

**DECLARATION OF PROTECTIVE
COVENANTS, CONDITIONS AND RESTRICTIONS,
ESTABLISHEDMENT OF A HOMEOWNERS ASSOCIATION,
DECLARATION OF INITIAL FEES**

BANKS ESTATES

This Declaration of Protective Covenants, Conditions and Restrictions; Establishment of a Homeowners Association and Initial Declaration of Homeowners Association Annual Fee are applicable to Banks Estates, lots 1-89 inclusive and Tracts A through G. Banks Estates, is located on a tract of land identified prior to subdivision platting as a Portion of the S.W. ¼ of Section 31, T.2N., R.3W., W.M., City of Banks, Washington County Oregon. Banks Estates is a plat recorded in Plat Book 108 and Page 48, 49, 50*. Phase I is the only approved phase of a planned multi-phase development consisting of single family, multifamily owner and renter occupied development proposed for approximately 90 acres of land that includes Phase I. This document will apply to subsequent phases after the City approves them. The Declarant reserves the right to amend this document to reflect incorporation of additional land, additional and/or different provisions which reflect governmental, physical and market requirements as additional phases are approved and constructed in Banks Estates.

After Recording Return To:
West Hills Development Co.
14273 N.W. Science Park Drive
Portland, OR 97229

** 51, 52

WHEREAS, West Hills Development Co., hereinafter referred to as Declarant, is owner in fee simple of the above described real property; and

WHEREAS, Declarant has intentions of developing, consistent with the City of Banks' ordinances, additional property which is part of or adjacent to Banks Estates. Said additional property may contain residential structures other than single family detached and at declarant's option may become part of this Homeowners Association;

WHEREAS, the Declarant desires to declare of public record its intention to create a Homeowners Association for maintenance of landscaping improvements, certain fencing, street trees, buffer strips and entry monuments on Banks Estates; maintenance of landscaping and waterway located in Tracts A and B not within the surface water drainage and detention facility constructed, operated and maintained by the Unified Sewerage Agency of Washington County; maintenance of any landscaping and street trees placed in Tracts D, E, F, and G; common ownership of a conservation easement for protection and maintenance of trees planted within the south 5 feet of lots 10 through 27; certain protective covenants, conditions and restrictions in order to effectuate a general scheme of development creating benefits and obligations for the owner or owners of said property.

WHEREAS, An easement on Tracts "A" and "B" shall be granted by Declarant to the Unified Sewerage Agency of Washington County for construction, operation and maintenance of the storm and surface water drainage and detention facility.

WHEREAS, Tract "C" is intended to serve as the location of a .55 acre open space for park purposes related to the requirements of Phase I, Banks Estates. Tract C will be dedicated to the City of Banks and maintained by the City of Banks.

WHEREAS, Tracts, "D", "E", "F", and "G" are to be dedicated to the City of Banks for pedestrian purposes. Declarant shall install improvements within said Tracts D, E, F, and G in accordance with standards approved by the City of Banks Engineer. Landscaping and street trees added in tracts D, E, F, and G, if any, shall be maintained by the Banks Estates Homeowners Association.

WHEREAS, no owner(s) of lots 10 through 27 inclusive shall remove the fence or any tree located within the southerly most 5 feet of said lot unless it can be shown to the satisfaction of Declarant or the Banks Estates Homeowners Association that said tree(s) is diseased, damaged, or likely to cause hazard to people or property. Upon removal, the owner of the affected lot shall promptly replace, at owner's expense, said tree(s) with a tree of the same species or a species approved by the Architectural Control Committee of at least 6 feet in height. The fence and trees within said southerly most 5 feet are part of a landscape-planting screen adjacent to Wilson River Highway (State Highway #6).

NOW, THEREFORE, Declarant hereby declares that the subject property shall be held, sold and conveyed in accord with all applicable governmental ordinances and

development agreements and the following restrictions, covenants and conditions (CC&Rs) and Homeowners Association Provisions (Provisions). The purpose of the CC&Rs and Provisions is to maintain and protect the value and desirability of said real property. The terms of these CC&Rs and Provisions shall insure to the benefit of each owner of property in Banks Estates and shall be binding on all parties having any right, title or interest in the above described property or any portion thereof, their heirs, successors and assigns. These CC&Rs and Provisions shall run with and attach to the subject property and bind all the real property within this subdivision.

