

4.2.7 Such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.

4.2.8 Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in its opinion shall be necessary or proper for the enforcement of this Declaration.

Section 4.3 Powers and Duties of Board

The Board, on behalf of the Association for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for herein and in the Articles and the Bylaws of the Association and the powers and duties of a nonprofit corporation pursuant to the Oregon Nonprofit Corporation Act and a homeowners' association pursuant to ORS 94.630:

4.3.1 To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

4.3.2 To borrow funds to pay costs of operation secured by assignment or pledge of rights against delinquent Owners if the Board sees fit.

4.3.3 To enter into contracts, maintain one (1) or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

4.3.4 To protect or defend the Common Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

4.3.5 To make reasonable rules and regulations for the operation of the Property and to amend them from time to time; provided that, any rule or regulation may be amended or repealed by an instrument in writing signed by a majority of the Owners, or with respect to a rule applicable to less than all of the Property, by the Owners in the portions affected.

4.3.6 To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.

4.3.7 To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

4.3.8 To enforce the provisions of any rules made hereunder and to enjoin and seek damages from any Owner for violation of such provisions or rules.

4.3.9 To collect all assessments and enforce all penalties for non-payment including the filing of liens and institution of legal proceedings.

Section 4.4 Board Powers Exclusive

The Board shall have the exclusive right to contract for all goods, services and insurance, payment of which is to be made from the maintenance fund and Reserve Fund and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

Section 4.5 Maintenance Contracts

The Board, on behalf of the Association, shall have full power and authority to contract with any Owner or other person or entity for the performance by the Association of services which the Board is not otherwise required to perform pursuant to the terms hereof, such contracts to be upon such terms and conditions and for such consideration as the Board may deem proper, advisable and in the best interest of the Association.

ARTICLE V- COMMON MAINTENANCE AREAS

Section 5.1 Conveyance

Declarant shall convey the Common Areas to the Association, free and clear of financial liens and encumbrances not later than the Turnover Meeting. The Association shall own all Common Areas in fee simple and assume all maintenance obligations with respect to any Common Areas, which may be hereafter established. Nothing contained herein shall create an obligation on the part of Declarant to establish any Common Areas. Following the conveyance of the Common Areas to the Association, the dedication, mortgage, or conveyance of any Common Areas shall require the affirmative vote of at least seventy-five percent (75%) of the outstanding votes.

Section 5.2 Liability Insurance; Casualty Insurance

From, on and after the date on which title to or responsibility for any Common Areas vests in the Association, the Association shall purchase and carry a general comprehensive public liability insurance policy for the benefit of the Association and its members, covering occurrences on the Common Areas and in the Common Maintenance Areas. The policy limits shall be as determined by the Board, but shall include public liability insurance of at least One Million Dollars (\$1,000,000.00) per occurrence. The Association shall use its best efforts to see that such policy shall contain, if available, cross-liability endorsements or other appropriate provisions for the benefit of the Board, the Owners and other insureds, as their interests may be determined by the Board, ensuring all against liability to each other insured as well as third parties. Any proceeds of insurance policies owned by the Association shall be received, held in a segregated account and distributed to all interested parties, as their interests may be determined. In addition, from and after the date on which responsibility for the Common Maintenance Areas vests in the Association, the Board shall obtain in the Common Areas and in the Common

Maintenance Areas, insurance for all insurable improvements against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief.

Section 5.3 Condemnation

If there is a condemnation or a sale in lieu thereof of all or any portion of the Common Areas or Common Maintenance Areas owned by the Owners, the Association shall represent the Owners in negotiations with the condemning authority. The funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas or Common Maintenance Areas to replace that which has been condemned or to take whatever steps it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. If the Association determines that the funds cannot be used in such a manner due to the lack of available land for additional Common Areas or Common Maintenance Areas or for whatever reason, any remaining funds may be distributed to each Owner based on an equal amount per Lot.

