

KOOSKOOSKEE RESIDENT GUIDEBOOK

January 10, 1984

ADDENDUM TO KOOSKOOSKEE RESIDENT GUIDEBOOK

MARCH 30, 1985

- Page 3 - Security Mainboxes NEW ADDRESS VISTA POST OFFICE
3624 COMMERCIAL ST.
- Page 3 - DELETE - Association Bookkeeper - The Bottom Line and their address
DELETE - Association Consultant - Gene Bicksler
Condominium Consultants
and their address
- Page 3 - ADD Association Consultant and Bookkeeper - Elsa "Ginger" Smith
P.O. Box 582
Eugene OR 97440
- Page 16 - DELETE - The Bottom Line and their address
- Page 16 - ADD - Elsa "Ginger" Smith
P.O. Box 582
Eugene OR 97440
- Page 19 - DELETE - Paragraph II
- Page 19 - ADD - Currently, the association is under contract with Elsa
"Ginger" Smith. Ginger works to oversee the operation of
the association through budget review, annual meeting
preparation, financial supervision, and has general over-
sight responsibilities. Ginger has her fiduciary respon-
sibility with KOOSKOOSKEE Homeowners Association. Ginger
will receive your quarterly payment, maintain a full set of
"books" and generate monthly and quarterly financial
statements.

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PURPOSE OF THE MANUAL

This manual is a permanent, evolving, working tool for creating and maintaining Kooskooskee as a successful community association.

The Association is a private, not for profit membership organization that operates and maintains certain common properties and services.

Every homeowner is automatically a member of the Association under the recorded Articles of Incorporation. Every owner has certain rights and obligations in the Association as described in the declaration and the by-laws and as established by the owners in accordance with them.

Successful performance of the Association's functions is essential to maintain a quality living environment for residents and to protect the property values of owners, lenders and the city tax base. The essential ingredient of successful Association performance is the skillful coordinated participation of many persons and organizations, including the developer, professional people, lenders, government agencies and, of course, the homeowners themselves.

The manual's purpose is to serve as the basic working tool for practitioners in the community association process, a practical day-to-day tool helping you to make the Association a success in performing its essential mission.

The manual contains the governing principles, plans and courses of action for the association.

Concept: contains the general information about homeowner's associations.

Structure: defines the Association's structure, along with general operating information.

Governing Documents: describes how the Association was formed and includes highlights of important information along with your copies of the Articles of Incorporation, Declaration and By-Laws.

Your Resident Guidebook is not intended to be all-inclusive. It is general information to acquaint you with community associations and how they operate. It is important that you thoroughly read the Articles of Incorporation, Declaration, and By-Laws.

This manual was coordinated and developed by Gene Bicksler of Condominium Consultants, Inc. for Kooskooskee.

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KAUFMAN HOMES

Kaufman Homes has been building quality homes in the Salem area for many years. The company is unique in the fact that the three brothers, Gary, Dean and Duane Kaufman, have combined their varied knowledge of the homebuilding industry to give every Kaufman homeowner the benefit of a fully supervised personalized job from dig out to final landscaping. Further benefit to the homebuyer is a permanent framing crew, supervised by Arnold Von Flue who has framed all of Kaufman homes since 1973.

During the past years Kaufman Homes has developed and built out lots at South Cedar Estates, Boone Crest Estates, Seeger Estates and Battlecreek II Estates. They have also built numerous custom homes in the Salem and Willamette Valley areas.

Kaufman Homes more recently has developed and are now marketing the KOOSKOOSKEE subdivision, while continuing the custom home building.

Kaufman Homes is service oriented, specializing in custom homes, concentrating on homeowner satisfaction. Quality detail and workmanship are trademarks of the company.