HOMEOWNERS ASSOCIATION PROVISIONS

Banks Estates Homeowners Association (Association) is intended to be a De minimus Planned Community as established by the ORS 94.570 2(b), which states a de minimus planned community is one:

- b) For which the estimated total annual assessment against all lots in the planned community for maintenance and for the reserves required under ORS 94.595 does not exceed the greater of two percent of the estimated value of all lots against which the assessment will be levied or the product of \$360 multiplied by the total number of lots in the planned community. For purposes of this paragraph, the estimated value includes the sewers, water systems and streets but not any structures. The assessment estimate under this paragraph:
 - A. Shall include current costs for any services, which the Declarant will be providing at less than cost during the period the Declarant is marketing the lots and which the association will have to provide at cost after the Declarant no longer performs these services. Current costs shall be based on competitive current rates for alternative professional services for such items as landscape and pool maintenance.
 - B. Shall include maintenance and reserve account estimates based on figures obtained from the department of the city, county, or district, which would normally perform or contract for services, which instead are provided by the planned community.
 - C. Shall be conclusively presumed to have been made in good faith if one year after the Declarant no longer provides any services at less than cost, the total assessment for maintenance and reserves does not exceed three percent of the current assessed value of these lots not including structures on the lots.

THE INITIAL ANNUAL FEE FOR THE HOMEOWNERS ASSOCIATION SHALL BE TWENTY-FIVE DOLLARS (\$25) PER LOT. THE FIRST ANNUAL FEE AMOUNT IS PAYABLE TO THE DECLARANT ON BEHALF OF THE BANKS ESTATES PHASE I, HOMEOWNERS ASSOCIATION AT TIME OF CLOSING. ADDITIONAL ANNUAL FEES SHALL BE PAID TO DECLARANT ON BEHALF OF THE BANKS ESTATES HOMEOWNERS ASSOCIATION UNTIL THE

ADMINISTRATION OF THE HOMEOWNERS ASSOCIATION IS TRANSFERRED TO THE INDIVIDUAL MEMBERS AS HEREIN SET FORTH.

WHEREAS, the Declarant desires to declare of public record its intention to create a Homeowners Association for maintenance of landscaping improvements, certain fencing, street trees, buffer strips and entry monuments on Banks Estates; maintenance of landscaping and waterway located in Tracts A and B not within the surface water drainage and detention facility constructed, operated and maintained by the Unified Sewerage Agency of Washington County; maintenance of any landscaping placed in Tracts D, E, F, and G; common ownership of a conservation easement for protection and maintenance of trees planted within the south 5 feet and a fence built along the southern border of lots 10 through 27; certain protective covenants, conditions and restrictions in order to effectuate a general scheme of development creating benefits and obligations for the owner or owners of said property.

- A. The method of determining voting rights, the liability of each single family lot for common expenses and right of each single family lot to any common profits of the Association shall be as follows:
- 1) All owners and contract purchasers of lots in Banks Estates Phase I shall be members of the Association. The allocation of votes to lots shall be one (1) vote per lot, except for lots owned by Declarant, which shall have four (4) votes per lot. Declarant reserves the right to incorporate future development phases of adjacent land into Banks Estates Homeowners Association.
 - 2) Once activated, as set forth herein, or later modified by inclusion of other property, the Association shall be responsible for taxes, liability insurance and maintenance, repair and replacement of landscaping and fences on the common property, including the entry monuments and associated landscaping located within easements.
 - 3) All costs of maintenance, repair and replacement of all common property, fences and entry monuments, shall be borne by the lot owners equally. Said costs shall be assessed annually by the Association unless a special assessment is necessary.
 - 4) Any lot owner failing to pay his or her proportionate share of costs assessed by the Association within thirty (30) days after it becomes due shall be liable for interest at the rate of 12% per annum and costs of collection of such assessment including attorney fees. All such unpaid amounts shall become a lien on the lot or lots to which such amounts are attributable. No assessment will be levied against lots while owned by Declarant.
 - 5) All common profits of the Association shall be allocated equally to each lot owner.
- B. Declarant shall install landscaping, fencing and entrance monuments in the common areas and on Tracts A, B, and C and in planting strips between the street and the sidewalk pursuant to the landscaping plan. Maintenance of the landscaping and fencing in common areas and the entrance monuments and related landscaping in the Tracts and in the planting strips pursuant to the

