

oil tanks, clothes lines, other service facilities, stored trailers, and RV's, shall be screened from view, from neighboring units and from common areas in a manner approved by the Architectural Review Board.

10.8.1 Residential Refuse. All Residential Refuse, garbage, and trash shall be maintained inside the enclosed garage of each structure, or outside in a "Certified Bear Proof" container (s) while awaiting disposal.

10.9 Nuisance. No noxious or offensive activity shall be carried on, on a Lot, nor shall anything be done or placed upon any Lot that interferes with or jeopardizes enjoyment of other Lots or within the Planned Community.

10.10 View Protection. If any tree, shrub, or other vegetation blocks or substantially obscures the view of the Pacific Ocean from any Living Unit, the Owner of such Living Unit may petition the Architectural Review Board for the trimming, topping, or removal of such tree, shrub, or other vegetation. Upon receipt of such a petition, the Architectural Review Board shall investigate the matter and determine whether said view is, in fact, blocked or substantially obscured. If the Architectural Review Board so determines in writing, then the offending tree, shrub, or other vegetation shall be trimmed, topped, or entirely removed. The Owner of the offending tree, shrub, or other vegetation shall be entitled to elect, within ten (10) days of the Architectural Review Board's determination, as to whether the offending tree, shrub, or other vegetation shall be trimmed, topped, or removed. In any event, the entire cost of trimming, topping, or removal shall be the sole responsibility of the petitioning Owner and the petitioning Owner shall indemnify the Architectural Review Board and the Board of Director's against any claim of damage that may be brought by another Owner(s) stemming from Owner's trimming, topping or removal.

10.10.1 Lot Specific View Protections. A Minimum set back of 50 feet from the embankment shall be maintained for Lots 38 and 39; A Minimum set back of 40 feet from the embankment shall be maintained for Lots 36 and 37; A Minimum set back of 30 feet from the embankment shall be maintained for Lots 34 and 35. Owner's of these lots may wish to seek approval from Tillmook County to relieve themselves of this restriction. The Homeowners' Association may at its discretion, chose to act or not act in favor of, in opposition of, or remain neutral regarding any and all applications that may be filed to alter this restriction, no matter who or what entity is filing an application for modification of this restriction.

10.10.2 Lot Specific Building Height Restrictions. Lots 28 through 39, 48A and 48 B, and 51 and 52 shall have a maximum building height of 24 feet.

10.10.3 Retention of Natural Environment. Declarant desires to maintain retention of the present natural environment. Normal trimming, pruning and topping of trees or removal of hazardous trees will be permitted in undeveloped areas without approval of the Association. The felling and removal of trees and growth that interfere with the construction or maintenance of a Dwelling Unit, septic system or road and driveway is permitted without approval of the Association. All other natural flora shall be maintained to minimize erosion and to maintain the coastal character of the Property, subject to the provisions of Section 10.10, and

Architectural Review Board approval of specific landscaping plans. While landscaping plans may be submitted, the intent of this section to discourage introduction of flora not already found on the site should be carefully considered by Owner's and their consultants. The Architectural Review Board shall be entitled to levy special assessments on Owners and lien Lots in the event of violations of this section.

10.10.4 Excavation. Cuts, scraping, and removal of soil and/or shrubs and vegetation may adversely affect septic approval for the Lots. Such activities on Lots including the felling and removal of trees and growth that interfere with the construction or maintenance of a septic system or road and access require the prior approval of the Architectural Review Board. The Architectural Review Board's activities shall consider the desire to maintain the coastal character of the Property and the desire for each Lot to maintain its own, on-site, septic disposal system where approved by the County.

10.11 Fences, Walls and Hedges. No fence, wall or hedge shall exceed six (6) feet in height. Owners, who desire a fence, are encouraged to use the same or similar materials in style as fencing in the areas near the Planned Community. In no event shall side yard fences project beyond the front walls of any Living Unit or any garage, nor in excess of twenty-five (25) feet beyond the rear walls of any Living Unit or any garage, except as allowed by the Architectural Review Board. No fence, wall or hedge shall be permitted within the minimum set back line and the property line nor to extend more than twenty-five (25) feet from the structure of the Living Unit. Prior to construction, designs of all fences, hedges or walls must be approved in writing by the Architectural Review Board. The walls and/or fences on any Lot shall not be altered without written consent of the Architectural Review Board.

