After recording return to:

Stoel Rives LLP

760 SW Ninth, Suite 3000

Portland, OR 97205

Attn: Christian Scott

Washington County, Oregon 2019-069117
D-R/B
Stn=11 C WHITE 10/03/2019 02:42:09 PM
$320.00 $5.00 $11.00 $5.00 $60.00 $401.00

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

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

This instrument filed for record by LEX/ Fidelity National Title as an accommodation only. It has not been examined as to its execution or as to its effect upon the title.

#3351ACCO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE TRAILS AT LAUREL WOODS

This document is being re-recorded to correct the legal description.

This document is being re-recorded at the request of Stoel Rives.

This document was originally recorded on October 2, 2019.

This document was originally recorded as document 2019-068835.

The true and correct legal description immediately follows this page.

EXHIBIT "A"

THE TRAILS AT LAUREL WOODS

Plat Description

Lots 49-119, 121-140 and 143, inclusive, as shown on the plat of "Laurel Woods No. 2" recorded as Document No. 2018-078035 on November 15, 2018 in the records of Washington County, Oregon, Lots 151-206, 208, 209, and 211-219, inclusive, as shown on the plat of "Laurel Woods No. 3" recorded as Document No. 2019-013283 on March 7, 2019 in the records of Washington County, Oregon and Lots 220-289, inclusive, as shown on the plat of "Laurel Woods No. 4" recorded as Document No. 2019-054788 on August 16, 2019 in the records of Washington County, Oregon, and all improvements now existing or to be constructed on the Property.

Washington County, Oregon 2019-068835
D-R/B
Stn=6 M FERNANDES 10/02/2019 04:09:11 PM
$310.00 $5.00 $11.00 $5.00 $60.00 $391.00

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

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

After Recording Return To:

Stoel Rives LLP
760 SW Ninth Ave., Suite 3000
Portland, Oregon 97205
Attn: Christian Scott

3350 ACCO

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE TRAILS AT LAUREL WOODS

This Declaration of Protective Covenants, Conditions and Restrictions for The Trails at Laurel Woods ("Declaration") is made and effective the 2 day of October, 2019. This Declaration affects that certain real property (the "Property") located in the City of Cornelius, Washington County, Oregon and more particularly described on the attached Exhibit A, and further described as Lots 49-119, 121-140 and 143, inclusive, as shown on the plat of "Laurel Woods No. 2" recorded as Document No. 2018-078035 on November 15, 2018 in the records of Washington County, Oregon (the "Phase 2 Plat"), and Lots 151-206, 208, 209, and 211-219, inclusive, as shown on the plat of "Laurel Woods No. 3" recorded as Document No. 2019-013283 on March 7, 2019 in the records of Washington County, Oregon (the "Phase 3 Plat"), and Lots 220-289, inclusive, as shown on the plat of "Laurel Woods No. 4" recorded as Document No. 2019-054788 on August 16, 2019 (the "Phase 4 Plat") in the records of Washington County, Oregon and all improvements now existing or to be constructed on the Property, which Property and improvements are collectively referred to herein as THE TRAILS AT LAUREL WOODS.

The Property is also subject to any and all recorded documents relating to the Laurel Woods Master Association (the "Master Association"), including the "Master Declaration of Covenants, Conditions, Restrictions and Easements--Laurel Woods Master Association" recorded in the real property records of Washington County, Oregon as Document No. 2018-063581 (the "Master Declaration").

RECITALS, INTENT AND PURPOSE

A. LAURELWOOD DEVELOPMENT, LLC, an Oregon limited liability company, owns all Lots in the Phase 4 Plat and LW HOF II, LLC, an Oregon limited liability company, owns all remaining Lots in the Phase 2 Plat and Phase 3 Plat. Laurelwood Development, LLC and LW HOF II, LLC are co-declarants in this Declaration, each entity

After Recording Return To:

Stoel Rives LLP
760 SW Ninth Ave., Suite 3000
Portland, Oregon 97205
Attn: Christian Scott

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE TRAILS AT LAUREL WOODS

This Declaration of Protective Covenants, Conditions and Restrictions for The Trails at Laurel Woods ("Declaration") is made and effective the 2 day of October, 2019. This Declaration affects that certain real property (the "Property") located in the City of Cornelius, Washington County, Oregon and more particularly described on the attached Exhibit A, and further described as Lots 49-119, 121-140 and 143, inclusive, as shown on the plat of "Laurel Woods No. 2" recorded as Document No. 2018-078035 on November 15, 2018 in the records of Washington County, Oregon (the "Phase 2 Plat"), and Lots 151-206, 208, 209, and 211-219, inclusive, as shown on the plat of "Laurel Woods No. 3" recorded as Document No. 2019-013283 on March 7, 2019 in the records of Washington County, Oregon (the "Phase 3 Plat"), and Lots 220-289, inclusive, as shown on the plat of "Laurel Woods No. 4" recorded as Document No. 2019-054788 on August 16, 2019 (the "Phase 4 Plat") in the records of Washington County, Oregon and all improvements now existing or to be constructed on the Property, which Property and improvements are collectively referred to herein as THE TRAILS AT LAUREL WOODS.

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RECITALS, INTENT AND PURPOSE

A. LAURELWOOD DEVELOPMENT, LLC, an Oregon limited liability company, owns all Lots in the Phase 4 Plat and LW HOF II, LLC, an Oregon limited liability company, owns all remaining Lots in the Phase 2 Plat and Phase 3 Plat. Laurelwood Development, LLC and LW HOF II, LLC are co-declarants in this Declaration, each entity holds all declarant rights with respect to the Lots that it owns and the entities are collectively referred to herein as the "Declarant."

B. Declarant desires to establish a homeowner association to be known as The Trails at Laurel Woods Homeowners Association (the "Association"), and to establish covenants, restrictions, limitations and maintenance agreements governing the use of the entirety of the Property, all in accordance with the covenants, restrictions, easements, charges, maintenance agreements and liens hereinafter set forth, which shall run with each Lot of the Property and shall be binding upon all persons or entities having or acquiring any right, title or interest in the Property or any part thereof and shall inure to the benefit of each Owner thereof.

NOW, THEREFORE, for such purposes, Declarant makes this Declaration for governance of the Property:

DECLARATION

Declarant hereby declares on behalf of itself, its successors, grantees and assigns, as well as any and all persons having, acquiring or seeking to have or acquire any interest of any nature whatsoever in and to any part of the Property, as follows:

1. Definitions. Except as otherwise provided or modified by this Section 1, the terms contained herein shall have the meaning set forth in the Oregon Planned Community Act, ORS 94.550 et seq. As used in this Declaration and in the bylaws (the "Bylaws") of the Association, the following terms shall have the following meanings:

1.1. Association. Association or "Sub Association" shall mean and refer to The Trails at Laurel Woods Homeowners Association which shall be an Oregon nonprofit corporation and subject to all terms and conditions of the Master Association.

1.2. Common Area. Common Area means all elements of the Property which are now, or at any time in the future, owned or controlled by the Association. If Common Areas are annexed into the Association, some of the Common Areas may be eventually transferred or governed by the Master Association where all community members will benefit and assessments for the maintenance of the Common Areas will be paid through the various Sub Associations in the community. Provisions of this Declaration and the Bylaws affecting the Common Area may not be changed, altered or amended without the prior approval of the City of Cornelius.

1.3. Declarant. Declarant means LAURELWOOD DEVELOPMENT, LLC, an Oregon limited liability company, as to all Lots in the Phase 4 Plat and LW HOF II, LLC, an Oregon limited liability company, as to all Lots in the Phase 3 Plat, and any assignee of all or a portion of the Declarant's rights under this Declaration, and any holder of a trust deed, granted by the Declarant or its assignee, against the Property but only if and when the holder completes a foreclosure of the trust deed. As used herein, Declarant's Rights is also defined as "Special" Declarant's Rights.

1.4 Master Association. Master Association shall mean and refer to the Laurel Woods Master Association, which is an Oregon nonprofit association formed for the purposes of managing the Laurel Woods planned community and is governed by the Master Declaration. If any inconsistencies arise between the Master Association and the Sub Association governing documents, the provisions of the Master Association documents will govern.

1.5 Master Declarant. LAURELWOOD DEVELOPMENT, LLC, an Oregon limited liability company, and any entity that has been specifically assigned, in whole or in part, any of its rights, shall be referred to as Master Declarant. The Master Declarant shall be a third-party beneficiary to all the enforcement rights contained herein.

1.6 Mortgage. Mortgage means a recorded first mortgage, first trust deed or first contract of sale that creates a first lien against a Lot, and "Mortgagee" means the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale, but only when such holder, beneficiary or vendor notifies the Association in writing of the existence of such mortgage and gives the Association a current name and mailing address.

1.7 Owner. Owner means the sole, or all joint, owners of one or more Lots.

1.8 Plat. Plat means collectively the Phase 3 Plat and Phase 4 Plat.

1.9 Tract. Tract means any tract designated on the Plat which is Common Area to be owned or maintained by the Association. The Phase 3 Plat does not contain any Common Areas Tracts. As shown on the Phase 3 Plat and by separate conveyances, Tract J is owned and maintained by the City of Cornelius, Tract K is owned and maintained by the Master Association and Tracts L and M are retained by LW HOF II, LLC for future development. The Phase 4 Plat does not contain any Common Areas Tracts. As shown on the Phase 4 Plat and by separate conveyance, Tracts N, O, P, Q, R, S, T and U are owned and maintained by the City of Cornelius. While the Phase 3 and 4 Plats do not contain any Common Areas Tracts, future plats annexing property into the Association may contain Common Area Tracts to be owned and maintained by the Association.