- landscaping plan and requirements of any governing public authority shall be the responsibility of the Banks Estates Homeowners Association. Common area taxes and common area liability insurance shall become the responsibility of the Association upon activation of the Association as set forth herein. Liability insurance shall include Declarant as a named insured. The improvements in Tracts A and B shall be maintained in a manner that will provide a uniform appearance when entering and exiting Banks Estates.
- C. There shall be no restrictions on the alienation of lots. A lot may not be divided but may be combined with other lots.
 - D. The intended use of each lot is residential.
 - E. The Association shall be the grantee of the tree preservation zone rights as herein established on lots 10 through 27. The above identified common property deeds and easements will be held in escrow by Declarant until the Association is activated as herein provided.
 - F. Any amendment of the declarations shall be by vote or agreement of the owners representing at least 75% of the total votes in the Association. However, in no event shall an amendment under this section limit or modify Declarant's, its' agents or assigns, rights regarding the Architectural Control Committee or access to utilities located in the common areas. No amendment shall change the boundaries of any lot or any uses to which any lot or tract is restricted unless the owners of the affected lots unanimously consent to the amendment. Amendments to a declaration under this section shall be executed, recorded and certified on behalf of the Association by any officer of the Association designated for that purpose or, in the absence of such designation, by the President of the Board of Directors of the Association. Amendments to a declaration under this section shall be effective only upon recordation.
 - G. Declarant reserves the right to an unspecified easement across, through and under any Tract or easement for connection to utility lines located in said Tract, easement or neighboring property.
 - H. The date after which the right to withdraw property from the Association shall expire is the date upon which the Administration of the Banks Estates Homeowners Association is transferred to the members as herein provided.
 - I. Upon activation of the Association the Bylaws to Banks Estates Homeowners Association shall take effect and govern Association activities. Administration of the Banks Estates Homeowners Association shall be transferred from Declarant to the members no later than when homes on 75% of the proposed lots and buildings have been occupied. The Declarant shall call a meeting for the purpose of turning over administrative responsibility for the Banks Estates Homeowners Association and related property to the Association not more than 120 days after 75% of the lots and buildings have been occupied. The Declarant shall give notice of the meeting to each lot owner. At said meeting the members shall elect a homeowners Board of Directors in accordance with the Bylaws of the Banks Estates Homeowners Association.

Following said turnover meeting, Declarant, its agents or assigns shall continue to have the right to use all of the roads within the subdivision to develop and or build upon adjoining property and each owner of a lot agrees that he or she

will not object to such use or to oppose Declarant's, its agents or assigns future development or building plans on said adjoining property.

At the turnover meeting the Declarant shall turn over to the Association the responsibility for the administration of the Association and said Association shall accept the administrative responsibility. The Declarant shall deliver:

- 1) The original or a photocopy of the recorded declaration and copies of the Bylaws of the Association and any supplements and amendments thereto;
- 2) A deed to the common property in Banks Estates;
- 3) The minute books, including all existing minutes and other books and records of the Association and the Board of Directors;
- 4) All rules and regulations adopted by the Declarant;
- 5) All funds, if any, of the Association and control of funds;
- 6) All tangible personal property and an inventory thereof belonging to the Association, if any;
- 7) Records of all property tax payments for the common property to be administered by the Association;
- 8) Copies of any income tax returns filed by the Declarant in the name of the Association and supporting records of the returns, if any;
- 9) All bank signature cards, if any;
- 10) An operating budget for the portion of the Association property turned over to Association administration and a budget for replacement and maintenance of the common property, as applicable;
- 11) A copy of 'as built' architectural, structural, engineering, mechanical, electrical and plumbing plans, if available;
- 12) The plans for underground site service, including television service, site grading, site drainage and landscaping, to the extent those are available and are not official records kept at Washington County;
- 13) Any other plans and information relevant to future repair or maintenance of the Association property;
- 14) A list of the general contractor and the electrical, masonry, landscaping and plumbing contractors responsible for construction or installation of common property improvements;
- 15) Insurance policies;
- 16) Any permits issued by governmental bodies applicable to the Association property in force or issued within one year before the date on which the owners assume administrative responsibility;
- 17) A list of any written warranties on the Association property that are in effect and the names of the contractor, subcontractor or supplier who made the installation for which the warranty is in effect;
- 18) A roster of owners and their addresses and telephone numbers, if known, as shown on the records of the Declarant;
- 19) Employment or service contracts in which the Association is a contracting party of service contracts in which the Association or the owners have an obligation or responsibility, directly or indirectly, to pay some or all of the fee or charge of the person performing the service; and
- 20) Any other contracts to which the Association is a party.