KOOSKOOSKEE SERVICES LIST

BUILDER: KAUFMAN HOMES - 370-8390

LISTING AGENT: COLDWELL BANKER - 364-9596

TITLE COMPANY: CAPITAL TITLE COMPANY - 371-7660

INSURANCE COMPANY: POTTS, DAVIS & CO. - 585-7555 - AGENT: TOM BROWN

YARD MAINTENANCE: JIM SCHWEITZER - 928-4304

SECURITY MAINBOXES: VISTA POST OFFICE -
LIBERTY ROAD & MISSOURI AVE. S.E. (Pick up Key and Register)

PACIFIC NORTHWEST BELL - 399-6464

NORTHWEST NATURAL GAS CO. - 585-6611

PORTLAND GENERAL ELECTRIC - 399-7717

CITY WATER DEPARTMENT - 588-6099

D & O GARBAGE CO. - 363-7923

SCHOOLS:

SUMPTER GRADE SCHOOL
JUDSON MIDDLE SCHOOL
SPRAGUE HIGH SCHOOL

ASSOCIATION BOOKKEEPER: THE BOTTOM LINE
1309 Linocln Street
Eugene, Oregon 97401
Phone: 484-6349

ASSOCIATION CONSULTANT: GENE BICKSLER
CONDOMINIUM CONSULTANTS, INC.
389 Hunington Avenue
Eugene, Oregon 97405
Phone: 485-8630

CONCEPT

History of Community Associations

The history of homeowner associations or community associations (CAs) can be traced to 17th century England where the Earl of Leicester built a townhouse and laid out Leicester Square in front of it. By 1700, other buildings surrounded the square and by 1543, these property owners had drawn up a legal device to assure the exclusive use and maintenance of the park. Thus, was established the basic premise upon which the modern day CA is fashioned; through a formal pact, diverse owners of properties within a defined area assume protection of each other's interests by reciprocal obligations imposed upon them and subscribed by all owners. At Leicester Square, as in America today, these obligations run with the land; i.e., change of ownership did not abrogate the provisions of the legal instrument. Today, Leicester Square, located near London's Picadilly Circus, continues to be maintained under these provisions, as are some five hundred similar entities throughout London.

The first American homeowner's association appears to have been established in 1844 in Louisberg Square in Boston. This association continues to function today under the provisions of the recorded land agreement which established the Committee of the Proprietor's of Louisberg Square.

Over the years, various forms of ownership, charters, and contractual devices have been employed in this country to establish use rights and maintenance requirements, with the result that, while typical residential developments have often declined in value and have become candidates for urban renewal, many of these early communities with homeowner's associations have not. Thus, the experience of several centuries has borne out the value of the basic idea behind these pacts, protection of equity through protective covenants which survive transfer of title.

In 1962 there were approximately five hundred to six hundred CAs in the United States. Today, there are over forty thousand associations that house ten million people and have annual operating budgets that exceed six billion dollars.

Purpose of the Kooskoc:skee Homeowners Association

When people come together voluntarily and relinquish certain freedoms to set up a formal scheme of self-management, as in the typical homeowners association, what results must surely be a form of government. To carry the discussion further, we may consider the homeowners association in the context of its powers of assessment levy and collection (taxation), rules and regulations (legislation), architectural and restrictive covenants (police powers); and in the context of the declaration and associated documents which establish and guarantee basic rights and obligations (the constitution).

The homeowners association is both a government and a business. We can describe its actions and procedures as having the following objectives: to facilitate and make more efficient and responsive the association's role as a government, with due concern for the rights of the individual; and to facilitate the association's smooth operation as a business, with the principle function of protecting the association's assets.

Is Kooskooskee a Condominium?