Section 5.4 Maintenance of Common Maintenance Areas

Without limitation to the Association's overall maintenance and other obligations, the Association will permanently maintain and repair the following Common Maintenance Areas as necessary:

5.4.1 Tracts as shown on the Plat, including all landscaping, trails and other improvements located therein; and

5.4.2 Any other area determined by the Board to be in the interest of the Association to maintain.

Section 5.5 Prohibited Activities

The following activities are expressly prohibited within any Common Maintenance Areas without the written consent of the Board of Directors: (i) the removal of any tree within the Common Maintenance Areas by an Owner; (ii) the removal, alteration or enhancement of any other vegetation by any Owner, provided that the Association may remove such vegetation; (iii) the disposal or placement of any debris, refuse, soil, rock, landscape debris or other deleterious materials by anyone; (iv) parking, storage, repair, or disposal of any motor vehicle by anyone; and (v) motor vehicle access, except as may be necessary for planting, repairs or maintenance approved by the Board or in conjunction with maintenance of public or private utilities. In addition to the foregoing, the placement, planting, location or designation of any object(s) that may obscure or interfere with the Clear Vision Areas is expressly prohibited.

ARTICLE VI - ARCHITECTURAL REVIEW

Section 6.1 Architectural Review Committee

A committee to be known as the Architectural Review Committee (the “**ARC**”) shall be established consisting of the number of members as determined by the Board, except that the ARC shall consist of not less than three (3) members.

6.1.1 The members of the ARC shall be appointed, terminated and/or replaced by Declarant so long as there is Class B membership. Thereafter, the Board shall appoint the members of the ARC. Members of the ARC may be terminated and/or replaced by the Board with or without cause.

6.1.2 The purpose of the ARC is to enforce the architectural standards of the community and to approve or disapprove plans for Improvements proposed for the Lots.

6.1.3 The ARC shall act by simple majority vote, and shall have the authority to delegate its duties or to retain the services of a professional engineer, architect, designer, inspector or other person to assist in the performance of its duties.

Section 6.2 Design Guidelines

The Board may adopt, and from time to time, amend, modify, or revise an architectural manual (the “**Design Guidelines**”). Adoption of the Design Guidelines may occur without the consent of anyone prior to conveyance of the first Lot to an Owner other than Declarant. Declarant may amend, modify, or revise the Design Guidelines without the consent of any other party prior to conveyance of the first Lot to an Owner other than Declarant. Thereafter the ARC shall have the right to amend, modify, or revise the Design Guidelines, subject to the approval of the Board. No such amendments, modifications, or revisions shall affect any prior ARC approval.

Section 6.3 Scope of Review

No building, fence, wall, patio, deck, outbuilding, landscaping, pool, athletic facility or other structure or Improvement shall be erected, altered, added onto or repaired upon any portion of the Property without the prior written consent of the ARC; provided however, that Improvements erected, altered, added onto or repaired by Declarant shall be exempt from the provisions of this Article VI.

Section 6.4 Submission of Plans

Before the initiation of construction upon any Lot, the Owner thereof shall first submit to the ARC a complete set of plans and specifications for the proposed Improvements, including site plans, grading plans, landscape plans, floor plans depicting room sizes and layouts, exterior elevations, specifications of materials and exterior colors, and any other information deemed necessary by the ARC for the performance of its function pursuant to the procedure outlined in the Design Guidelines (if any). In addition, the Owner shall submit the identity of the

individual or company intended to perform the work and projected commencement and completion dates. In the event an Owner submits plans or specifications to the ARC that are not adequate to permit the ARC to make an informed determination under this Article VI, the Board shall have the authority to require the Owner submitting the inadequate plans or specifications to retain, at the Owner's expense, the services of a professional engineer, architect, designer, inspector or other person to assist in the preparation of a sufficient submittal to the ARC.

Section 6.5 Plan Review

Upon receipt by the ARC of all of the information required by this Article VI, the ARC shall have thirty (30) days in which to review said plans. The proposed Improvements will be approved if, in the sole opinion of the ARC: (i) the Improvements will be of an architectural style and material that are compatible with the other structures in the Property; (ii) the Improvements will not violate any restrictive covenant or encroach upon any easement or cross building set back lines; (iii) the individual or company intended to perform the work is acceptable to the ARC; and (iv) the Improvements will be substantially completed, including all cleanup, within twelve (12) months of the date of commencement. If the ARC fails to issue its written approval, or rejection, within thirty (30) days of its receipt of the last of the materials or documents required to complete the Owner's submission, the ARC's approval shall be deemed to have been granted without further action.