10.12 Sight Line Protection. No hedge, shrub or tree planting which obstructs sight lines at elevations between two (2) and six (6) feet above the roadways shall be placed or permitted to remain in the vision clearance triangle. The vision clearance triangle is the triangle formed: 1) on a corner Lot by the street property lines and a straight line connecting them at points 25 feet from the intersections of the street property lines extended; or 2) at a driveway by the street property line and the edge of the driveway and a straight line connecting them at points 15 feet from the intersection of the street and the driveway. Hedges, shrubs and trees shall be permitted in the vision triangle provided the foliage line is maintained at a height that does not obstruct sight lines in the vision clearance triangle.

10.13 Set Backs. No building or fencing shall be located on any Lot nearer than twenty (20) feet to the front Lot line, or any side street line. Except for attached Living Units permitted under Section 10.3.1, no building or fencing shall be located nearer than fifteen (15) feet to an interior Lot line. Except for attached Living Units permitted under Section 10.3.1, eaves, steps, open porches and balconies shall not be permitted to extend closer than ten (10) feet to an interior Lot line. The Architectural Review Board may approve a proposal that does not comply with these requirements pursuant to the process set forth in Section 11.

10.14 Parking. Adequate parking shall be provided for all vehicles of owners and guests on the residential lot where at all practical. Parking along the common roadway will be restricted.

10.15 Party Walls.

10.15.1 General Rules of Law to Apply. Each wall built as a part of a Living Unit which divides Living Units, and which is placed on the dividing line between Lots, shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Declaration, the general rules of law regarding party walls shall apply thereto.

10.15.2 Sharing of Repair and Maintenance. The cost of repair and maintenance of a party wall shall be shared equally by the Owners whose Living Units are divided by such wall.

10.15.3 Weatherproofing. Notwithstanding any other provision of this Section, an Owner who by his or her negligent or willful act causes the party wall to be exposed to the elements shall bear the whole cost of furnishing the necessary protection against such elements.

10.15.4 Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Section shall be appurtenant to the land and shall pass to such Owner's successors in title.

10.15.5 Arbitration. In the event of any dispute arising concerning a party wall, or concerning the obligations of the Owners or the Association pursuant to the provisions of this Section, each party shall choose an arbitrator, and the arbitrators so chosen shall choose one additional arbitrator, and the dispute shall be resolved by a majority of all the arbitrators pursuant to the provisions of ORS 36.300 *et. seq.*, as amended.

10.16 Restrictions. The restrictions contained in this Section may not apply to all future development. Declarant may elect to apply a separate set of covenants on future development may require a separate set of covenants in respect to the restrictions to be applied to individual Lot use.

SECTION 11 ARCHITECTURAL REVIEW BOARD

11.1 Composition. The Board of Directors shall serve also as an Architectural Review Board. A quorum for the Architectural Review Board action shall be a majority of its members. The Board of Directors may delegate the duties of the Architectural Review Board to a committee appointed by the Board composed of not less than three (3) Owners.

11.2 Duties. It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location and maintenance of all the Property and of improvements thereon, whether on a Lot or Common Property, and to regulate use of such Property as described in this Declaration. The Architectural Review Board may, from time to time, adopt general rules to implement the purposes and interpret the covenants of this Section, including, but not limited to, rules less restrictive than those contained in this Declaration to regulate

animals and tenants, storage and use of recreational vehicles, storage and use of machinery, use of outdoor drying lines, trash containers, planting, maintenance and removal of vegetation of the Property.