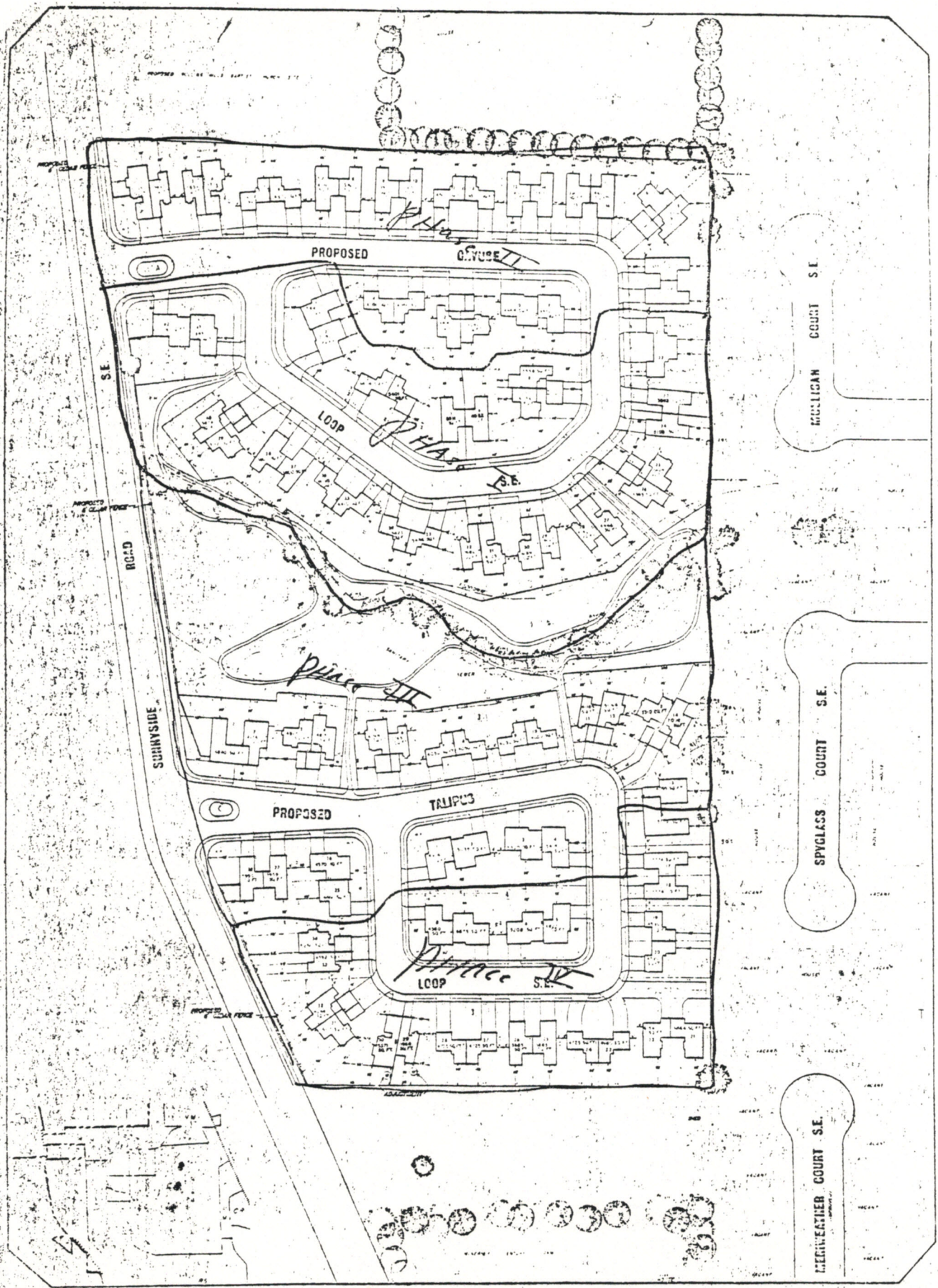
No, Kooskooskee is a common interest subdivision. Here is the difference.

Condominium--We will use a 100 unit community as an example. In a condominium each unit owner purchases their units air-space and 1/100 of all the common area. In a condominium the common area includes all the land and exteriors of all the buildings. The unit owners tax bill includes their unit and 1/100 of the common area. The association is formed to govern and manage the community's common property. Development and sale of condominiums are governed in the State of Oregon by O.R.S. Chapter 94, the Condominium Act.

Common Interest Subdivision--Again we will use the example of a 100-unit community. Here each purchaser buys the land underneath their unit. The exterior of the unit is owned by the purchaser, the unit owner may be restricted as to the use, repair and maintenance of their building by the recorded Covenants, Conditions and Restrictions. The common area is owned by the Homeowners Association. The association receives a tax bill for the common area. The unit owner pays taxes for their unit and the ground underneath it. On July 1, 1982 the Oregon Planned Community Act (P.C.A.) became effective. The P.C.A. is to common interest subdivisions what the Condominium Act is to condominiums.

Kooskooskee Plat and Plans


The following page is a copy of the proposed development plan for Kooskooskee. Currently the lots in Phase I are part of the Homeowners Association. When a Phase is completed or nearly completed, the developers will determine when and if the next Phase will be added to the Association. The developer is required by law to add a future phase to the association before he can close sale in that Phase.