2. Name Description.

2.1 Name. The name by which the Property shall be known is The Trails at Laurel Woods.

2.2 Lot Designation. The Property is comprised of the Lots listed on Exhibit A, each suitable for construction of residential building, and such public pedestrian access, tracts, utility and other easements as are described in the Plat. The boundaries, designation, location and dimensions of each Lot and Tract are shown on the Plat.

3. The Trails at Laurel Woods Homeowners Association.

3.1 Adoption of Bylaws. On behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit B to govern the administration of the Association. The Bylaws shall be effective upon the execution and recording of this Declaration.

3.2 Association: Membership. The name of the Association shall be "The Trails at Laurel Woods Homeowners Association." Each Owner of a Lot shall be a member of the Association, and membership therein shall be limited to Lot Owners. The Association shall operate under the name The Trails at Laurel Woods Homeowners Association or as close to that name as is permitted by the Oregon Secretary of State.

3.3 Management: Board of Directors. The affairs of the Association shall be governed by a Board of Directors consisting of three (3) persons, provided, however, that until such time as the turnover meeting described herein below, the Board of Directors shall consist of one (1) person appointed by the Declarant or the Declarant's successor in interest. The Board of Directors shall elect officers consisting of a chairperson and secretary-treasurer and such other officers as the Board of Directors deems prudent or convenient. Pursuant to the provisions of the Bylaws and the Oregon Planned Community Act, the Board of Directors may adopt from time to time administrative rules and regulations governing details of the operation, maintenance and use of the Property. The Board of Directors may contract with a professional manager or management firm to manage some or all of the affairs of the Association.

3.4 Powers and Duties of the Association. The Association and the Board of Directors shall have the powers and duties granted to them by this Declaration, the Articles of Incorporation for the Association, the Bylaws, and the provisions of the Oregon Nonprofit Corporations Act and the Oregon Planned Community Act.

3.5 Authority to Grant Easements, Rights-of-Way, Licenses and Other Similar Interests or Encroachments. The Association and the Board of Directors shall have the power to grant easements, rights-of-way, licenses and other similar interests, or to permit encroachments, on, under, over and above the Common Areas of the Property.

3.6 Articles of Incorporation.

3.6.1 The Articles of Incorporation of the Association shall provide for its perpetual existence, but in the event the Association shall at any time be dissolved, whether inadvertently or deliberately, it shall immediately be succeeded by an unincorporated association of the same name. In that event such an unincorporated association shall be dissolved, all of the power, rights and obligations of the unincorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, which vesting shall thereafter be confirmed and evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible any such 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.

3.6.2 The Articles of Incorporation of the Association shall be subject to amendment as provided in the Oregon Nonprofit Corporations Act and the Bylaws of the Association.

3.6.3 No officer or director of the Association shall be liable to any Lot Owner for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Association, provided only that the Association, in accordance with actual knowledge possessed by it, has acted in good faith.

3.7. Covenant to Pay Assessments: Liability for Common Expense. Each Owner hereby covenants to pay to the Association, not less frequently than annually, or more frequently upon resolution adopted by the Board of Directors, assessments for common expenses as more fully provided in the Bylaws, including but not limited to assessments for Common Area maintenance and for establishment of reserves to repair and/or replace improvements located in the Common Area that have an anticipated useful life of not less than three (3) nor more than thirty (30) years from the date of construction. No Owner may avoid liability for assessments by abandonment of his or her Lot or non-use of the Common Area. Except as otherwise provided in this Declaration or the Bylaws, each Lot and the Owner thereof shall be liable for the common expense and funding of replacement reserves, both of which shall be apportioned among the Lots. No offset against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its obligations. Assessments shall be levied against all Lots not later than the first day of the month next following the date when the Lot is conveyed to a person other than the Declarant.

3.8 Delegation. Nothing in this Declaration shall be construed to prohibit the Association or the Board of Directors from delegating to persons, firms or corporations of its choice the performance of such duties as may be imposed upon the Association or the Board of Directors by this Declaration, any supplemental declaration, the Articles of Incorporation of the Association, the Bylaws, Association Rules or Regulations, or applicable law.

4. Common Areas; Commonly Maintained Area. This Section 4 applies to all areas constituting Common Area and Commonly Maintained Area of the Association and all property identified as Townhomes in Section 5.2 below.

4.1 Owner of Common Area. Subject to the rights of Owners set forth in this Declaration, or as provided for herein, the Association shall be the owner of, and exclusively responsible for, management, maintenance and control of the Association's Common Area and any improvements thereon, and shall keep the same in good, clean, attractive and sanitary condition, order and repair.

4.2 Maintenance Obligations. The maintenance obligations of the Association shall include, without limitation, the fencing along street frontages that do not also front a Lot, the street planter strips and sidewalks and the front yards of all Lots in the community. The Association's maintenance of the front yards shall include seasonal irrigation, which shall be provided by each Lot's water meter. Lot Owners shall not be permitted to alter irrigation or sprinkler settings after the Association's landscaping contractor finalizes the irrigation settings. For Lots with Townhomes, the Association shall maintain certain exterior elements of the Townhomes as set forth in more detail in Section 5.2. From time to time, the Board of Directors may vote to assume the maintenance for certain elements within the community. Any elements that are not owned as Common Area of the Association, but for which the Association has the maintenance responsibility are "Commonly Maintained Areas."

4.3 Income from Common Area. Any income derived from the Common Area shall be income of the Association. The Board of Directors may, in its discretion, use such income to help meet the expense of maintaining the Common Area or for such other purpose as may benefit the Association and the Owners in a substantially equal manner.

4.4 Notice. Any notice, demand, or report required under this Declaration shall be in writing and sent to each Owner in care of the street address of his Lot, or in the event the Owner does not reside on the said property, in care of the current property tax notification address. All written notices shall be delivered by hand delivery or certified mail, return receipt requested, and shall be deemed received on actual receipt or 48 hours after being mailed, whichever first occurs.

4.5 Public Body Maintenance. If the Common Area is at any time accepted by the City of Cornelius or another public body for maintenance by such public body, the Association and the Owners will be released from their maintenance and all other obligations with regard thereto.

4.6 Utility Lines. Each Owner shall be responsible for maintaining utility lines within his or her Lot, except for those lines for which the Association, a public authority, or a utility company is responsible, or lines serving a Townhome.

4.7 Nonexclusive Right of Enjoyment. Subject to the provisions of this Declaration, the Bylaws, and any rules and regulations adopted by the Association, every Owner shall have a nonexclusive right of enjoyment in and to the Common Area, which shall be appurtenant to and shall pass with the title to every Lot. No private use may be made of the Common Area. The members' rights of enjoyment created hereby shall be subject to the following:

4.7.1 The right of the Association to establish reasonable rules and to charge reasonable assessments and fees for maintenance and upkeep of the Common Area and payment of all Association expenses.

4.7.2 As provided by ORS 94.665, the Association may sell, dedicate, grant rights in or transfer, to public or private entities, any portion of the Common Area, or may create a security interest therein, for public utilities, telecommunication utilities and for all other public purposes consistent with the intended use of the Common Area. Except as described in the foregoing sentence, no such sale, dedication or transfer shall be effective unless approved by a majority of the votes of the Owners of the Property.

4.7.3 Subject to the prior approval of the City of Cornelius, a sale, transfer or encumbrance of the Common Area or any portion of the Common Area in accordance with this Section 4.7 may provide that the Common Area so conveyed (i) shall be released from any restriction imposed on such Common Area by this Declaration, and (ii) shall not thereafter form part of the Common Area for the purposes of this Declaration. No such sale, transfer or encumbrance may, however, deprive any Lot of such Lot's right of access or support without the written consent of the Owner of such Lot.

4.8 Rules and Regulations Promulgated by the Association. The Board of Directors shall have the authority from time to time to promulgate such rules and regulations as the Board may deem to be in the best interest of the Association. No person shall use the Common Areas, the Lots or any part thereof in any manner contrary to or inconsistent with such rules and regulations. Without limiting the generality of the foregoing, except as to those portions of the Common Area that may be improved with pedestrian and/or bicycle trails that are connected to public pedestrian and/or bicycle trails lying on or within other properties adjacent to the Property, which shall remain open to the general public, the Board of Directors shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the Common Area to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things: (a) payment by the Owner of assessments for common expenses and such other assessments or fees as may be established by the Association for the purpose of defraying the costs associated with the use of such common elements and the administration and operation of the Common Area; and (b) the observance by an Owner, and his or her guests, invitees and servants, of the provisions of this Declaration and any supplement or amendment hereto, the Bylaws and the Association's rules and regulations. The Board of Directors shall have the authority to levy assessments against Owners who are not in compliance with the rules and regulations in amounts and pursuant to procedures in compliance with Section 15.8 of this Declaration and ORS 94.630(n) or any successor statute.