- J. In order to facilitate an orderly transition, during the three month period following the turnover meeting, the Declarant or an informed representative shall be available, if needed, to meet with the Board of Directors on three mutually acceptable dates to review the documents covered above.
- K. Upon the transfer of administration of the Homeowners Association to the members by the Declarant as herein set forth the Association Board of Directors shall establish a reserve account for replacement of all items of common property which will normally require replacement in whole or in part, in more than three and less than thirty years. Said account shall be funded by assessments against the individual lots for maintenance items for which the reserves are established.

The reserve account shall be established in the name of the Homeowners Association. The Association shall be responsible for administering the account, for making periodic payments into it, and for adjusting the amount of the payments at regular intervals to reflect changes in current replacement costs over time.

The account may be used for replacement of common property and is to be kept separate from assessments for maintenance. However, after the individual lot owners have assumed responsibility for administration of the Association, the Board of Directors may borrow funds from the reserve account to meet high seasonal demands on the regular operating funds or to meet other temporary expenses. Funds borrowed to meet temporary expenses under this subsection must be paid later from special assessments or maintenance fees.

Following the second year after the Association has assumed administrative responsibility for the Association, if owners of lots representing 75% of the votes of the Association agree to the action they may vote to increase, reduce, or eliminate future assessments for the account.

Assessments paid into the reserve account are the property of the Association and are not refundable to sellers or owners of lots. The sellers or owners of lots may treat their outstanding share of the reserve account as a separate item.

The Association may not sell, convey or subject to a security interest any portion of the common property. This prohibition does not apply to granting of easements for public utilities or other public purposes consistent with the intended use of the common property.

ARCHITECTURAL AND CONSTRUCTION STANDARDS, RESIDENTIAL COVENANTS

PHASE I. BANKS ESTATES

The rights of the Association with respect to the common property or the rights of a single-family individual lot owner with respect to a lot or improvements on a lot shall be restricted as follows. The following covenants, conditions and restrictions are in addition to the ordinances, rules and regulations of City of Banks or Washington County, Oregon. The CC&Rs for future phases, common wall and multi-family structures in Banks Estates may differ from the following, which apply only to Phase I, lots 1-89 inclusive. In case

of conflict between the following covenants, conditions and restrictions and the ordinances, rules and regulations of the City of Banks or Washington County, Oregon, the ordinances, rules and regulations of the City of Banks or Washington County shall control.

A. RESIDENTIAL CONVENANTS

1). Land Use and Building Type

No lot shall be used except for residential purposes. No building shall be erected, altered, placed or permitted to remain on any lot other than one single-family dwelling and a private garage for not less than two (2) cars. The foregoing provisions shall not exclude construction of a private greenhouse, storage unit, private swimming pool or a shelter for the protection of such swimming pool provided the location of such structure is in conformity with the applicable municipal regulations, the structure is compatible in design and decoration with the residence constructed on such lot and the structure and its location has been approved by the Architectural Control Committee (Committee). The provisions of this section shall not be deemed to prohibit the right of any home builder to construct a resident on any lot, to store construction materials and equipment on said lots in the normal course of construction and to use any single family residence as a sales office or model home for purposes of sale in this subdivision. There shall be no construction, landscaping, clearing, grading, tree cutting or land filing on a lot without the approval of the Architectural Control Committee. There is a right to repair or restore improvements on the lot at the owner's discretion in the event of damages or destruction; however, at all times such improvements must comply with these CC&Rs and the rules and regulations of the Architectural Control Committee.

2). Dwelling Size

The floor area of a dwelling exclusive of open porches and garages shall not be less than 120 square feet. The Declarant must approve, in writing, any exceptions to these standards.

3). Easements and Setbacks

Easements as shown on the subdivision plat shall be preserved by the respective lot owners with the exception of the landscaping and monument easements, which must be maintained by the Association. Site improvements shall not be placed so as to interfere with the maintenance of any easement. The owner of any lot, which has an easement, shall maintain the easement area at his or her expense, except for improvements for which the Association or a public authority or utility is responsible. All setbacks must at a minimum meet the ordinances, rules and regulations of the governing authority. Declarant reserves the right, however, to impose more restrictive front, rear and side yard setbacks as necessary to protect and enhance the character of Banks Estates, Phase I. Special building setbacks on lots 9, 10 and 11 are specifically required by City of Banks. In those lots all building structures (including but not limited to, decks, patios, fences, outbuildings, or overhangs) shall be constructed within the setback requirements for Lots 9, 10 and 11 as set forth in the attached Addendum 1, which by this reference is made a part of this document.