Section 6.6 Non-Conforming Structures

If there shall be a material deviation from the approved plans in the completed Improvements, such Improvements shall be in violation of this Article VI to the same extent as if erected without prior approval of the ARC. The ARC, the Association or any Owner may maintain an action at law or in equity for the removal or correction of the non-conforming structure and, if successful, shall recover from the Owner in violation all costs, expenses and fees incurred in the prosecution thereof.

Section 6.7 Immunity of ARC Members

No individual member of the ARC shall have any personal liability to any Owner or any other person for the acts or omissions of the ARC if such acts or omissions were committed in good faith and without malice. The Association shall defend any action brought against the ARC or any member thereof arising from acts or omissions of the ARC committed in good faith and without malice.

Section 6.8 Limited Review

Any review and approval made by the ARC is limited to compliance with the intent of the architectural standards of the neighborhood as may from time to time be established by the Board or as otherwise set forth in the Design Guidelines. The review and approval made by the ARC is not to be construed as superseding, replacing, or modifying any review, approval, or permit required by any local, state or federal jurisdictional agencies. Nor is ARC review and approval intended to analyze or determine compliance with applicable governmental laws and

regulations. It is the applicant's responsibility to obtain and comply with any permits that may be required by any local, state, or federal jurisdictional agency.

Section 6.9 Address for Notice

Requests for ARC approval or correspondence with the ARC shall be addressed to IronHorse Architectural Review Committee, c/o Brooks Resources Corporation, 446 NW Third Street, Prineville, Oregon 97754 or such other address as may be designated from time to time by the ARC. No correspondence or request for approval shall be deemed to have been received until actually received by the ARC in a form satisfactory to the ARC.

ARTICLE VII- EASEMENTS

Section 7.1 Utility Easements

As long as the Declarant owns a Lot or retains the ability to annex additional property to IronHorse, the Declarant hereby reserves an easement for itself and the right to grant perpetual, nonexclusive easements for the benefit of Declarant or its designees, upon, across, over, through and under any portion of the Common Areas for ingress, egress, installation, replacement, repair, maintenance, use and operation of all utility and service lines and service systems, public and private, including, without limitation, cable television. Declarant, for itself and its designees, reserves the right to retain title to any and all pipes, lines, cables or other improvements installed on or in such easements. The Association shall also have the right to grant the easements described herein, subject to the approval of the Declarant so long as Declarant owns a Lot or retains the ability to annex additional property to IronHorse.

Section 7.2 Declarant's Easement to Correct Drainage

Declarant hereby reserves for the benefit of Declarant a blanket easement on, over and under the ground within the Property to maintain and correct drainage of surface waters and other erosion controls in order to maintain reasonable standards of health, safety and appearance and shall be entitled to remove trees or vegetation, without liability for replacement or damages, as may be necessary to provide adequate drainage facilities. Notwithstanding the foregoing, nothing herein shall be interpreted to impose any duty upon Declarant to correct or maintain any drainage facilities within the Property.

Section 7.3 Entry Easement

If the Owner of any Lot fails to maintain the Lot as required herein, or if there is an emergency, the Association shall have the right to enter upon the Lot to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein shall not be deemed a trespass, and the Association shall not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

Section 7.4 Reserved Easements

Easements for installation and maintenance of utility, sanitary sewer and storm water retention/detention ponds are reserved and granted as may be shown on the recorded Plat. Within these easement areas, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities, or which may hinder or change the direction of flow of drainage channels or slopes in the easements. The easement area of each Lot and all improvements contained therein shall be maintained continuously by the Owner of the Lot, except for those improvements for which a public authority, utility company or the Association is responsible.

Section 7.5 Temporary Completion Easement

All Lots shall be subject to an easement of ingress and egress for the benefit of the Declarant, its employees, subcontractors, successors and assigns, over and upon the front, side and rear yards of the Lots as may be expedient or necessary for the construction, servicing and completion of dwellings and landscaping upon adjacent Lots within the Property, provided that such easement shall terminate forty-eight (48) months after the date such Lot is conveyed to the Owner by the Declarant.

Section 7.6 Perimeter Fence Easement

An easement is hereby declared for the benefit of the Declarant, its employees, subcontractors, successors and assigns as may be expedient or necessary for the construction of fencing along the perimeter of the Property. The foregoing easement does not obligate Declarant to construct perimeter fencing.