4.9 Damaged Property. In the event all or any portion of the Common Area or improvements located therein are damaged or destroyed by an Owner or any of his or her guests, tenants, licensees, agents or members of his or her family in a manner that would subject such Owner to liability for such damages under Oregon law, such Owner does hereby authorize the Association to repair such damage with the cost thereof chargeable to said Owner. The Association shall repair any such damage in a good and workmanlike manner to the same condition as existed prior to the damage, or to such other condition as the Board of Directors shall deem appropriate taking into consideration the totality of existing circumstances. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot of the Owner who caused or is otherwise responsible for such damage.

4.10 Approval and Enforcement Rights of the City of Cornelius. The provisions of Section 4 and its subparagraphs may not be amended, altered or modified except with the prior approval of the City of Cornelius and in accordance with the Bylaws and applicable law. In the event the Association shall at any time fail to enforce the provisions of Section 4 and its subparagraphs, the City of Cornelius shall have the power and authority to enforce said provisions against the Association and any and all Owners.

5. Easements.

5.1 General. Easements for the installation and maintenance of vehicle access, pedestrian access, utilities, drainage facilities and other facilities are reserved as shown on the Plat. Within these easements no structure, planting or other materials shall be placed or permitted to remain which may damage or interfere with the purpose of the easement or obstruct the flow of waters in any drainage channel or pipeline.

5.2 Townhomes/Zero-Lot Line Walls. Where Zero-Lot line walls exist between Townhomes or duplexes, the provisions of Section 4.2 above and the following will apply (hereafter collectively referred as "Townhomes"). The Lots which contain Townhomes are Lots 82-110, inclusive, 121-134, inclusive, 158-169, inclusive, and 180-191, inclusive.

5.2.1 General Rules of Law to Apply. Each wall which is built as a part of the original construction between Townhomes, and which is placed on the dividing line between two Lots, shall constitute a Zero-Lot Line Wall, and, to the extent not inconsistent with the provisions of this Agreement, the general rules of law regarding party walls shall apply thereto. The Owners of Townhomes shall have mutual easements over the exterior elements of neighboring Townhomes as required to assist with the maintenance and repair obligations required herein.

5.2.2 Destruction by Fire or Other Casualty. If a Zero-Lot Line Wall is destroyed or damaged by fire or other casualty, the provisions of this Section 5.2 shall apply with regard to repair or reconstruction of such Zero-Lot Line Wall.

5.2.3 Weatherproofing. Notwithstanding any other provision of this Declaration, an Owner who by his/her negligent or willful act causes the Zero-Lot Line Wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements, subject, however, to reimbursement and/or contributions from available insurance policies.

5.2.4 Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article, together with the obligations of such other Owners to contribute to expenses related to the Zero-Lot Line Wall, or as otherwise required by this Article, shall be appurtenant to the land and shall pass to such Owner's successors in title.

5.2.5 Maintenance and Repair. The Association shall collect regular assessments from Lots with Townhomes to provide reserves for routine maintenance and repair of the exterior surfaces of the Townhomes, including siding, trim, roofing, gutters, downspouts, exterior paint and foundations, but not including exterior windows and doors, which shall be maintained by each Lot Owner. The Association's cost in maintaining the exterior of the Townhomes shall be assessed equally to the Lots containing Townhomes. The Association must provide reasonable notice to all Owners of Townhomes when maintenance work is required. The roof of each entire building containing Townhomes must be replaced at one time. The expense of maintenance, repair or replacement of the exterior elements of the Townhomes shall be equally born by the Owners of the Townhomes as part of the operating funds and reserves collected by the Association. In the event there are insufficient reserves to pay the maintenance or repair expenses of the Townhomes, only the Owners of the Townhomes will share in the costs; Owners of non-Townhome Lots will not have any responsibility for the costs of maintaining or replacing elements located on the Townhome Lots.

5.2.6 Right to Maintain, Repair or Reconstruct Without Consent. The Association shall have an easement over the Lots with Townhomes for the purpose of inspecting and maintaining the exterior of such Townhomes. The Association, through its contractors, will determine when painting, roofing, repair, reconstruction or other maintenance to the exterior or structure reasonably needs to be done. There shall be a rebuttable presumption that the benefit of such exterior painting, roofing, repair, maintenance or reconstruction of or to the building exterior benefits the Townhomes equally.

5.2.7 Insurance. The Association will obtain insurance sufficient to cover any loss relating to the exterior elements of the Townhomes that the Association maintains. Lot owners shall obtain their own insurance for the elements of these Townhomes that the Association does not maintain. Copies of such policies or other appropriate evidence of such insurance coverage shall be forwarded to the Association at least ten (10) days before the expiration of all previous insurance coverage. If an Owner fails to furnish a copy of an appropriate insurance policy or evidence thereof within the time required, the Association, or other Owners individually, may procure such policy in his own or both names and charge the defaulting Owner the cost of the premium.

5.3 <u>Damage Liability</u>. Any damage to any Townhomes by neighboring Owners, their children, agents, visitors, friends, relatives, tenants, occupants or service personnel shall be repaired by the Owner within fifteen (15) days following the date on which notice is mailed by the Association informing the Owner of such violation. If the damage has not been repaired within such time, then the Association shall perform such repair and the cost shall be assessed to the Owner as an Individual Assessment.

6. Building Materials and Design Criteria. All building materials to be incorporated into and visible as a part of the external structure of any building or other structure in the Property shall conform to standards that shall be adopted from time to time by the Master Association. Declarant reserves the right, in its discretion, to waive compliance with any specific Design Criteria, provided said waiver shall be in writing and executed by Declarant and upon notice and written approval of Master Declarant.

7. Landscape, Hedges and Fences. All front and side yards of a Lot must be completely landscaped prior to initial occupancy of a residence constructed thereon, in conformity with plans approved by the Architectural Review Committee as provided in Section 8 and its subsections. All grounds and related structures shall be maintained in harmony with surrounding landscaping. No weeds, noxious plants, or unsightly vegetation shall be planted or allowed to grow. Fences shall comply with applicable City of Cornelius regulations and the standards adopted by the Board of Directors of the Association pursuant to Section 6 above. Fences shall be well-constructed of cedar material in a "privacy" design with a top cap. No high output exterior lighting, including but not limited to mercury vapor and halide lights, shall be installed. No tree shall be removed except in accordance with City of Cornelius permit standards.

8. Architectural Review Committee.

8.1 Creation of Committee. In order to promote architectural compatibility and to protect the value, livability and aesthetic quality of the Property pursuant to this Declaration, the Declarant or Board of Directors of the Association will establish an Architectural Review Committee composed of not less than one (1) nor more than five (5) persons.

8.2 Fees. The Association may assess a fee for the review of plans by the Architectural Review Committee.

8.3 Duties.

8.3.1 Pre-Construction Plan Approval Required. No building (including incidental outbuildings), structure, improvement, obstruction, ornament, fence, wall, hedge, initial landscaping or any material modification of existing landscaping shall be erected, placed or altered on the Property, until three (3) sets of construction plans, specifications, and plans showing location of structures and location of any trees to be removed have been submitted to and approved by the Architectural Review Committee as being in compliance with this Declaration. The review process will include, without limitation, compliance with standards adopted from time to time by the Board of Directors of the Association, consideration of the quality of design, construction and material, harmony of external design with existing structures, location of structures and plantings with respect to topography and finished grade elevation, view obstruction and conformity with the approved grading and drainage plan.

8.3.2 Content of Plans. The plans to be submitted shall show: (1) the size and dimensions of the improvements, including interior floor plan and improvements, (2) the exterior design and materials, (3) exterior color scheme, (4) location of improvements on the Lot, including driveway, parking areas, walkway and decks, (5) location of existing trees to be removed, (6) existing and proposed grading, and (7) landscaping plans. The Architectural Review Committee's approval or disapproval as required in this Declaration shall be in writing. In the event the Architectural Review Committee fails to approve or disapprove plans and specifications within thirty (30) days after submission to it, or in any event, if no notice is given pursuant to Section 8.3.3 or 8.3.4 below, or no suit to enjoin construction has been commenced within sixty (60) days after notice of completion is delivered to the Architectural Review Committee, it shall be presumed that approval has been given and the applicable covenants shall be deemed to have been fully complied with. If a plan or proposal is disapproved as provided herein, then an alternate or revised plan or proposal may be submitted, which alternate or revised plan or proposal shall be handled in the same manner as the initial plan or proposal. Any disapproval shall include a brief written statement of the reasons for disapproval.

8.3.3 Post-Construction: Modifications. Plans and specifications shall be left with the Architectural Review Committee until sixty (60) days after notice of completion has been received by the Architectural Review Committee so that the Architectural Review Committee can determine that the improvements comply substantially with the plans and specifications submitted. After completion of construction of a House or other structure requiring approval, the Owner or its builder will promptly notify the Architectural Review Committee of the Association that the work is completed. If the plans and specifications have been changed during the course of construction of the House or if the House otherwise has not been built in accordance with the plans and specifications provided to the Architectural Review Committee pursuant to Sections 8.3.1 and 8.3.2, the Owner or builder will specify in writing all such material changes or deviations from the previously approved plans and specifications. In the event of such changes or deviations, or if the Architectural Review Committee otherwise determines that such improvements do not comply with such plans and specifications in all material respects, it shall notify the Owner in writing within the sixty (60) day period as to any changes necessary to comply with this Declaration, whereupon the Owner shall, within a reasonable time, either remove such improvements or make alterations so as to comply with this Declaration. The Owner, its contractor, subcontractors, agents, employees, guests and invitees, shall comply with any and all governmental regulations, codes and ordinances concerning such work and hereby indemnifies and holds the Association and the Architectural Review Committee harmless from any claim, loss or liability, including, without limitation, attorneys' fees, arising from or relating to such work.