No landscaping shall exceed two feet in height in the sight distance easements on Lots 48, 64, 66 and 89 as shown on the recorded plat.

A Tree and Fence Preservation Zone has been established on the southern 5 feet of lots 10 through 27 as a buffer. The Tree and Fence Preservation zone is intended to aid in the preservation of the fence and protection of healthy, non-hazardous trees larger than six inches in diameter at breast height located within 5 feet of the southern boundary and along the southern border of said lots. The determination of whether a tree in said "tree preservation zone" is unhealthy and/or hazardous shall be determined initially by certified arboriculture consultants.

4). Offensive Activities

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done, grown or placed upon any lot, which interferes with or jeopardizes the enjoyment of other lot owners within this subdivision.

5). Animals

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that a reasonable number of dogs, cats or other household pets may be kept provided that they are not kept, bred or maintained for commercial purposes and are reasonably controlled so as not to be a nuisance.

6). Signs

No signs shall be erected or maintained on any lot (excluding Banks Estates entry monument signs) except that not more than one "For Sale" sign placed by the owner, Declarant or by a licensed real estate agent, consistent with controlling governmental ordinances, may be temporarily displayed on any lot. This restriction shall not prohibit the temporary placement of "political" signs on any lot by an owner.

7). Parking

Parking of boats, trailers, motor homes, motorcycles, trucks, truck-campers and like equipment shall not be allowed forward of the front building elevation setback of any lot. An applicant for a building permit must show that space for vehicle storage can be provided on the lot outside the front yard setback whether or not such storage space will be constructed. Parking of boats, trailers, motor homes, motorcycles, trucks, truck-campers and like equipment shall not be allowed on a lot, on public streets, common property, or alleys without approval of the Architectural Control Committee. Permission for parking of such equipment, if allowed, shall be screened from view in a manner acceptable, in writing, to the Architectural Control Committee. Each dwelling must have off street parking spaces for at least four vehicles. Garage bays may be counted for the purpose of meeting this requirement.

No owner shall permit any vehicle of any kind including without limitation, boats, trailers, motor homes, motorcycles, trucks, truck campers, etc. to be abandoned or to remain parked upon any lot (except as approved pursuant to these CC&Rs), the common property, alley or street for a period in excess of twenty four hours.

8). Private Streets or Alleys

All private driveways, streets or alleys shall be separated from public rights of way and common property tracts by standard driveway approaches.

9). Rubbish and Trash

No lot, open space, common property, street or alley shall be used as a dumping ground for trash or rubbish of any kind. All garbage or other waste shall be kept in appropriate sanitary containers for proper disposal and out of public view. Yard rakings, debris and dirt resulting from landscaping work shall not be dumped onto streets, open space, common property, alleys, any lot or adjacent property.

10). Temporary Structures

No structure of a temporary character, trailer, motor home, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence.

11). Utilities

No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication purposes, nor any pole, tower, or other structure supporting said overhead wire shall be erected, place or maintained within this subdivision. All owners of lots within this subdivision, their heirs successors and assigns shall use underground wires to connect their premises and the structures built thereon to the underground electric, T.V. cable, or telephone utility facilities provided.

12). Completion of Construction

The construction of any building on any lot, including private lot drainage, painting and all exterior finish shall be completed within eight (8) months from the beginning of construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Architectural Control Committee.

13). Landscape Completion

All front, rear and side yard landscaping must be completed pursuant to a landscaping plan approved by the Architectural Control Committee. The landscaping on all front yards and on corner lots side yards must be installed upon substantial completion of the residence. All remaining landscaping must be completed within 6 months of occupancy of the dwelling. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable time, but only after written application is made to the Architectural Control Committee and the Committee's approval is obtained. Landscaping plans, which include vinyl clad cyclone fencing, shall incorporate plant materials designed to buffer or soft said fencing from exposure to any street or common area.

14). Fences and Hedges

The maximum height of a boundary fence or hedge on any lot shall be six (6) feet. Said fence or hedge may not be placed forward of the dwelling's front elevation building footprint. No fence shall be placed in a side yard that faces a street without approval by

the Architectural Control Committee. No fence or hedge shall be erected without prior written approval of the Architectural Control Committee as to design, color, location and materials.