Section 7.7 Maintenance Easements

An easement is hereby granted and reserved in favor of the Association and its successors, assigns, contractors, property managers, agents and employees over, across, upon, and under each Lot and any Common Maintenance Areas or other areas of the Property necessary or appropriate for purposes of accomplishing the maintenance, repair, and replacement by the Association of Improvements or the other obligations of the Association hereunder.

Section 7.8 Plat Easements

The Property shall be subject to all easements delineated on the Plat.

Section 7.9 Parks, Open Space and Trails Easements

Until the Turnover Meeting, Declarant reserves the right on behalf of the Association and without the necessity of a vote of the Association or its members, to convey easements over any parks, open space or trails within IronHorse to the Crook County Parks and Recreation District, the City of Prineville or any other nonprofit or governmental body.

ARTICLE VIII- USE, OCCUPANCY, CASUALTY, AND INSURANCE

Section 8.1 Residential Use

All Lots and Units shall be kept and maintained primarily for single family residential purposes; provided, however, other uses may be permitted in certain neighborhoods or sub-association areas of IronHorse to the extent permitted in the applicable Declaration of Annexation or Supplemental Declaration; and, provided further those lots designated for apartment buildings may be used for multi-family residential purposes.

Section 8.2 Commercial, Institutional, or Other Non-Residential Uses

Unless the relevant Declaration of Annexation or Supplemental Declaration provides otherwise, no commercial, institutional, or other non-residential use (including residential day care facilities) shall be conducted on any Lot without the written approval of the Board. The Board shall not unreasonably withhold consent to a non-residential use if only normal residential activities would be observable outside of the Unit and the activities would not be in violation of applicable ordinances nor create additional traffic or the need for additional parking. The Board shall not allow a use that diminishes the residential character of the Lot or neighborhood or imposes a nuisance on the neighborhood. Any such use must comply with all the use restrictions of this Declaration and all applicable law, including, without limitation, zoning requirements. Any Owner wishing to conduct any commercial, institutional, or other non-residential uses on any Lot shall first apply to the Board for approval of such use and shall provide to the Board any information deemed necessary by the Board to evaluate the impacts of such use on the neighborhood. The decision of the Board shall be final and conclusive. The Board may review, and repeal, any such approval from time to time at the discretion of the Board if, in the opinion of the Board, the use has changed or increased to a level not consistent with the original approval. In no event shall the decision of the Board as to permissibility of a requested non-residential use be construed as a representation of the legal permissibility of such use. This Section 8.2 does not restrict the right of an Owner to maintain Owner's professional personal library, keep Owner's personal business or professional records or accounts or handle Owner's personal business or professional telephone calls in Owner's Unit. This Section 8.2 shall not apply to lots within neighborhoods or sub-association areas in which the relevant Declaration of Annexation or Supplemental Declaration specifically permits other than residential uses.

Section 8.3 Garage Sales

The provisions of this Article shall not apply to garage sales conducted entirely on an Owner's Lot in accordance with the guidelines (if any) established by the Association, provided that no Owner shall conduct more than one (1) garage sale of no more than three (3) days duration during any six (6) month period.

Section 8.4 Declarant Use

The provisions of this Article shall not apply to the use of any Tract, Lot or Unit by the Declarant or its assigns as (i) a model home, sales office, or construction office; or (ii) the use of any Tract or Lot as a site for a sales office trailer or construction office trailer.

Section 8.5 Owner Insurance

Each Owner of a Lot is encouraged to obtain, and maintain in effect, from a reputable insurance company authorized to do business in the State of Oregon, public liability and property damage insurance with respect to such Lot, fire and extended coverage casualty insurance with respect to the Owner's Unit in an amount equal to one hundred percent (100%) of the replacement cost thereof. Each Owner shall also be responsible for obtaining fire and extended coverage casualty insurance with respect to that Owner's personal property. No Owner shall be obligated to obtain any of the insurance coverages described herein or in Section 5.2, nor shall any insurance coverage obtained by an Owner (or such Owner's mortgagee) be brought into contribution with insurance obtained by the Association.