8.3.4 Examination/Supervision of Work. The Architectural Review Committee may, after reasonable notice and during normal business hours or at any other reasonable time, enter into and examine any and all construction activity or maintenance work to determine compliance with this Declaration. Persons conducting such examination shall not be deemed to be guilty of trespass in the course of performing such duties or other activities related thereto. If, after examination, the Architectural Review Committee believes any construction does not conform to the approved plans, it may halt construction, without court order, and may require, without court order, that corrective action be taken before construction can continue. The Architectural Review Committee shall not be liable for any damages, delays or inconveniences caused by its examination, whether or not the examination results in the discovery and correction of any unapproved work, and neither the Architectural Review Committee nor the Association will have any liability for any failure to discover any noncompliance with this Declaration or any defect in the work. The Architectural Review Committee may cause any construction or maintenance work or activity not specifically authorized by this Article 8 or not being performed in strict compliance with the terms or conditions of prior authorization or approval to be terminated immediately or changes or corrections made as to make such construction or maintenance work comply with the terms or conditions of such prior authorization or approval. Before any work is performed, each Owner shall be obligated to obtain from such Owner's contractors, subcontractors, agents and employees a written acknowledgment of the authority of the Architectural Review Committee pursuant to this Declaration. An Owner's failure to obtain such written acknowledgments shall not relieve any Owner or such Owner's contractors, subcontractors, agents or employees from responsibility of complying with instructions and decisions of the Architectural Review Committee.

8.3.5 Other Actions. Any other action required to be taken by the Architectural Review Committee for which no time is herein specified shall be taken within thirty (30) days following written request to the Committee. If the Architectural Review Committee fails to approve or disapprove such request by written notice to the Owner within thirty (30) days, it shall be presumed that approval has been given. Any disapproval shall include a brief written statement of the reasons for disapproval.

8.4 Appointment and Term. Except as otherwise provided in Section 8.6 below, the members of the Architectural Review Committee will be appointed by the Declarant and hold office for terms to be established thereby. All members of the Architectural Review Committee shall be qualified by experience and familiarity with high quality residential construction and development. The members of the Architectural Review Committee will not be entitled to any compensation for services performed, except for reimbursement of reasonable out-of-pocket expenses, if any, if previously approved by the Board, or as otherwise approved by the Board.

8.5 Liability of Members. No member of the Architectural Review Committee shall be liable to any Owner on account of any action or failure to act in performing its duties or rights hereunder, provided that such person has, in accordance with actual knowledge possessed by such person, acted in good faith. Such members will be ex officio assistant vice presidents of the Association and entitled to indemnification as an officer in accordance with the Bylaws and applicable law.

8.6 Transitional Rule. Until such time as Declarant has turned over administrative control of the Association pursuant to ORS 94.600 et seq., the Architectural Review Committee shall have not less than one (1) member who shall be appointed by Declarant. Once Declarant has turned over administrative control of the Development and of this Declaration to the Association pursuant to ORS 94.600, et seq., the Board of Directors of the Association shall appoint the members of the Architectural Review Committee, provided, however, that for so long as Declarant is the Owner of a Lot in the Property, not less than one (1) member of the Architectural Review Committee may be appointed by Declarant.

8.7 Majority Action. A majority of the members of the Architectural Review Committee shall have the power to act on behalf of the committee, without the necessity of a meeting, and without the necessity of consulting the remaining members thereof. A decision of the Architectural Review Committee shall be in writing setting forth the action taken by the members thereof

8.8 Appeal. At any time after Declarant has delegated appointment of the members of the Architectural Review Committee to the Board of Directors of the Association, any Owner adversely affected by action of the Architectural Review Committee may appeal such action to the Board of Directors of the Association. Appeals shall be made in writing within ten (10) days of the Architectural Review Committee action and shall contain specific objections or mitigating circumstances justifying the appeal. A final, conclusive decision shall be made by the Board of Directors of the Association within fifteen (15) days after receipt of such notification.

9. No Rezoning or Redivision. No property within the Property may be rezoned or redivided, nor may a Lot line or boundary line of a Lot be altered, without the written consent of the City of Cornelius and a majority of Owners.

10. Restrictions on Animals. No animals of any kind shall be raised, bred or kept in the Property, except that dogs, cats and other commonly maintained household pets may be kept so long as they are not bred, maintained or kept for commercial purposes. No animal of any kind, including dogs and cats, shall be allowed to interfere with the quiet enjoyment of the other residents in the Property, or be permitted to be unattended upon the streets, Common Areas or upon premises of other occupants of the Property. The Board of Directors may determine in its sole and exclusive discretion to require removal from the Property of animals not deemed by the Board of Directors, in the exercise of its exclusive discretion, to be common household pets or which are deemed to be a danger or nuisance to Owners or guests, or may require the Owner(s) of such animals to conform to restrictions imposed by the Board of Directors on the outdoor activities of such animals.

11. No Commercial Use. Except as provided for herein, no portion of the Property or Lot shall be used for business or commercial purposes. No commercial vehicles, such as log trucks, dump trucks, tractor trailer rigs, or any other vehicles except passenger automobiles (including pickups) shall be parked upon property, including streets, in the Property. This Section 11 does not restrict the right of an Owner to maintain his or her professional personal library, keep his or her personal business or professional records or accounts, handle his or her personal business

or professional telephone calls or confer with business or professional associates, clients or customers, on his or her Lot by appointment only. No Owner or occupant shall permit, initiate, or carry on activities in the Property that are obnoxious or offensive, nor allow conditions on any Lot or Tract of the Property to become a nuisance or annoyance to the neighborhood. No commercial signs shall be erected on the property, except real estate sales signs of not more than five (5) square feet advertising property within the Property for sale or rent. Rentals shall be made for no less than thirty (30) days and each Tenant will be required to confirm review of this Declaration. Both Tenants and Owners are jointly and severally liable to conform to the obligations in this Declaration.

12. Screening/Street Parking. Trash, garbage and other waste shall be kept only in sanitary containers, screened from public view. No Lot or Tract shall be used as a dumping ground for trash, garbage, waste or debris. All heat pumps, air-conditioning units and condensers (or other utilities and devices commonly placed out of doors) shall be placed on a Lot to provide for visual screening of the view thereof from other Lots and the Common Area and to provide for noise attenuation. All boats, trailers, recreational vehicles, equipment, campers and the like must be parked off the streets of the Property in a garage or on a concrete pad beside a garage built specifically for the purpose and screened from public view. No parking of motor vehicles of any kind is permitted on the public or private streets of the Property for more than seven consecutive days.

13. No Interference. Owners or occupants within the Property shall not engage in nor continue uses which unreasonably interfere with use of other property within the Property. The following activities shall conclusively be deemed to unreasonably interfere with other property in the Property: (1) construction and maintenance of communications transmission and reception towers and antenna; and (2) construction and maintenance of exterior radio and television antennae and other receptors except for satellite dish type antennae not larger than 36 inches in diameter.

14. Completion of Improvements. All structures (including flat work and landscaping) constructed within the Property shall be erected and completed within one (1) year after the commencement of construction. All remodeling, reconstruction, or enhancement of structures shall be completed within one (1) year of the commencement of construction. Commencement of construction shall be deemed to be the date upon which a building permit was first issued for the construction, or, if no building permit was obtained, the date on which Lot clearing, demolition or remodeling commenced.

15. Right of Assessment.

15.1 Assessments Levied. Assessments may be levied against each Lot in the Property to be used exclusively to promote the recreation, health, safety and welfare of the Owners and occupants of Lots of the Property, and to provide for the organization and operation of The Trails at Laurel Woods Homeowners Association. Regular Assessments shall be uniform against all developed Lots within the Property. Special Assessments may be levied against those Lots benefited, which may be less than All Lots. The Association Bylaws contain additional details. Assessments shall also be collected as required for the obligations due to the Master Association based on its recorded documents.

15.2 Working Capital Assessments. Each Owner of a Lot in the Property against which an assessment may be levied covenants to pay the assessment as provided herein. At the time of each conveyance of a Lot to a new Owner, other than a Declarant or a builder who acquires a Lot or Lots from Declarant, the new Owner shall pay an assessment as established by the Board for Working Capital. The assessments collected shall be held in trust for and on behalf of the Owners and shall be used exclusively for operation of the Association. Until the Association is established, all payments shall be collected by the Declarant. Upon the sale or transfer of any Lot, the Owners' interest in the funds previously collected and unexpended shall be deemed to automatically transfer to the successor in interest of such Owners. No offsets against any assessment shall be permitted for any reason, including, without limitation, any claim the Association or Declarant is not properly discharging its duties.

15.3 Assessments on Unimproved Lots. Assessments shall be levied against all Lots whether or not the Lot has been improved with a substantially completed residence or other structure; provided, however, that Declarant shall be exempt from paying assessments on all Lots owned by it.

15.4 Assessments. Assessments shall be established for each calendar year when the budget for that calendar year has been established. Unless otherwise established by the Association, the assessment shall be paid annually on a payment date to be determined by vote of the Board of Directors of the Association. The budget shall be made available to all Lot Owners and shall separately account for current operations and reserves. Special assessments shall be allowed for emergencies, including but not limited to correction of a deficit in the current operating account of the Association, as provided for in the Bylaws.