11.3 Approval Required. No Living Unit, outbuilding, fence, wall or other structure of any type shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to, change in, painting or staining of, or alteration to any Living Unit, outbuilding, fence, wall, or other structure on the Property of any type be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing by the Architectural Review Board as to the harmony of external design, materials, color, preservation of natural vegetation and location in relation to surrounding structures and topography. The Architectural Review Board may adopt an application fee for submittal and review of applications. During the period when Declarant fills all seats on the Architectural Review Board, the Association shall pay to Declarant the application fees collected, net of any copying and postage costs incurred by the association. During the period Declarant fills all seats on the Architectural Review Board the application fee shall be specifically delineated in the Rules and Regulations of Sahlali South Homeowners Association. The fees for Review may be changed at any time, by the Board of Directors of Sahlali South Homeowners Association. During the period Declarant fills all seats on the Architectural Review Board all application fees shall be remitted by the Association to the Declarant in compensation for Declarant's time in reviewing applications. Declarant is exempt from paying ARB fees regarding any and all property, lots or other area, either currently owned, or may be owned or annex into the Homeowners Association now or at any time in the future,

"Development" shall be defined as any grading, clearing, scraping, tree removal, planting, filling, or any other manipulation of the site or vegetation. "Tree" shall be defined as any variety of tree or large shrub with a trunk diameter at breast height ("DBH") equal to or greater than 4 inches.

11.4 Procedure. An Owner wishing to take any action requiring approval under this Section shall give notice of such proposed action to the Architectural Review Board, together with a completed application in the form specified by the Architectural Review Board and complete plans and specifications therefore. The Architectural Review Board may reject applications which are incomplete or request additional information. The Architectural Review Board shall provide notice of accepted applications to all Owners and such notice shall identify the Lot, the nature of the application, and the scheduled meeting date and place for the review of the application. Within 7 days of the notice date, an Owner may request a copy of the materials submitted in support of an application by providing written notice and a documentation fee of \$150. Not earlier than fifteen days after the mailing of the notice, the Architectural Review Board shall meet to review the Owner's request and shall render a decision by the vote of a majority of Board Members present. Such decision shall be rendered within forty-five (45) days of receipt of a complete application, provided however that no time shall be deemed to have elapsed from the time the Architectural Review Board requests additional information until such time as the requested information has been received. Interested Owners shall have an opportunity to comment on the application at all such meetings, which shall be open to all Owners, or may submit written comments. Except as provided herein, if the Architectural Review Board fails to

issue a written decision within the time allowed, the request shall be deemed to be approved. Requests seeking approval for actions not in compliance with the set back requirements of Section 10.13 shall be deemed denied unless a written decision approving the request is issued within the time allowed.

11.5 Appeal. The decision of the Architectural Review Board under this Section (including any failure to approve or disapprove within the time allowed) shall be subject to appeal by any Interested Owner as set forth in this Section. Upon the payment of a reasonable fee established by the Architectural Review Board to cover administrative costs any interested Owner may appeal the decision of the Architectural Review Board to the Association members. The appeal shall be made in writing and shall be filed with the Secretary of the Association within thirty (30) days of the decision of the Architectural Review Board. The Board of Directors shall call a special meeting or ballot to be held after ten (10) days notice and within thirty (30) days after the appeal has been filed with the Secretary of the Association. It shall require a vote of at least a majority of the votes of each Class of Association members to reverse or modify the decision of the Architectural Review Board. During the period Declarant fills all seats on the Architectural Review Board the appeal fee shall be specifically delineated in the Rules and Regulations of Sahhali South Homeowners Association. The fees for Appeal may be changed at any time, by the Board of Directors of Sahhali South Homeowners Association. During the period Declarant fills all seats on the Architectural Review Board all appeal fees shall be remitted by the Association to the Declarant in compensation for Declarant's time in reviewing appeals.

Any approval not appealed within the permitted time frame shall not be subject to later appeal and in such cases the decisions and actions of the Architectural Review Board's shall be deemed correct and without claims of further liability.

11.6 Exemptions. The following actions by the following persons shall be exempt from the provisions of this Section:

(a) The planting of any shrubs, flowers or other plants (excepting trees) by any Owner within an enclosed courtyard or fenced area on such Owner's Lot;

(b) Any act of the Declarant in developing any Lot or any portion of the Common Property in the Planned Community, whether or not annexed to the Association.

SECTION 12 EXPANSION

12.1 Right to Expand Planned Community. Declarant may annex additional properties to the Planned Community. Additional property shall be added to the Planned Community upon the filing by Declarant of one or more Supplemental Declarations.

12.2 Content of Supplemental Declarations. Each Supplemental Declaration shall