3 OF 3

Exhibit B
 ZONE CHANGE/AMENDMENT
 APR. 24, 1979

KOOCHOOKEE
 (CLEARWATER)
 DEVELOPER/OWNER: Karlin Homes
 P.O. Box 2154
 Salem, Ore 97302

 **STUBBS/BENNER**

STRUCTURE

The Association

Each unit owner automatically becomes a member of the Homeowner's Association. With the sale of each unit goes a vote in the Association's affairs.

The major responsibility of the Association is to protect your investment and enhance the value of the property owned by the members.

The Association is responsible for enforcing the master regulations and architectural controls and setting up an effective communication system among members.

The Association is administered by a board of directors elected by the residents. The Association's officers are elected by the board of directors from the board's membership.

The board is assisted in its duties by committees of Association members. There will be committees for finance, communications, architectural control and maintenance.

Each owner is involved in the Association in his or her community in some manner. Involvement for you may mean you pay your assessment on time, cooperate with the Association and participate where you will be most effective even if you only vote at the annual meeting.

You may also take a more active role, serve on the board or on a committee, and both the Association and you will benefit.

No matter what role you play in the Association, one thing is certain, you will want it to operate as smoothly and efficiently as possible. The most important thing to remember about a community association is that it is a business. To be successful, it must be operated like one. What makes an association work like a successful business? Several things play a key role: 1. economical, satisfactory operation and maintenance of the facilities and services. 2. Accurate and forward-looking budgeting process. 3. Assessment amounts set to support the actual present and future costs of managing and operating the Association and its facilities. 4. Swift, judicious enforcement of the master regulations. 5. Professional relationships with key participants; for example, builders, lenders, management consultants, accountants, and attorney.

The most important key to success is the cooperation and participation of all homeowners.

The Board of Directors

The voting residents elect from their membership individuals to serve on the Board of Directors. Each member serves a three year term, no member is allowed to receive compensation for their service unless such compensation is authorized by the unit owners. At Kooskooskee there will be five members on the Board of Directors.

The Board of Directors acts in a fiduciary role to the Association. Webster defines fiduciary as ". . . a person who holds something in trust for another. . . ." The Board of directors is a body of residents that act for the benefit of all residents. The Board is given the power to employ a manager, contractor and employees. It is also given the power to ". . . exercise for the association all powers, duties, and authority vested in or delegated to this Association, and not reserved to the membership by other provisions of these By-Laws, Articles of Incorporation, or the Declaration." They are required to, among other things:

1. File liens against units with delinquent assessment fees.
2. Keep complete records of Association affairs.
3. Supervise all employees and agents of the Association.
4. Authorize withdrawal of Association funds.
5. Fix the annual assessment amount.
6. Maintain the common areas.
7. Prepare the Association's income tax returns.
8. Place adequate insurance for the Association.
9. Cause the lots to be maintained.

All board meetings are open to owners of Kooskooskee by Oregon law. In the beginning, the Board of Directors for the Association are members of the development company. They are Gary Kaufman, Dean Kaufman, and Duane Kaufman. Later in the development stages, a meeting will be held to elect members to the Board from the general membership of the Association. During the time that the developer controls the Board, programs will be initiated to educate and involve homeowners in Board functions. An explanation of these programs comes under the heading of "Transition" in the guidebook.

The Committees

The Association will form three committees. These committees serve two purposes. First, they serve as avenues for residents to become involved and educated in the Association's affairs. Secondly, they serve the Board of Directors to help them arrive at decisions and to oversee contractors and employees. All committees serve in an advisory capacity and have no official power under the governing documents.

The three committees are:

1. Finance: This committee will be responsible for reviewing all fiscal operations of the Association, including budget review, annual audit procedure, tax filings, investment of Association funds, and expenditure controls.
2. Communication: This extremely important committee will be used to keep all members of the Association informed on Association business and affairs. Its primary function will be newsletter publication, but it might get involved in planning social events and welcoming new members to the community.
3. Architectural Control and Maintenance: This committee has two functions as implied by the title. First, Maintenance; the committee will be responsible for daily observation of property and grounds. Secondly, the committee will be asked to establish two types of guidelines to enforce and control the architectural integrity of the community. The first will be specific guidelines for commonly-requested items such as screen doors, awnings, house numbers, and so forth. The second will be approval or disapproval of major design changes such as patio enclosures. These major changes will be reviewed on a case-by-case basis by the committee.