15.5 Funds to Be Deposited. All funds received on account of the assessments shall be deposited into an account with a depository institution.

15.6 Joint and Several Obligations. All assessments properly imposed under this Declaration or the Bylaws shall be the joint and several personal obligations of all Owners of the Lot to which such assessment pertains. In a voluntary conveyance (that is, one other than through foreclosure or a deed in lieu of foreclosure) the grantees shall be jointly and severally liable with the grantor(s) for all Association assessments imposed through the recording date of the instrument effecting the conveyance. A suit for a money judgment may be initiated by the Association to recover such assessments without either waiving or foreclosing the Association lien.

15.7 Delinquent Assessments. At any time, any assessment (of any type provided for by this Declaration or the Bylaws) or installment thereof is delinquent, the Association, by and through its Board or any management agent, may file a notice of lien in the deed records of

Washington County, Oregon against the Lot in respect to which the delinquency pertains. Whether or not such notice is filed, such lien shall accumulate all future assessments or installments, interest, late fees, penalties, fines, attorneys' fees (whether or not suit or action is instituted) and other appropriate costs properly chargeable to an Owner by the Association, until such amounts are fully paid. Said lien may be foreclosed at any time, but not later than six (6) years after the latest lienable charge has been imposed. The lien of the Association shall be superior to all other liens and encumbrances except property taxes and assessments, first mortgages, first deeds of trust recorded at any time, and land sale contracts recorded prior to imposition of the lien. In the event an Owner is delinquent in payment of any assessment or installment of any assessment, the Association, upon not less than ten (10) days' written notice to the Owner, may accelerate the due date of the full assessment for that fiscal year and all future installments of any special assessments.

15.8 Interest, Fines and Penalties. Each Owner shall pay to the Association a late charge in an amount to be determined by the Board within fifteen (15) days of the date due. In addition thereto, violations by Owners, or by the household members, tenants, guests or occupants of the Owner's Lot, of the provisions of this Declaration, the Bylaws and any rules and regulations adopted by the Board of Directors may, upon adoption of a resolution by the Board of Directors and the giving of notice and an opportunity to cure to the Owner, result in imposition of an assessment against the Lot of such Owner in an amount to be determined by the Board. The adoption of such impositions shall be communicated to all affected Owners in writing not less than thirty (30) days before the effective date by a notice mailed to the assessment billing addresses of such Owners. Such impositions shall be considered assessments which are lienable and collectible in the same manner as any other assessments. Provided, however, no fine or penalty for violation of this Declaration, the Bylaws or any rules or regulations (other than late fees, fines or interest arising from an Owner's failure to pay regular or special assessments) may be imposed against an Owner or his Lot until such Owner is given an opportunity for a hearing before the Board.

15.9 Foreclosure. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to rights and remedies that may be available at law or in equity. Any default by the Owner in any provisions of the Declaration or Bylaws shall be deemed to be a default by the Owner of any Mortgage to which the Owner is a party or to which the Lot is subject.

15.10 Reserve Study. The Board of Directors of the Association annually shall conduct a reserve study, or review and update an existing study, of the common elements to determine the reserve account requirements. The reserve study shall include (a) identification of all items for which reserves are to be established; (b) the estimated remaining useful life of each item as of the date of the reserve study; (c) an estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and (d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule. The amount of the payments to the reserve account shall be annually adjusted according to the reserve study.

16. Voting. Each Lot shall have one vote. No fractional voting is allowed. In the event of disagreement, the Owners shall enter mediation as set forth in Section 21.

17. Service of Process. The designated agent to receive service of process is set forth in the Articles of Incorporation.

18. Declarant's Special Rights. The Declarant shall have the following special rights:

18.1 No Architectural Review. Improvements constructed by Declarant or Declarant's assignee of Declarant's special rights shall not be subject to architectural review as provided in Section 8 above but shall otherwise be subject to the restrictions of this Declaration and the Declaration of the Master Association.

18.2 Sales Office and Model. The Declarant shall have the right to maintain sales and/or rental offices and sales and/or rental models in one or more of the Lots that Declarant owns. Declarant, its agents and prospective purchasers shall have the right to park automobiles in the parking area on the common elements and to use and occupy the sales and/or rental office and models during reasonable hours any day of the week.

18.3 "For Sale" and "For Rent" Signs. The Declarant may maintain a reasonable number of "For Sale" and/or "For Rent" signs at reasonable locations on the Property.

18.4 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition, capital improvements or otherwise without the prior written consent of the Declarant, as long as the Declarant owns one (1) Lot in the Property. Nothing contained in this Section 18.4 shall be construed to limit Declarant's obligation to pay assessments for common expenses on Lots owned by the Declarant pursuant to requirements of the Oregon Planned Community Act.

18.5 Common Area. The Association shall maintain all Common Area in a clean and attractive condition. If the Association fails to do so, the Declarant may perform such maintenance at the expense of the Association.

18.6 Declarant's Rights. The Declarant, and its agents and employees, shall have rights to access on and over the common elements for the completion of any portion of the Property, including the furnishing and decoration of any Lot, sales office or model, and the right to store materials on the common elements at reasonable places and for reasonable lengths of time.

18.7 Annexation. The Declarant may, at its sole option, annex additional property into the Association to be subject to the terms hereof to the same extent as if originally included herein and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant.

18.7.1 Declaration of Annexation. Annexation shall be evidenced by a written Declaration of Annexation executed by the Declarant, or (in the case of an annexation by action of members) by the Board and the owners of the property being annexed, setting forth the legal description of the property being annexed and any additional covenants, conditions and restrictions to be applied to such annexed property.

18.7.2 Annexed Lots. Notwithstanding any provision apparently to the contrary, a declaration with respect to any annexed property may, but shall not be obligated to, establish different types of Lots and have particular rights and obligations pertain to different types of Lots, establish easements particular to different Lots, establish assessments that pertain only to certain types of Lots, establish maintenance obligations of the Association or of Owners that vary in accordance with different types of Lots or different Tracts of Common Area, establish insurance and casualty provisions that relate to certain types of Lots and not others, and establish limited Common Areas that benefit particular Lots to the exclusion of other Lots and provisions particular to such limited Common Areas.

18.8 Declarant's Other Special Rights. The rights reserved to the Declarant in this Section 18 shall in no way limit any other special rights that Declarant, as a declarant, may have, whether pursuant to the Oregon Planned Community Act or otherwise. Upon the expiration of any or all such special rights, the Declarant shall have the same rights as any other owner in the Property with respect to such ownership.

18.9 Assignment of Declarant's Rights. The Declarant shall have the right to assign any and all of its rights, or a portion thereof, including, without limitation, Declarant's special rights, as set forth in this Section 18, or to share such rights with one (1) or more other persons exclusively, simultaneously, or consecutively.

18.10 Expiration of Declarant's Special Rights. Unless otherwise provided, the Declarant's special rights, as reserved in this Section 18, shall expire upon the conveyance by the Declarant of the last Lot or Tract owned by the Declarant or Declarant's successor in interest as to Declarant's special rights, including any Lots planned to be annexed.

19. Mortgagees. In the event of a conflict between this Section 19 and other provisions of this Declaration or any Supplemental Declaration, the provisions of this Section 19 shall prevail. The terms "Mortgage" and "Mortgagee" are defined in Section 1 of this Declaration.

19.1 Notice of Action. Upon the written request of a Mortgage holder, insurer, or guarantor to the Association, identifying the name and address of such person and the number or address of the Lot on which a Mortgage has been placed, such Mortgagee, insurer or guarantor shall be entitled to timely notice of the following:

19.1.1 Any condemnation loss or casualty loss that affects either a material portion of a Lot securing its Mortgage;

19.1.2 Any thirty (30) day delinquency in the payment of assessments or charges owed by an Owner of any Lot on which it holds a Mortgage;

19.1.3 Any lapse, cancellation or material modification of any insurance policy maintained by the Association; and

19.1.4 Any proposed action that would require the consent of a specified percentage of eligible Mortgage holders.

19.2 Mortgagee Exempt from Certain Restrictions. Any Mortgagee that comes into possession of a Lot pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged Lot, including, but not limited to, restrictions on the age of Lot occupants and restrictions on the posting of signs pertaining to the sale or rental of the Lot. Provided, however, that Mortgagees shall not be exempt from the restriction that Lots cannot be rented for periods of fewer than thirty (30) days.

19.3 Subordination of Association Lien to Mortgage: Discharge of Lien upon Foreclosure. The lien of the Association shall be subordinate to any first Mortgage. Any first Mortgagee that comes into possession of the Lot pursuant to the remedies provided in the Mortgage, by foreclosure of the Mortgage, or by deed (or assignment) in lieu of foreclosure, and any purchaser at the foreclosure sale of a first Mortgage shall take the property free of any claims for unpaid assessments or charges against the mortgaged Lot which accrue before such Mortgagee comes into possession of the Lot (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all Lots, including the mortgaged Lot).

19.4 Professional Management. Upon the written request of holders of first Mortgages that represent at least a majority of the votes of mortgaged Lots, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Without the prior written approval of all holders of first Mortgages, the Association may not terminate professional management and assume self-management of the Association. Additionally, if professional management has previously been required by any Mortgage holder, any such decision to establish self-management shall require prior consent of all Owners of Lots. Any agreement for professional management shall provide that the management contract may be terminated on ninety (90) days' written notice.