15). Antennas and Service Facilities

No exterior antennas or aerials of any kind shall be permitted unless required for reception and then only as approved by the Committee. Clotheslines and other service equipment shall be screened so as not to be viewed from any street. A satellite dish may be allowed, if it can be situated on the lot so as not to be visible from any other lot or roadway in or around the subject lot. Approval for a satellite dish and any associated screening must be obtained from the Committee prior to installation.

16). Exterior Materials

Exterior materials must be approved for use by the Architectural Control Committee and in accordance with any provisions contained in a purchase agreement for any lot within this subdivision. All roofing material must be approved by the Architectural Control Committee. Exterior siding must be approved by the Architectural Control Committee. Dwellings shall be Double Wall Construction on any elevation facing a street. T-111 or other pressed wood sheet siding may be permitted on elevations not facing a public street if approved by the Architectural Control Committee. Windows shall be wood, vinyl clad wood or vinyl with sign lines equivalent to wood. In appropriate circumstances the Architectural Control Committee can approve other materials if necessary to facilitate design, provided they are in keeping with the character of Banks Estates Phase I.

17). Exterior Finish

The exterior finish of all construction on any lot shall be designed, built and maintained in such a manner as to blend in with the existing structures and landscaping within this subdivision. Exterior colors must be approved by the Architectural Control Committee. Exterior trim, fences, doors, railings, decks, eaves, gutters, exhaust pipes and exterior finish on garages and other accessory buildings shall be designed, built and maintained to be compatible with exterior of the structures they adjoin.

18). Window Coverings

Window coverings, curtains, shutters, drapes or blinds, other than those of commercially produced quality, shall not be permitted to be visible from any public or private street at any time after occupancy of the dwelling.

19). Business and commercial Activities

No trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any lot. Excepted from this general rule is the right of any homebuilder and the Declarant to construct residences on any lot, to store construction equipment and materials on said lots in the normal course of construction and to use any single family residence as a sales office or model home for purposes of sales in this subdivision. In addition, the Declarant

shall be permitted to maintain a sales trailer on any unsold lot until all lots have been sold. This provision shall not be construed to prevent or prohibit an owner from maintaining his or her professional personal library, keeping his or her personal business or professional records of accounts, handling his or her personal business or professional telephone calls, or conferring with business or professional associates, clients customers in his or her home.

20). Mail and paper Delivery Boxes

Mailboxes and newspaper receptacles placed in front of any lot shall be included in a single structure of a design approved by the Architectural Control Committee unless otherwise dictated by the U.S. Postal Service.

21). Swimming Pools

The location of a swimming pool on any lot must be approved by the Architectural Control Committee. Adequate and Committee approved safety fencing must be installed and properly maintained around swimming pools.

22). Damage to Roads or Curbs During Construction

Any damage to roads, sidewalks, or curbs, which occurs during the course of construction of any kind on a lot shall be the responsibility of that lot owner. Repair of such damage, if not undertaken by the lot owner within 30 days of notice to correct may, at their option, be undertaken by the Declarant or the Association if it has been activated. The cost of such repair shall be billed to and borne by the lot owner and shall be payable within 30 days after it becomes due. Failure to pay for any repair billed shall cause the lot owner to be liable for interest at the rate of 15% per annum and costs of collection including attorneys' fees and such unpaid amounts shall become a lien on the lot owned by the lot owner.

23). Sidewalks and driveways

All driveways shall extend from the edge of the finished surface of streets to the surface of the garage floor and shall be constructed of concrete and/or materials acceptable to the Committee such as brick or cobblestones. No asphalt driveways will be permitted. Sidewalks shall be installed by the owner of each lot in compliance with the standards of the governing political authority.