Book of Resolutions

The book of resolutions and its associated processes have a variety of purposes. Principle among them is the interpretation and refinement of the terms of the association's basic legal documents, since it is from these documents that the board derives its powers and responsibilities, subject, of course, to the higher authorities of law. Many areas are left open to interpretation by the board.

An assessment is required, but the annual assessment for any given year is not specified--what should it be? Options for remedying nonpayment of assessments are listed--but what should the association's policy be? Use restrictions are stated --but what action should be taken if someone paints controversial signs or symbols on his or her house or unit? These kinds of questions, and many others, must be resolved before the association can operate effectively. This is where the need for a formal process of adopting resolutions enters the picture.

Resolutions are policies and decisions voted on by a majority of board members. They will be dated, signed, and mailed to each unit owner. It is advised that you incorporate each resolution into your resident guidebook, thus, keeping all important association information easily accessible.

Budget and Assessments

The following budget is for Phase I in 1983 dollars.

The developer pays 25% of the total quarterly assessment on all unsold lots in Phase I.

The budget can be broken down as follows:

Administrative	35%
Maintenance	22%
Insurance & Taxes	20%
Reserves & Miscellaneous	13%
Utilities	10%

Each year the Board of Directors will review the expected expenditures for the coming fiscal year and set the quarterly assessment appropriately. On or before December 1 of each year, the Board will send to each homeowner a copy of the budget for the next year and a statement showing the new quarterly assessment.

Your quarterly assessment essentially goes to pay for landscape maintenance of the common areas, insurance, water and electricity for the common areas, professionals to assist in the administration of the association and to fund a reserve account for future capital needs.

Your quarterly assessments are due on January 1, April 1, July 1, and October 1. Quarterly billings are not sent, in an effort to control the bookkeeping expense. However, delinquency notices will be mailed monthly to each owner more than 30 days in arrears. Checks should be made payable to Kooskooskee Homeowners Association and send to The Bottom Line, 317 West Broadway, Suite 211, Eugene, Oregon, 97401.

Transition

Transition is a word coined to describe the movement of the control of the Association affairs from the developer to you, the unit owners. It is a critical time in the evolution of a community association.

By Oregon law, the developers must hold a general meeting of all owners within 60 days after the sale of the 51st lot. At this meeting, a transitional committee of owners will be elected. The committee will serve in an advisory capacity to the Board of Directors. The committee will be given access to association records and other supporting information.

To insure that the transition period works smoothly, a series of educational meetings will be conducted for the residents of Kooskooskee. These meetings will familiarize homeowners with a wide array of subjects in an effort to prepare them for a role in the leadership of their community association. Topics that will be discussed and reviewed will include budgeting, insurance, rules enforcement, meeting preparation, and efficiency techniques, and the newsletter.

After the sale of 75% of the last stage of the development or by January 1, 1991, whichever comes first, the developer must hold a meeting to elect unit owners to the board of directors.

KOOSKOOSKEE HOME OWNERS ASSOCIATION
--1984 OPERATING BUDGET--

(1) <u>Income</u>	
(2) Assessments--Owners	7,755.00
(3) Assessments--Developers	535.85
	8,290.85
(4) Total Income	
(5) <u>Expenses</u>	
(6) Administrative	
(7) Association Administrative Fee	1,080.00
(8) Accounting	660.00
(9) Audit & Tax Return	245.00
(10) Legal	300.00
(11) Insurance	1,410.00
(12) Uninsured Fund	250.00
(13) Real Estate Taxes	25.00
(14) Printing & Postage	40.00
(15) Miscellaneous	100.00
	4,110.00
(16) Total Administrative	
(17) Operating	
(18) Grounds Maintenance	1,800.00
(19) Electric	240.00
(20) Water	360.00
(21) Common Area Repair	150.00
(22) Miscellaneous	100.00
	2,650.00
(23) Total Operating	
(24) Total Operating & Administrative	6,760.00
(25) <u>Reserves</u>	
(26) Lights	42.00
(27) Sprinklers	153.00
(28) Jogging Paths	228.00
(29) Sign	71.00
(30) Contingency	210.00
	704.00
(31) Total Reserves	
(32) Total Reserves, Administrative & Operating	7,464.00
(33) Net Result	826.85

