings of the Board without other notice than such resolution. Special meetings of the Board of Directors may be called at the request of the President or any two (2) Directors. The person or persons authorized to call the special meetings of the Board may fix any place within Lane County, Oregon as the place for holding any special meeting of the Board called by them.

Section 6. Contracts. The Board of Directors may authorize any Officer or agent of the Corporation, in addition to the Officers to authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. All checks, drafts or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by the President and Secretary of the Corporation or at least two (2)

members of the Board of Directors so authorized by resolution of the Board of Directors. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation at such banks, trust companies or other depositories as the Board of Directors may direct

Section 7. Books and Records. The Corporation shall keep correct and complete books and records of account and shall keep minutes of the proceedings of its Members, Board of Directors and committees. It shall keep at its principal office, a record of the names and addresses of its Members entitled to vote. All books and records may be inspected by any Member of his agent or attorney for any prior purpose at any reasonable time.

Section 8. Income and Loans. At least eight-five percent (85%) of the income of the Corporation shall consist of the amounts collected from the Members of this Corporation for the sole purpose of meeting losses and expenses of operating this Corporation. The Corporation shall not have or issue shares of stock and no dividends shall be paid. No part of the income of the Corporation shall be distributable to its Members, Directors or Officers. No loan shall be made by the Corporation to its Directors or Officers. The Directors of the Corporation who vote for, or who assent to, the making of a loan to a Director or Officer of the Corporation, and any Officer or Officers participating in the making of such a loan, shall be jointly and severally liable to the Corporation for the amount of such loan and for the repayment thereof.

Section 9. Assets. The Corporation shall not own stock in any other organization and no organization shall be allowed to control the Corporation. The Corporation shall not be affiliated with any other organization.

Section 10. Dissolution. In the event of the dissolution of the Corporation, the assets of the Corporation shall be distributed as follows:

- A. All liabilities and obligations of the Corporation shall be paid, satisfied and discharged.
- B. Assessments collected from members which have not been used shall be returned pro rata to Members of record as of the date of dissolution.
- C. All non-liquidated, tangible assets, if any, shall be transferred or conveyed to a charitable organization elected by the Board of Directors.
- D. All the rights, title and interest of the Corporation in any real property shall be distributed to the Members in such manner and upon such terms as shall be decided by a majority of the Members.

ARTICLE V
ARCHITECTURAL REVIEW COMMITTEE

Section 1. Purpose. It is desirable to maintain uniform standards of design, quality of workmanship and landscaping for the homes to be built and maintained in AMBLESIDE MEADOWS SUBDIVISION. Uniform standards of design, quality of workmanship and landscaping protect the interests of each Owner in maintaining and increasing the value and enjoyment of that Owner's Lot. It is not, however, feasible to set forth a comprehensive list of requirements for constructing and maintaining homes in this development. An Architectural Review Committee is, therefore, established, the purpose of which is to review and approve the design and quality of workmanship and landscaping for all homes to be built in AMBLESIDE MEADOWS SUBDIVISION, during the period of existence of the Architectural Review Committee. The Architectural Review Committee will make the determinations based on the following policy guidelines as well as the specific restrictive covenants set forth in this declaration

Section 2. Policy Guidelines.

- (a) The nature of the Property lends itself to quality design and constructed homes
- (b) It is of benefit to each Owner that each Lot in the development be developed with a home as soon as reasonably possible
- (c) That uniformity of construction, styles and construction materials is desired to maintain the quality of the development
- (d) That well-landscaped Lots will add significantly to the value of each and every Owner's interest in Lots in the development
- (e) That unusual fences, outbuildings and other additions may tend to detract from the enjoyment and the value of each Owner's interest in his or her Lot

Section 3. The Committee. The Architectural Review Committee referred to herein shall be composed of Frank Trotter, Cy Stadsvold, and Myles Breadner. Its decision shall be final and binding; however, applications may be resubmitted. Upon failure of the Committee or its designated representative to approve or disapprove any application for a period of seven (7) business days after it has been submitted in writing, in duplicate, to the Chairman of the Committee or his designated representatives, said application will be deemed to have been approved if the said Chairman has signed and dated said application, acknowledging receipt thereof on a copy submitted with the original. The original members of the Committee shall serve for two (2) years and thereafter until their successors are elected or the Architectural Review Committee ceases to exist. New members shall be elected for a term of two (2) years by majority vote of the members of the Architectural Review Committee. If any member of the Committee is unable or unwilling to act, the remaining members shall elect a successor to serve out the unexpired term. No member of the Architectural Review Committee, however created, or

constituted, shall receive any compensation from the Committee or make any charge for his or her services as such. By majority vote of the members of the Architectural Review Committee, the number of members on the Committee may be increased. The Architectural Review Committee shall cease to exist upon the conversion of Class B voting rights to Class A votes, but not sooner than the date when Declarant have sold all Lots in AMBLESIDE MEADOWS SUBDIVISION. The Association will then take over architectural approval responsibilities.

Section 4. Approval. Construction may not begin on building, landscaping, or exterior remodeling of any home, outbuilding, or fence unless a request for approval has been submitted to the Architectural Review Committee in duplicate and has been approved in writing by a majority of the Committee. Complete plans, exterior specifications and exterior color selection must be submitted for approval prior to the start of construction. Plans shall include proposed placement of street trees consistent with the street tree standards of the Springfield Development Code section 32.050 and Article VII, Section 8 of this Declaration. Said materials will remain with the Architectural Review Committee. Requests for approval of exterior remodeling shall contain a copy of the plans. Following the construction of a home, any request for approval of construction of any fence, screen, or gate shall contain a sketch. Requests for approval prior to construction of any home or outbuilding must contain a copy of blueprints, elevation, plot plan and set of specifications or materials description list.

Upon receipt of the request in writing accompanied by the required information, the Architectural Review Committee shall have seven (7) business days to review the materials and to advise the applicant of its decision in this regard. All construction, landscaping and exterior remodeling must also comply with the specific property use restrictions set forth below.

ARTICLE VI COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants for all of the Property, and each Owner of any Lot by acceptance of deed or contract of purchase therefore, whether or not it shall be so expressed in any such deed or other conveyance or agreement for conveyance, is deemed to covenant and agree to pay to the Association: (1) Regular annual or other regular periodic assessments or charges, and (2) Special assessment for capital improvements, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The regular and special assessments together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be charged on each Lot and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees to collect or foreclose same, shall also be the personal obligation of the person who was the Owner of the Lot at the time such assessment was levied. The obligation shall remain a lien on the Lots until paid or foreclosed, but shall not be a personal obligation of successors in title unless expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be