Section 8.6 Casualty

In the event of damage to or destruction of a Unit, the Owner of the Unit shall (i) repair, reconstruct, and rebuild the damaged or destroyed portions of the Unit to substantially the same condition that existed prior to the damage or destruction; or (ii) demolish the Unit and all related Improvements and maintain the Lot as an unimproved Lot in accordance with the terms of Section 10.25. All repair, reconstruction, or rebuilding shall begin within six (6) months following the damage or destruction, and shall be diligently pursued to completion within twelve (12) months following the damage or destruction, unless work is delayed by causes beyond the reasonable control of the Owner. Any demolition of the Unit and work necessary to bring the Lot in conformance with the requirements of Section 10.25 shall be completed within six (6) months following the damage or destruction. If an Owner fails to repair such damage timely (or to complete the demolition and Lot restoration timely), the Association shall have all rights of enforcement and remedies set forth under this Declaration.

ARTICLE IX- PROPERTY RIGHTS

Section 9.1 Owner's Use and Occupancy

Subject to any easements affecting an Owner's Lot, the Owner of a Lot shall be entitled to the exclusive use and benefit of such Lot. As such rights of an Owner of a Lot with respect to the Lot or the Unit on such Owner's Lot is subject to the rights of the Association under this Declaration, Declarant, the Board of Directors and any representative of the Association authorized by the Association may at any reasonable time, and from time to time at reasonable intervals, enter upon any Lot for the purpose of determining whether or not the use of and/or Improvements on such Lot are then in compliance with this Declaration. No such entry shall be deemed to constitute a trespass, conversion, or otherwise create any right of action in the Owner of such Lot.

Section 9.2 Common Areas; Rights of Association

If not otherwise prohibited on the Plat or the plat annexing Common Areas to the Property, every Owner shall have a right and easement in and to the Common Areas and a right and easement of ingress and egress to, from and through said Common Areas, and such easement shall be appurtenant to and shall pass with the title to every Lot, subject to the following provisions:

9.2.1 The right of the Association to establish and publish rules and regulations governing the use of the Common Areas affecting the welfare of Association members.

9.2.2 The right of the Association to suspend the right of use of the Common Areas and the voting rights of an Owner for any period during which any assessment against his Lot remains unpaid; and for a period not to exceed sixty (60) days for any infraction of its published rules and regulations.

9.2.3 The right of the Association, subject to the provisions hereof and applicable law, to dedicate or transfer all or any part of the Common Areas, if any, to any public agency, authority or utility for public right-of-way purposes. Any other transfer or mortgage of Common Areas requires the consent of at least seventy-five percent (75%) of the votes outstanding, and the consent of the Declarant so long as Declarant owns a Lot.

9.2.4 All easements herein described are easements appurtenant to and running with the land; they shall at all times inure to the benefit of and be binding upon the undersigned, all of their grantees, and their respective heirs, successors, personal representatives and assigns, perpetually and in full force.

Section 9.3 Effect of Declaration

Reference in any deed, mortgage, trust deed or any other recorded documents to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

Section 9.4 Rezoning Prohibited

No Lot shall be rezoned to any classification allowing commercial, institutional or other non-residential use without the prior written consent of the Board and Declarant so long as Declarant owns a Lot, which may be withheld in the Board's or Declarant's sole discretion, as applicable. Declarant or the Board may enforce this covenant by obtaining an injunction against any non-approved rezoning at the expense of the enjoined party.

Section 9.5 Lot Consolidation and Division

No Lot may be subdivided. A Lot may be consolidated only if (i) such consolidation is first approved by the ARC and the Board, which may condition such

consolidation upon approval of design plans (to assure that construction on the newly created lot will not negatively impact adjacent properties or view corridors; and (ii) such consolidation is permitted and approved by the City of Prineville. A consolidated Lot shall pay assessments as if it were still two Lots but its owners shall only be entitled to one vote in the Association for that Lot. The terms of this Section 9.5 shall not apply to any Lot designated for apartment buildings or other multi-family uses.

Section 9.6 Drainage Alteration Prohibited

The surface water drainage contours of each Lot shall conform to the approved grading plan, if any, established by the Declarant. No Owner shall fill or alter any drainage swale established by the Declarant, nor shall any Owner install landscaping or other improvements that divert surface water runoff from the drainage patterns, swales and easements established by the Declarant without the prior, written approval of the ARC.