Narrative to Budget

1. Income
2 & 3:

Based on owners paying \$82.50 per quarter and the developer paying 25% of that figure (per Declaration of Unit Ownership) for all unsold lots. Beginning 1984 with 16 sold units. Expecting two sales in the first quarter, four sales in the second quarter, four sales in the third quarter, and two sales in the fourth quarter.

5. Expenses

7. Fee paid to Condominium Consultants, Inc. for general supervision of homeowners association including insurance review, monthly fiscal review, annual budget preparation, annual meeting preparation, etc.

8. Fee paid to "The Bottom Line Bookkeeping Service" for association bookkeeping and preparation of financial reports.

9. Paid to C.P.A. for tax return preparation and review of financial records annually.

10. For recurring legal advice to the Board of Directors.

11. Per quote from Potts, Davis & Co. (see Attachment A).

12. Budgeting for one insurance claim this fiscal year, deductible is \$250.00.

13. Real estate taxes paid on common area of the association.

14. For copies, stamps, checks, etc.

17. Operating

18. Common area landscape maintenance at \$150.00 per month x 12 months = \$1,800.00

19. For common area lights, approximately \$20.00 per month x 12 months = \$240.00.

20. For common area irrigation system, approximately \$30.00 per month x 12 months = \$360.00.

25. Reserves

26-29:	Expected Life in Years	Expected Replacement Year	1983 Reserve	1984 Reserve (5% Increase)
Common Area Lights	15	1996	40.00	42.00
Common Area Sprinklers	15	1996	145.00	153.00
Jogging Paths	15	1996	217.00	228.00
Entrance Sign	15	1996	67.00	71.00

30. Contingency for delinquent homeowner fees using approximately 3% of total annual budget based on past history of similar projects.

Management

The Kooskooskee management concept is unique. It was designed by one of the nation's preeminent community associations consultants. It is a concept of reduced association involvement in the homeowners ownership. At the same time it provides enforcement capabilities to insure that the "neighborhood" at Kooskooskee will always remain attractive and well-maintained.

Currently, the association is under contract with Condominium Consultants, Inc. and The Bottom Line Bookkeeping Service. Condominium Consultants works to oversee the operation of the association through budget review, annual meeting preparation, financial supervision, and has general oversight responsibilities. Condominium Consultants has its fiduciary responsibility with Kooskooskee Homeowners Association. The Bottom Line is a Eugene bookkeeping firm specializing in community associations. They receive your quarterly payment, maintain a full set of "books" and generate monthly and quarterly financial statements.

With these two professionals, the board of directors, and the three committees, the management burden will be evenly distributed and effective.

Architectural Controls

The master regulations provide for architectural control by the association. These controls are not set up to stifle your individual creativity but, rather, to assure that the integrity of the original community design is preserved. You can paint the entire inside of your unit bright purple if you wish. It's only the exterior of your unit that is of concern to the association.

"It shall be prohibited to install, erect, attach, apply, paste, hinge, screw, nail, build, alter, plant, remove or construct any lighting, shades, railing, screens, awnings, patio covers, decorations, fences, features, walls, aerials, antennas, radio or television broadcasting or receiving devices, slabs, sidewalks, curbs, gutters, patios, balconies and decks, porches, driveways, greenhouses, gutters and downspouts, garage walls, fireplaces, or to make any change or otherwise alter (including any alteration in color), in any manner whatsoever the exterior of any Lot, Dwelling Unit, or upon any of the Common Areas or Common Facilities (if any), within the project or to remove or alter any windows or exterior doors of any Dwelling Units": Article VII, Section 1, Declaration.

Common problems with architectural control arise over such issues as fences, external color of units, additions, clotheslines, antennas and patio awnings. The Architectural Control Committee will develop and distribute architectural guidelines for you, review and approve all submitted plans for exterior alterations, and enforce architectural standards.