19.5 Consent of Mortgagees to Sale of Common Areas. The Association may not sell Common Areas without the prior written approval of holders of all first Mortgages.

19.6 Limited Rights. The provisions of this Section 19 are intended to limit only the right of the Lot Owners, the Board of Directors and the Association to amend the Declaration and the Bylaws and are not intended to give any such parties any specific rights to effect any amendments. Any amendments to the Declaration or the Bylaws shall be made only upon full compliance with the provisions of the Declaration, the Bylaws and the Oregon Planned Community Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or the Bylaws shall not be considered to be material so as to require the consent or approval of Mortgagees, if its purpose is to correct technical errors or if it to clarify.

19.7 Request for Approval of Mortgagees. Any Mortgagee that receives a written request to approve additions or amendments to the Declaration or the Bylaws, or any other action to be taken by the Board of Directors, the Association or Lot Owners shall be considered to have given such approval unless such Mortgagee delivers or posts a negative response within sixty (60) days after receipt of such request.

19.8 Proxy Held by Mortgagee in Certain Cases. If a Mortgagee reasonably believes that the Association has failed to maintain the common elements so as to prevent excessive wear and tear, such Mortgagee may attend a meeting of the Association and may cast the vote of the Mortgagor of the Lot on which such Mortgagee holds a Mortgage if the proposal under consideration concerns painting or otherwise maintaining the common elements, including imposing special assessments necessary to pay for such maintenance. Provided, however, such right shall arise only in the event the Mortgagee reasonably believes the Association has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

19.9 Right to Examine Documents. The Association shall make available to Lot Owners, lenders and Mortgagees current copies of the Declaration, the Bylaws, the Articles of Incorporation, other rules concerning the Property, and the books, records and financial statements of the Association. The Association shall have the right to impose a reasonable charge for any copies requested by Owners, lenders or Mortgagees.

19.10 Right to Receive Annual Reports. The holders of first Mortgages representing at least a majority of the votes of mortgaged Lots shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association and its officers, directors and manager (if any) shall cooperate with such Mortgage holders and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following request.

19.11 Right to Receive Written Notice of Meetings. Upon a Mortgagee's written request, the Association shall give all Mortgagees written notice of all meetings of the Association, and such Mortgagees shall be permitted to designate a representative to attend all such meetings.

19.12 List of Mortgagees. The Association shall maintain at all times a list of Mortgagees who have given the Association notice on any matter described in this Section 19.12 of this Declaration, which list shall include their names, addresses, the Lots and mortgagors affected, and the matters with respect to which such Mortgagees have requested notice, provided that such information has been furnished to the Association by the Owners or their Mortgagees.

20. No Further Subdivision. No Lot may be subdivided or partitioned into divisions of any nature.

21. Dispute Resolution.

21.1 Claims Other Than for Defective or Negligent Construction or Condition. The following provisions of this Section 21.1 shall apply to any claim, controversy or dispute by or among Declarant (including members, officers, directors, shareholders and affiliates of Declarant), the Association, the manager or one or more Owners, or any of them, arising out of or related to this Declaration, the Bylaws or the Property, other than claims relating to defective or negligent construction or condition as provided in Section 21.2:

(a) Mediation.

(1) Except as otherwise provided in Section 21.1, before initiating litigation, arbitration or an administrative proceeding in which the Association and an Owner have an adversarial relationship, the party that intends to initiate litigation, arbitration or an administrative proceeding shall offer to use any dispute resolution program available within Washington County, Oregon that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. The written offer must be hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party.

(2) If the party receiving the offer does not accept the offer within ten (10) days after receipt of the offer, such acceptance to be made by written notice, hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party, the initiating party may commence the litigation, arbitration or administrative proceeding. The notice of acceptance of the offer to participate in the program must contain the name, address and telephone number of the body administering the dispute resolution program.

(3) If a qualified dispute resolution program exists within Washington County, Oregon and an offer to use the program is not made as required under Section (1), then litigation, arbitration or an administrative proceeding may be stayed for thirty (30) days upon a motion of the noninitiating party. If the litigation, arbitration or administrative action is stayed under this Section 21, both parties shall participate in the dispute resolution process.

(4) Unless a stay has been granted under Section 21.3, if the dispute resolution process is not completed within thirty (30) days after receipt of the

initial offer, the initiating party may commence litigation, arbitration or an administrative proceeding without regard to whether the dispute resolution is completed.

(5) Once made, the decision of the court, arbitrator or administrative body arising from litigation, arbitration or an administrative proceeding may not be set aside on the grounds that an offer to use a dispute resolution program was not made.

(6) The requirements of this Section 21 do not apply to circumstances in which irreparable harm to a party will occur due to delay or to litigation, arbitration or an administrative proceeding initiated to collect Assessments, other than Assessments attributable to fines.

(b) Arbitration. Any claim, controversy, or dispute by or among Declarant (including members, officers, directors, shareholders and affiliates of Declarant), Association or one or more Owners, or any of them, arising out of or related to this Declaration, the Bylaws, the Rules and Regulations, or the Property shall be first subject to mediation as described in Section 21.1(a) or otherwise, and if not timely settled by mediation, shall be resolved by arbitration in accordance with this Section 21.1(b), and shall be conducted by and pursuant to the then effective arbitration rules, except as modified herein, of the Arbitration Service of Portland, Inc. The decisions and award of the arbitrator shall be final, binding and nonappealable. The arbitration shall be conducted in the Portland, Oregon, metropolitan area or at such other location as may be agreed upon by the parties, pursuant to the arbitration statutes of the State of Oregon and any arbitration award may be enforced by any court with jurisdiction. Filing for arbitration shall be treated the same as filing in court for purposes of meeting any applicable statute of limitations or for purposes of filing a notice of pending action ("lis pendens").

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

(d) Consolidated Arbitration. Upon demand by any party, claims between or among the parties and third parties shall be submitted in a single, consolidated arbitration. Notwithstanding the provisions of this Section 21, in the event any claim, controversy or dispute related to the Property or this Declaration involves a claim by any party against a third party who is not required to and does not voluntarily agree to submit such claim to arbitration, then the party asserting the claim against a third party hereby waives trial by jury and agrees that such claim(s) shall be determined by a judge sitting without a jury.

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

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

(g) Excluded Matters. Notwithstanding the foregoing, the following matters shall not be subject to mediation or arbitration under this Section 21 (but shall be subject to the applicable provisions of Section 21.2): (i) actions relating to the collection of fees, Assessments, fines and other charges imposed or levied by the Association (other than disputes as to the validity or amount of such fees, Assessments, fines or charges, which disputes shall be subject to mediation/arbitration as provided above); and (ii) actions to enforce any order, decision or award rendered by arbitration pursuant to this Section 21. The filing of a lis pendens or the application to any court for the issuance of any provisional process or similar remedy described in the Oregon or Federal Rules of Civil Procedure shall not constitute a waiver of the right or duty to utilize the procedures specified in this Section 21.

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

21.2 Claims for Negligent or Defective Construction or Condition. The following alternative dispute resolution procedures shall apply to any claim by the Association or any Owner against Declarant or its affiliates, members or managers, or any contractor, subcontractor, supplier, consultant or design professional of every tier performing any work or services in connection with the Property, and their agents, brokers, successors, employees, affiliates, representatives, officers, directors, managers and members, and any of their insurers and reinsurers, related to the design, construction or condition of the Property, including, but not limited to, claims for defective or negligent construction or design or failure to disclose a defective condition.

(a) Initial Dispute Resolution Procedures.

(1) In the event of a claim for a construction defect governed by ORS 701.560 to 701.595, the parties shall first comply with the provisions contained therein. In the event the claim is not for a construction defect governed by such provisions, but relates to a claimed defect in the condition of the Property, the parties shall follow the same procedures as set forth in such provisions, except that the notice of defect shall include a statement of the basis upon which the recipient is claimed to be liable for the defect.

(2) In the event the claim is for a matter not governed by Section 21.1, the parties shall first attempt in good faith to resolve the claim through direct discussions following receipt of written notice of the claim. If the parties are unable to resolve the matter within one hundred eighty (180) days of the assertion of the claim, then following expiration of such period the parties shall proceed with mediation as provided in Section 21.1.

(3) Compliance with the procedures contained in this Section 21.2 shall be a condition precedent to mediation, arbitration or litigation of any such claims.

(b) Mediation. If the initial dispute resolution proceedings under Section 21.2(a) do not resolve the claims, the parties shall then engage in mediation to resolve the claims. The fees of any mediator and the costs of mediation shall be divided and paid equally by the parties. Each party shall pay its own attorneys' fees and costs in connection with any mediation. Completion of the mediation process under this Section 21.1(a) shall be a condition precedent to the filing of any arbitration or litigation proceedings under this Section 21.2 or any claims relating to the matter with the Oregon

Construction Contractors Board, and the claimant waives any right to file any such claims if the claimant has not fully complied with this Section 21.2. The mediation shall be conducted in accordance with the following procedures:

(1) Within sixty (60) days after completion of the proceedings under Section 21.2 and delivery of a demand for mediation by one of the parties to the other parties, the parties shall agree upon a neutral mediator. If the parties are unable to agree on a mediator within that period, upon application of any party, the Presiding Judge of the Circuit Court of Washington County, Oregon, shall designate the mediator.