Section 9.7 Damage or Destruction By Owner

If damage to any portion of the Common Areas or Common Maintenance Areas is directly attributable to an Owner or the family members, invitees, licensee, or guest of an Owner, then that Owner shall repair such damage or destruction as soon as reasonably practicable, but in no event later than fifteen (15) days after the date the damage occurred, at his or her sole expense and without a right of reimbursement. If an Owner fails to repair such damage timely, the Association shall have all rights of enforcement and remedies set forth under this Declaration. Nothing in this Section 9.7 shall relieve an Owner of the responsibility to repair damage or destruction by the Owner or the family members, invitees, licensees, or guests of an Owner to Improvements that constitute common elements required by the state building code as defined in ORS 455.010. The obligation to repair contained in this Section 9.7 shall not be abrogated as a result of any failure of the Owner or the Association to timely discover such damage.

ARTICLE X- USE RESTRICTIONS

Section 10.1 Nuisances

No noxious or offensive activity shall be carried out upon any Lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. The Board shall have the sole authority to determine nuisances and their decision shall be final and conclusive.

Section 10.2 Development Activity

Notwithstanding any other provision herein, Declarant and its successors and assigns, shall be entitled to conduct on the Property all activities normally associated with and convenient to the development of the Property and the construction and sale of dwelling units on the Property.

Section 10.3 Temporary Structures

No structure of a temporary character, including, without limiting the generality thereof, any trailer, tent, shack, garage, barn, motor home or mobile home or other outbuilding, and no prefabricated or relocated structure shall be used on any Lot at any time as a residence, either temporarily or permanently. This restriction shall not be interpreted to limit the right of Declarant to use trailers or outbuildings as sales offices, construction offices, material storage facilities, or sanitation facilities.

Section 10.4 Signs

No sign or emblem of any kind may be kept or placed upon any Lot or mounted, painted or attached to any Unit, fence or other improvement upon such Lot so as to be visible from public view or mounted on any vehicle or trailer parked or driven in the subdivision or carried by any person or by any other means displayed within the subdivision except as provided below:

10.4.1 "For Sale" Signs

"For Sale" signs are allowed on any improved Lot. For purposes of this paragraph, an improved lot is deemed to be any Lot with a foundation constructed for a Unit. No "For Sale" signs are allowed on unimproved lots, except for those installed by Declarant. All signs must comply with the Design Guidelines.

10.4.2 "For Rent" Signs

No "For Rent" signs are allowed in IronHorse.

10.4.3 "Open House" Signs

An Owner may erect one (1) "Open House" sign not exceeding two (2) feet by three (3) feet in dimension, fastened only to a stake/post in the ground and extending not more than three (3) feet above the surface of the ground advertising an Open House event. Such signs may only be erected on days of the Open House event and while the Unit is staffed with a sales representative.

10.4.4 Declarant's Signs

Signs or billboards may be erected by the Declarant and are exempt from the provisions of this Section.

10.4.5 Political Signs

Political signs may be erected upon a Lot by the Owner of such Lot advocating the election of one or more political candidates or the sponsorship of a political party, issue or proposal provided that such signs shall not be erected more than thirty (30) days in advance of the election to which they pertain and are removed the day following the election.

10.4.6 Subdivision Identification Signs

Signs, monumentation or billboards may be erected by the Declarant or the Association to identify the subdivision, with approval from the local jurisdictional authority, if applicable. Maintenance of subdivision identification sign(s) shall be the responsibility of the Association or its assigns.

10.4.7 Commercial Vehicle Emblems

Vehicles displaying commercial emblems shall not be kept or parked on any Lot except as provided in Section 10.5.

10.4.8 Federal Flag Display

The foregoing restrictions shall not be deemed to prohibit the display of the flag of the United States by an Owner or occupant of a Lot if the flag is displayed in a manner consistent with federal flag display law, 4 U.S.C. § 1 *et seq.* The Board may adopt reasonable rules and regulations consistent with federal flag display law regarding the placement and manner of display of such flag and the location and size of the flagpole.