It is important that you are familiar with the architectural controls and always work with the committee when making any exterior change to your unit. This will avoid unnecessary misunderstandings which inevitably cause delay and extra expense. If you see flagrant violations of the architectural controls by other association members, you can do your part by calling it to the attention of the Board of Directors.

For the specific architectural control provision refer to Article VII of the Declaration of Covents, Conditions and Restrictions.

Garbage Collection

Individual homeowners are responsible for their own garbage removal. It is recommended that you use D & O Garbage Company for your individual can pick-up, their telephone number is 363-7923.

Maintenance

Buildings

Each owner is responsible for the complete maintenance and repair of their unit both interior and exterior. If an owner is not maintaining their building satisfactorily, the Board of Directors, after giving reasonable notice, has the authority to repair the problem and bill the owner.

Landscape

It is association's responsibility to maintain the common area and the homeowner's responsibility to maintain their individual lot. The association's landscape maintenance contractor is available to homeowners under a separate contract. As with building maintenance, if an owner does not maintain the lot, the Board has the authority to remedy the problem and bill the owner.

Insurance

The Association is required to keep in effect an insurance program for Kooskooskee. The insurance can be broken down into four general divisions.

Property:

Coverage is on each structure including carpeting, drapes, additions and built-in appliances. It is on an "all-risk" basis (with some basic exclusions); with Replacement Cost Value and a \$250.00 deductible per claim including glass breakage.

Liability:

Comprehensive Liability with a limit of \$1,000,000 per claim. Coverage provides protection for all members of the association if a claim for bodily injury, personal injury or property damage should occur through the operation of the premises; construction activities; use of independent contractors; hosting of a function where liquor is involved and use of non-owned auto on behalf of association.

This coverage does not extend to each individual owner if claim is brought against you due to your individual negligence.

Directors & Officers Liability:

\$1,000,000 limit providing protection for all members of the Board against claims rendered due to a wrongful act.

Fidelity Bond--This protects the association from a loss due to Board member theft or an association employee theft.

The above insurance is paid for through your quarterly assessment fee. As a homeowner, all you need to purchase is personal property insurance and liability coverage for the inside of your unit.

The agent for the association's insurance is Potts, Davis & Company; their phone number is 585-7555.

Pet Regulations

Pets are allowed at Kooskooskee upon approval of the Board of Directors and completion of the pet registration form. The Board of Directors has the authority to deem a pet a nuisance and have the pet removed from the premises. The following page is a copy of the pet registration form.

Pet Registration Form

According to the Declaration of the KOOSKOOSKEE Homeowners Association, the maintenance of pets must be approved by the Board of Directors in writing.

If applicable, please complete this pet registration and return to Kaufman Homes, P. O. Box 3154, Salem, Oregon, 97302. The Board can then record and approve your pet. The approval can be revoked by the Board if Article VII, Section 2 (e) of the CC&R's is not complied with as stated.

A reminder, if you acquire a pet in the future it is necessary to register your pet with the Board of Directors.

Pet Registration

Name of Owner: _____
 Address of Owner: _____
 Description of Pet: _____
 Size: _____ Color: _____
 Name of Pet: _____

Approved: _____ Date: _____

Kooskooskee Board of Directors

Reference: CC&R's - Article VII - Section 2 - Page 10

(e) The maintenance, keeping, breeding, boarding and/or raising of animals, livestock, or poultry of any kind, regardless of number, shall be and is hereby prohibited within any Lot or upon any Common Area unless approved in writing by the Board of Directors. Pets shall not be permitted upon any Common Area unless accompanied by an adult and unless they are carried or leashed. Any member who keeps or maintains any pet upon any portion of a Lot or Common Area shall be deemed to have indemnified and agreed to hold the Association, each of its members and the Declarant free and harmless from any loss, claim or liability of any kind or character whatever arising by reason of keeping or maintaining such pet. The Board of Directors shall have the right to order any person whose pet is a nuisance to remove such pet from the premises, or to charge such person for any extraordinary cost of maintaining the Lot, Dwelling Unit, Common Area or Common Facility (if any), caused by the presence of the pet.