(2) Within sixty (60) days after appointment of the mediator, the parties shall exchange with each other all inspection and consultant's reports in their possession pertaining to the claims, which reports and materials shall be considered and remain confidential mediation communications under ORS 36.220(1).

(3) The parties shall have ninety (90) days after exchanging reports in which to perform additional inspections. Any additional reports resulting from such inspections shall be furnished to the other parties prior to mediation, which reports and materials shall be considered and remain confidential mediation communications under ORS 36.220(1).

(4) The mediation shall be conducted after completing parts (2) and (3) above, but within one hundred eighty (180) days following appointment of the mediator. The mediator may elect to adjourn the mediation to additional sessions if the mediator determines that further sessions would be beneficial in resolving the disputes.

(5) Each party shall send to the mediation a representative with authority to settle the dispute.

(6) Any settlement agreed upon in mediation shall be documented and executed within sixty (60) days following completion of the mediation.

(c) Arbitration. All claims that have not been resolved by the initial dispute resolution procedures set forth in Section 21.2(a), or mediation pursuant to Section 21.2(b), shall be submitted to final and binding private arbitration in accordance with Sections 21.1(b) through (h). Each party shall be responsible for its own costs and attorneys' fees in any suit, action or arbitration brought under this Section 22.1(c), and the prevailing party shall not be entitled to an award of costs, disbursements, expert witness fees or attorneys' fees, in the arbitration, upon any motion for reconsideration, upon petition for review, on appeal or otherwise.

(d) Confidentiality. The parties shall keep all discussions of disputes, settlements and arbitration awards and decisions confidential and shall not disclose any such information, whether directly or indirectly, to any third parties other than their attorneys and consultants, unless compelled to do so by an order of a court of competent jurisdiction. In the event of a breach of this confidentiality obligation, the other party shall be entitled to seek and obtain any and all equitable remedies, including injunctive relief and specific performance, and the breaching party waives any claim or defense that the other party has an adequate remedy at law for any such breach, and such party shall not be required to post any bond or other security in connection with any such equitable relief.

(e) Time Periods Within Which Claims Must Be Asserted. Any claims under this Section 21.2, including, without limitation, allegations of property damage or personal injury claims arising out of fungus, spores, or mold, any water intrusion or dampness, or otherwise, regardless of the legal theory or basis of alleged causation, including, but not limited to, negligence, misrepresentation, construction defect, professional errors or omissions, strict liability or breach of contract, must be commenced by providing written notice on the earlier of (i) expiration of the applicable statute of limitations, (ii) within ninety (90) days after the date the Association or the Owner(s) knew or reasonably should have known of facts sufficient to put the Association or the Owner(s) on notice of the claim, (iii) within ninety (90) days after the date the Association or the Owner(s) first discovered or in the exercise of reasonable care should have discovered the injury or damage, (iv) with respect to the Unit and related Limited Common Areas, by no later than the first anniversary of the closing date of the sale of the Unit to the first purchaser, or (v) with respect to the Common Areas, by no later than the first anniversary of the date of the first conveyance of a Unit to an Owner other than Declarant. Any arbitration or litigation based upon such claim(s) must be instituted on the earlier of (i) sixty (60) days after completion of the mediation proceedings under Section 21.2(b), or (ii) one (1) year after expiration of any express warranty or the applicable statute of limitations. Any and all such claims not brought within these time periods will be deemed time barred, regardless of when the Association or Owners actually discovered the alleged basis for the claim. For purposes of this Section 21.2(e), a claim is "instituted" when arbitration is formally initiated, or a complaint is filed in the appropriate court and served promptly on the parties.

21.3 Survival. The mediation and arbitration agreement set forth in this Section 21 shall survive the transfer by any party of its interest or involvement in the Property and any Lot therein and shall survive the termination of this Declaration.

21.4 Purchase Agreement Claims or Warranty Claims.

(a) Purchase Agreement Claim. Any claim ("Purchase Agreement Claim") arising under or relating to an agreement ("Purchase Agreement") between Declarant (including a successor Declarant) and a buyer for the purchase and sale of a Lot and/or a residential unit within Laurel Woods shall be resolved in accordance with the dispute resolution provision of the Purchase Agreement, except that any claim arising from or related to alleged defects in a residential unit or a common element shall be resolved in accordance with Section 21.4(b) if such claim is a Warranty Claim covered by a Warranty, or, if not so covered, such claim shall be resolved in accordance with the terms of Section 21.1

(b) Warranty Claim. Any claim ("Warranty Claim") arising from or related to alleged defects in a residential unit or a common element, which are covered by an express or implied contractual warranty ("Warranty"), including, without limitation, any Warranty supplied to a buyer under a Purchase Agreement between Declarant (or a successor Declarant) and such buyer, shall be resolved in accordance with the dispute resolution provisions of the Warranty or Purchase Agreement, as applicable.

21.5 Survival; Statute of Limitations/Statute of Repose. The mediation and arbitration agreement set forth in this Section 21 shall survive the transfer by any party of its interest or involvement in the Property and any Lot therein and shall survive the termination of this Declaration. In no event shall a claim be submitted for negotiation, mediation or arbitration under this Section 21 after the date when institution of a legal or equitable proceeding based on the claim would be barred by the applicable statute of limitations or statute of repose.

21.6 Waiver of Class Action. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, BY VIRTUE OF THE RECORDING OF THIS DECLARATION, DECLARANT, THE ASSOCIATION AND ALL OWNERS ACKNOWLEDGE AND AGREE THAT THEY HAVE NO RIGHT, AND WAIVE ANY RIGHT, TO (A) HAVE ANY CLAIM BE COMMENCED, HEARD OR RESOLVED AS A CLASS ACTION; (B) ASSERT ANY CLASS ACTION OR REPRESENTATIVE ACTION CLAIMS AGAINST ANY PERSON IN MEDIATION, ARBITRATION OR OTHERWISE, AND AGREE THAT IT IS THE EXPRESS INTENT OF EACH OF THEM THAT CLASS ACTION AND REPRESENTATIVE ACTION PROCEDURES NOT BE ASSERTED OR APPLIED WITH RESPECT TO ANY CLAIM; AND (C) HAVE ANY CLAIM HEARD OR RESOLVED IN A COURT BY A JUDGE OR JURY.

21.7 Maintenance Plan and Inspections. The Association shall maintain those portions of the Property to be maintained by the Association in as good or better condition as at the time of the Turnover Meeting. Declarant will initially prepare and thereafter the Board of Directors shall implement, review and update a maintenance plan (the "Maintenance Plan") for the maintenance, repair and replacement of all property for which the Association has maintenance, repair or replacement responsibility under this Declaration or the Bylaws or the Oregon Planned Community Act. The Maintenance Plan shall describe the maintenance, repair or replacement to be conducted, include a schedule for maintenance, repair or replacement, be appropriate for the size and complexity of the maintenance, repair and replacement responsibility of the Association and address issues that include, but are not limited to, warranties and the useful life of the items of which the Association has maintenance, repair or replacement responsibility. The operating and reserve budgets of the Association shall take into account such costs. The Board shall review and update the Maintenance Plan as necessary. Changes or updates to the Maintenance Plan shall be based on written advice of competent experts or consultants. In addition, the Board shall cause an annual professional inspection of those portions of the Property to be maintained by the Association pursuant to this Declaration for the purposes of identifying any items needing repair or preventive maintenance and shall cause such repair or preventive maintenance to be implemented. If the Association fails to follow such maintenance and inspection requirements, then neither the Association nor any Owner shall have any claim against Declarant or its design professionals, contractors, subcontractors and suppliers and their consultants, including, without limitation, all of their officers, members, managers, directors, employees, agents and brokers, for loss or damage to the extent that they result from such failure to follow the Maintenance Plan or to conduct annual professional inspections, and shall indemnify such persons and entities from and against claims by Owners or other persons or entities for loss or damage resulting from such failure. For a period of ten (10) years following recording of the Declaration, any changes to the Maintenance Plan without the written approval of the Declarant and the original general contractor shall void any applicable warranty and will release them from liability for any damage resulting from such change.

21.8 Employment of Agents, Advisers and Contractors. The Association, through its Board of Directors, may employ the services of any person as manager; hire employees to manage, conduct and perform the business, obligations and duties of the Association; employ professional counsel and obtain advice from such persons such as, but not limited to, landscape architects, architects, planners, attorneys and accountants; and contract for or otherwise provide for all services necessary or convenient for the management, maintenance and operation of the Property; provided, however, the Board may not incur or commit the Association to incur legal fees in excess of $5,000 for any specific litigation or claim matter or enter into any contingent fee contract or any claim in excess of $100,000 unless the Owners have enacted a resolution authorizing the incurring of such fees by a vote of seventy-five percent (75%) of the total voting rights of the Association. These limitations shall not be applicable to legal fees incurred in defending the Association or the Board from claims or litigation brought against them. The limitations set forth in this paragraph shall increase by ten percent (10%) on each fifth anniversary of the recording of the Declaration.

22. General Provisions.

22.1 Interpretation. The rights and obligations of all members of the Association and any person dealing with the Association or any of its members with respect to matters pertaining to the Declaration, Articles of Incorporation, any Supplemental Property Declaration or the Bylaws shall be interpreted in accordance with and governed by the laws of the State of Oregon.