B. ARCHITECTURAL CONTROL COMMITTEE

1). Architectural Review

No structure, including storage shelters, shall be commenced, erected, placed or altered on any lot until construction plans and specifications and a plat showing the nature, shape, heights, materials, colors and proposed location of the structure or alteration have been submitted to and approved in writing by the Architectural Control Committee (Committee). It is the intention and purpose of this covenant to assure quality of workmanship and materials, harmony of external design with the existing structures as to location, topography and finished grade elevations, to avoid plan repetition and to

protect views from adjacent lots. In all cases the Architectural Control Committees consent is required.

a) Major Construction

In the case of initial or substantial additional construction of a dwelling the lot owner shall prepare and submit to the Architectural Control Committee such plans and specifications for the proposed work as the Committee may require. Materials required by the Committee may include, but not necessarily be limited to the following:

1. A plan indicating location of all improvements including private drainage.
2. A drawing showing elevations, exterior materials and exterior color schemes of all improvements, including the mailbox/newspaper structure and fencing;
3. A drawing showing yard landscape design and location including a description of plant materials in all front or side yards facing a street.

b) Minor Construction

In case of minor additions or remodeling, change of existing exterior color schemes or exterior materials, greenhouse, swimming pool construction, or any other work not referred to in a) above, the owner shall submit to the Committee such plans and specifications for the proposed work as the Committee determines to be necessary to enable it to evaluate the proposal.

c) Time for Rendering a Decision

The Architectural Control Committee shall render its decision with respect to the proposed work within 10 days after it has received all required materials.

2). Architectural Control Committee Decisions

The Committee may, at its sole discretion, withhold consent to any proposed work if the Committee finds that the proposed work would be inappropriate for the particular lot or incompatible with the design standards that Declarant intends for the subdivision. Considerations such as site, shape, size, color, design, height, and impairment of the view from other lots within this subdivision or other factors, which the Committee reasonably believes to be relevant, may be taken into account by the Committee in determining whether or not to consent to any proposed work.

3). Membership: Appointment and Removal

The Architectural Control Committee shall consist of as many persons as the Declarant may from time to time appoint. The Declarant shall keep on file at its principal office a list of names and addresses of Committee members. A member of the Committee shall not be entitled to any compensation for services performed pursuant to these covenants. The powers and duties of such Committee shall cease six (6) months after completion of construction of all dwellings on all building sites within this project and the sale of said dwellings to the initial owner/occupants. The Homeowners Association may assume the role of the Committee only upon the termination of the Committees' powers and duties as set forth in this paragraph.

4). Liability

Neither the Committee nor any member thereof shall be liable to any owner, occupant, builder or developer for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act by the Committee or a member thereof, provided that the member has in accordance with actual knowledge possessed by him acted in good faith.

5). Action

Except as otherwise provided herein, any one member of the Committee shall have power to act on behalf of the Committee without the necessity of consulting the remaining members of the Committee. The Committee may render its decisions only by written instrument setting forth the action taken by the members consenting thereto.

6). Non-waiver

Consent by the Committee to any matter proposed to it within its jurisdiction under these covenants shall not be deemed to constitute a precedent or waiver impairing its rights to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

7). Effective Period of Consent

The Committee's consent to any proposed work shall automatically be revoked one year after issuance unless construction of work has commenced or the owner has applied for and received an extension of time from the Committee.

8). Term and Amendment

These covenants shall run with and bind all the property within this subdivision for a term of twenty five (25) years from the date this declaration is recorded, after which time they shall automatically be extended for successive periods of ten (10) years. This declaration or parts thereof can be terminated, revoked or amended only by duly recording an instrument which contains the amendment or the order of revocation or termination and which is signed by the owners of seventy five percent (75%) of the platted lots except that the Declarant shall retain the authority to make amendments until the last lot is constructed upon.

9). Enforcement

In the event of any violation of any of the provisions of this declaration, the Declarant, the Association once it controls the CC&Rs as set forth herein or any other person or persons owning real property within Banks Estates, Phase I may, at their option, exercise the right to enforce these covenants by prosecuting any proceeding at law or in equity necessary to prevent the violation or to recover damages sustained by reason of such violation. Failure by any part to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. In any action successfully prosecuted to abate or recover damages for violation of the provision of this declaration, the prevailing party shall be entitled to recover all costs including reasonable attorney fees incurred in such enforcement.

10). Severability

Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions, which shall remain in full force and effect.

11). Limitation of Liability of Declarant

Neither Declarant nor any officer or director thereof shall be liable to any owner on account of action or failure to act by Declarant in performing its duties or rights as herein set forth provided that the Declarant has, in accordance with actual knowledge possessed by it, acted in good faith.

IN WITNESS WHEREOF, the undersigned, being Declarant herein, has hereunto set its hand the 2nd day of January, 1997.

WEST HILLS DEVELOPMENT CO.

By _____
DENNIS E. SACKOFF, PRESIDENT

By _____
WALTER E. REMMERS, VICE-PRESIDENT

This document was signed by both the above and notarized by Terry P. Kinney.