Warranties

Kaufman Homes warranty covers the home for a period of one year.

Upon move in Kaufman Homes meets with the buyer to go over all areas of the home.

Kaufman Homes will stand behind their quality homes for complete buyer satisfaction.

GOVERNING DOCUMENTS

Legal Creation of Kooskooskee

Method. Kooskooskee is essentially a subdivision. It is registered with the local governmental authorities who approved the plat and plans. Kooskooskee was then "created" by recording the Articles of Incorporation, Declaration, and By-Laws. In case of conflict between these three documents, the Articles of Incorporation rule over the Declaration and the Declaration rules over the By-Laws.

Articles of Incorporation. The essential function of the Articles of Incorporation is to name the corporation, address the purpose of the corporation, name the initial board of directors, provide for the distribution of assets on liquidation, describe who the members of the corporation are, discuss the power of the association, and explain members' voting rights.

The Declaration. The essential function of the Declaration is to describe property rights within Kooskooskee. The Declaration also contains definitions and easements. Technically, the By-Laws and the Plats and Plans described are integral parts of the Declaration. The Declaration establishes the boundaries of the unit and the common area. It also establishes members' rights of enjoyment, maintenance assessments, exterior maintenance, architectural controls, use restrictions, and the party wall agreement.

The By-Laws. The essential function of the By-Laws is to provide for the manner in which the association is to be governed.

Highlights of the Governing Documents

Articles of Incorporation

1. Initial members of the Board of Directors are Gary Kaufman, Dean Kaufman, Duane Kaufman.
2. Amendments require approval of 75% of the total votes.
3. The registered agent for the corporation is Kenneth Sherman, Jr., at 687 Court Street N. E., Salem, Oregon.

Declaration

1. The maximum number of lots that can be included in the Association are 102.
2. Every owner of a lot is a member of the Association.
3. Each owner has one vote per lot except the developer who has three votes per unsold lot, until 77 lots are sold, then sold lots have one vote each.
4. Each lot is subject to annual and special assessments by the Association.
5. Association assessments are personal obligation.
6. The annual assessment may not be increased by more than 15% without a vote of the membership.
7. The Board of Directors determine the annual assessment amount.
8. By April 1 of each year, the Board of Directors will supply each owner with an accounting of the prior year's expenses and income.
9. At the discretion of the Board of Directors, if an assessment becomes delinquent, the remaining balance of that year's assessment may be called due in full.
10. By December 1 of each year, the Board of Directors shall fix the annual assessment amount for the next year.
11. The developer must pay 25% for the full assessment on each unsold lot subject to this declaration.
12. An assessment not paid within 30 days of the due date, shall bear interest at 10% per annum. The Association may bring legal action after said date.
13. Each lot owner is responsible for maintenance and repair of their building and landscape. The Association is responsible for maintenance and repair of the common areas. The Association may require an owner to maintain their lot or building.
14. No owner can change the exterior of their lot or building without prior approval of the architectural control committee.
15. Pets must be kept on a leash. No pet is allowed to reside at Kooskooskee without prior approval of the Board of Directors. Pets that become a nuisance can be removed by the Board of Directors.
16. No signs may be posted without prior consent of the Board of Directors.
17. No truck, camper, trailer, boat, or like vehicle can be parked at Kooskooskee.

18. No outside antennas are allowed without prior written consent of the Board of Directors.
19. Amendments require a 75% approval of all lot owners.

By-Laws

1. The annual meeting of the Association is held on the 23rd of February at 8:00pm.
2. The initial Board of Directors shall be composed of 3 members but may expand to 5 members.
3. At a duly-called meeting, a board member may be removed by a majority vote of the owners.
4. All Board meetings are open to association members.
5. The fiscal year of the association shall commence on January 1 of each year.
6. The Board of Directors shall adopt a new budget 30 days before the beginning of the new fiscal year.
7. The Association must establish two banking accounts; one for an operating fund, and one for a reserve fund.
8. The Association must maintain at all times a blanket insurance program for Kooskooskee.
9. Amendments can be made by a vote of a majority of a quorum of members.
10. A member of the Association shall have access to the books, records and papers of the Association.