22.2 Amendment and Repeal. Subject to rights of the holders of First Mortgages as provided herein, the provisions of these Covenants, Conditions and Restrictions of The Trails at Laurel Woods may at any time be amended or repealed or provisions may be added upon a seventy-five percent (75%) vote of the Owners of Lots. Provided, however, that this Declaration shall not be amended to reduce or eliminate the rights of any Mortgagee without all such Mortgagees' prior written consent. No amendment may change the size, location, percentage of interest in the Common Area, method of determining liability for common expenses, right to common profits or voting power of any Lot(s) unless such amendment has been approved by the Owners and the Mortgagees of the affected Lot(s).

22.3 Recordation/County Assessor and Commissioner Approval Required. An amendment to the Declaration shall be effective upon recordation in the Deed Records of Washington County, Oregon, certified to by the chairperson and secretary of the Association. If required by law, an amendment shall be approved by the County Assessor and the Real Estate Commissioner.

22.4 Effectiveness of Amendment. Any amendment or repeal of a provision of the Covenants, Conditions and Restrictions of The Trails at Laurel Woods or additional provision shall become effective only upon the filing in the records of deeds of Washington County, Oregon, of the certificate of the president, secretary or assistant secretary of the Declarant of The Trails at Laurel Woods setting forth in full the amendment, amendments, additional provisions or repeal approved as provided in this Section 22.4 and certifying that said amendment, amendments, additional provisions or repeal have been approved in the manner required herein.

22.5 Statutory Compliance. These Covenants, Conditions and Restrictions may be amended in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, the approval of which entity is required in order for it to insure, guarantee or provide financing in connection with development of the Property and sale of Lots.

22.6 Joint Owners. In any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with provisions of the Covenants, Conditions and Restrictions of The Trails at Laurel Woods shall be a joint and several responsibility. 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 that such persons disagree among themselves with respect to a pending matter, any such person may deliver written notice of such disagreement to the Declarant or Homeowners Association, as the case may be, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter.

22.7 Remedies for Violations. Failure to comply with any of the terms of this Declaration, any supplemental Property declaration, Articles of Incorporation, the Bylaws and any rules or regulations adopted thereunder shall be grounds for relief, which may include, without limitation, fining the noncomplying Owner, bringing an action to recover money due, damages or a suit for injunctive relief, or an action to foreclose a lien, or any combination thereof. Relief may be sought by the Declarant, Master Declarant, Association, Board of Directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved Lot Owner.

22.8 Notices. Any notice permitted or required by the Covenants, Conditions and Restrictions may be delivered either personally or by mail. Delivery by mail shall be deemed to have been accomplished twenty-four (24) hours after the notice has been deposited as certified or registered mail in the United States mail, with postage prepaid, addressed as follows:

22.8.1 If to a director or officer of the Association or a Lot Owner, at the address given by him or her at the time of purchase of a Lot or at the address of his or her Lot within The Trails at Laurel Woods, at the option of the person giving the notice. The address of any person may be changed by him or her at any time by notice in writing delivered as provided herein.

22.9 Covenants to Run with the Land. The covenants shall run with the land and shall be binding upon all parties and all persons claiming under them, unless by a vote of the majority of the Owners of the Lot or Lots, and subject to prior approval by the City of Cornelius, it is agreed in writing to change or revoke these covenants, conditions and restrictions in whole or in part.

22.10 Severability. Each provision of the Declaration, the Articles of Incorporation and the Bylaws shall be independent and severable. The invalidity or partial invalidity of any provision thereof shall not affect any of the remaining portions of that or any other provision of this Declaration or the Bylaws.

22.11 Waiver of Rights. The failure of the Association, the Board of Directors, an officer or a Lot Owner to enforce any right, provision, covenant or condition provided in the Declaration, Articles of Incorporation or the Bylaws shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future.

23. Costs and Attorneys' Fees. In any proceeding, including arbitration, for the interpretation or enforcement of the terms and provisions of this Declaration (as amended or supplemented), Master Declaration (as amended or supplemented), the Bylaws (as amended), Articles of Incorporation, rules and regulations adopted hereunder or under the Bylaws, or the Oregon Nonprofit Corporations Act or the Oregon Planned Community Act, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the trial court in any trial or by the appellate court in any appeal thereof. In addition, the Association shall be entitled to recover costs and attorneys' fees incurred by it to collect delinquent assessments or fines, or to enforce the terms of the Declaration, Bylaws or any rules or regulations promulgated thereunder whether or not any collection or foreclosure action or suit is filed.

24. Compliance. Each Lot Owner shall comply with the provisions of the Declaration, Master Declaration, Articles of Incorporation, and the Bylaws, all as supplemented and amended, and with all standards and administrative rules and regulations adopted by the Declarant, Master Declarant, Association, and with all other applicable covenants, conditions and restrictions of record. Failure to comply therewith shall be grounds for suit or action, maintainable by the Association or any Lot Owner in addition to other sanctions that may be provided by the Bylaws or by any existing administrative rules and regulations.

25. Conflicting Provisions. In the event of a conflict between or among the provisions of the Declaration, the Master Declaration, the Articles of Incorporation of the Association, the Bylaws and any administrative rules and regulations, the provisions of the Master Declaration shall control first, and then the provisions of this Declaration shall be paramount to those of the Articles, Bylaws and the rules and regulations, and the Articles shall be paramount to the Bylaws and the rules and regulations and those of the Bylaws shall be paramount to the rules and regulations. For purposes of this Declaration, the term "Declaration" and "Master Declaration" shall include all amendments and supplements, and the term "Bylaws" shall include all amendments to the Bylaws.

26. Section and Paragraph Captions. Section and paragraph captions shall not be deemed to be a part of this Declaration unless the context otherwise requires. In construing this Declaration, if the context so requires, the singular shall be taken to mean and to include the plural, the masculine shall be taken to mean and to include the feminine and the neuter and, generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representatives, trustees and corporations.

The undersigned joint Declarants have jointly caused this Declaration to be executed this 17th day of SEPTEMBER, 2019.

DECLARANTS:

LAURELWOOD DEVELOPMENT, LLC,
an Oregon limited liability company

By: SPE Oregon Management, LLC, an Oregon limited liability company, Manager

By: ______________________
Greg Kubicek, Manager

STATE OF Washington)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Greg Kubicek is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the authorized signer of LAURELWOOD DEVELOPMENT, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 9/17/19

____
Notary Public in and for the state of WA
Residing at: Vancouver
My appointment expires: 4-15-21

Notary Public
State of Washington
KRISTA A HARVILL-SORTER
MY COMMISSION EXPIRES
APRIL 15, 2021

LW HOF II, LLC,

an Oregon limited liability company

By: SPE Oregon Management, LLC, an Oregon limited liability company, Manager

By:__________________________________
Greg Kubicek, Manager

STATE OF Washington)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Greg Kubicek is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the authorized signer and Manager of LW HOF II, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 9/17/19

Krista A. Harvill-Sorter
Notary Public in and for the state of WA
Residing at: Vancouver
My appointment expires: 4-15-21

Notary Public
State of Washington
KRISTA A HARVILL-SORTER
MY COMMISSION EXPIRES
APRIL 15, 2021

The recording of this Declaration is acknowledged and consented to by the Master Declarant under the Master Declaration.

MASTER DECLARANT

LAURELWOOD DEVELOPMENT, LLC,
an Oregon limited liability company

By: SPE Oregon Management, LLC, an Oregon limited liability company, Manager

By: ______________________
Greg Kubicek, Manager

STATE OF Washington)
) ss.
County of Clark)

I certify that I know or have satisfactory evidence that Greg Kubicek is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the authorized signer and Manager of LAUREFLWOOD DEVELOPMENT, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in this instrument.

Dated: 9/17/19

____
Notary Public in and for the state of WA
Residing at: Vancouver
My appointment expires: 4-15-21

Notary Public
State of Washington
KRISTA A HARVILL-SORTER
MY COMMISSION EXPIRES
APRIL 15, 2021

EXHIBIT “A”

THE TRAILS AT LAUREL WOODS

Plat Description

Lots 151-206, 208, 209, and 211-219, inclusive, as shown on the plat of “Laurel Woods No. 3” recorded as Document No. 2019-013283 on March 7, 2019 in the records of Washington County, Oregon and Lots 220-289, inclusive, as shown on the plat of “Laurel Woods No. 4” recorded as Document No. 2019-054788 on August 16, 2019 in the records of Washington County, Oregon, and all improvements now existing or to be constructed on the Property.

EXHIBIT "A"

THE TRAILS AT LAUREL WOODS

Plat Description

Lots 49-119, 121-140 and 143, inclusive, as shown on the plat of "Laurel Woods No. 2" recorded as Document No. 2018-078035 on November 15, 2018 in the records of Washington County, Oregon, Lots 151-206, 208, 209, and 211-219, inclusive, as shown on the plat of "Laurel Woods No. 3" recorded as Document No. 2019-013283 on March 7, 2019 in the records of Washington County, Oregon and Lots 220-289, inclusive, as shown on the plat of "Laurel Woods No. 4" recorded as Document No. 2019-054788 on August 16, 2019 in the records of Washington County, Oregon, and all improvements now existing or to be constructed on the Property.