Section 10.5 Campers, Boats, Recreational Vehicles, Commercial Vehicles, other Non-Passenger Vehicles, and Disabled Vehicles

No campers, boats, boat trailers, recreational vehicles, commercial vehicles, or other types of non-passenger vehicles, equipment, implements, or accessories in excess of eighteen (18) feet in length shall be kept or stored on any Lot except (i) with the Board's approval, or (ii) as provided below:

10.5.1 Campers, boats, boat trailers, recreational vehicles, recreational trailers, and other non-passenger vehicles, equipment, implements, or accessories in excess of eighteen (18) feet in length may be stored or kept on any Lot if the same are fully enclosed within the garage located on such Lot and said vehicles and accessories are in an operable condition.

10.5.2 No parking on any street, access easements and alley rights-of-way shall be allowed of any commercial vehicle, campers, boats, boat trailers, recreational vehicles, recreational trailers, and other non-passenger vehicles, equipment, implements, or accessories, or incapacitated motor vehicle for more than 48 hours. It is the responsibility of each Owner to insure that their guests, invitees, and lessees abide by this condition. Temporary parking for loading and unloading is allowed.

10.5.3 No commercial vehicle bearing commercial insignia or names shall be kept or stored on any Lot unless approval of the Board is granted. Commercial vehicles bearing commercial insignia or names that are (i) temporarily parked on any Lot for the sole purpose of serving such Lot, or (ii) kept within an Owner's garage at all times are exempt from this restriction. The Board, as designated in this Declaration, shall have the absolute authority to grant approval for storing or keeping a commercial vehicle on a Lot. Notwithstanding the foregoing, the Board shall not unreasonably withhold consent to keep a commercial vehicle

bearing insignia or names where such vehicle is driven by an Owner pursuant to Owner's primary job. Any Owner wishing to keep a commercial vehicle on any Lot shall apply for approval to the Board, and shall provide such information as the Board, in their sole authority, may require. The Board may from time to time in their sole discretion review the approval to keep a commercial vehicle on any Lot to determine if the vehicle complies with the intent of the original approval. Upon an adverse determination by the Board, any commercial vehicle shall be removed at the Owner's expense and/or otherwise brought into compliance with the requirements of this Section.

10.5.4 No disabled vehicles, campers, boats, boat trailers, recreational vehicles, recreational trailers, or other types of non-passenger vehicles equipment, implements, or accessories may be kept or stored on any street within the Property for any period in excess of forty-eight (48) hours.

10.5.5 The Board, as designated in this Declaration, shall have the absolute authority to determine from time to time whether a vehicle and/or accessory is operable and/or meets the maximum length of eighteen (18) feet. Upon an adverse determination by said Board, the vehicle and/or accessory shall be removed at the Owner's expense and/or otherwise brought into compliance with this Section.

10.5.6 No dismantling or assembling of motor vehicles, boats, trailers, recreational vehicles, or other machinery or equipment shall be permitted in the streets or alleys within the Property, or in any driveway or yard adjacent to a street or alley, or that is not fully screened from view.

Section 10.6 Pets, Livestock and Poultry

No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot, except for cats, dogs or other generally recognized household pets of a reasonable number, provided that they are not kept, bred, or maintained for any commercial purpose; and provided further, than no more than four (4) adult animals may be kept on a single Lot. All such animals shall be kept in strict accordance with all local laws and ordinances (including leash laws) and in accordance with all rules established by the Association. Owners shall be responsible for cleaning up after their pets' waste in IronHorse. No animal shall be allowed to run at large, and all animals shall be kept within enclosed areas which must be clean, sanitary, and reasonably free of refuse, insects and waste at all times. Such enclosed area shall be constructed in accordance with plans approved by the Board and shall be of reasonable design and construction to adequately contain such animals in accordance with the provisions hereof.

Section 10.7 Garbage and Refuse Disposal

No Lot, Tract, or Common Area shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept, or disposed of, on any Lot or Common Area except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble, debris, or recyclable materials shall

be stored, kept, placed or maintained on any Lot where visible from any street except solely on a day designated for removal of garbage, rubbish, or recyclable materials, and on which days only such cans, bags, containers, and receptacles may be placed in front of a residence or in an alley and beside a street for removal, but shall be removed from view before the end of the following day.

Section 10.8 Parking

No vehicles, trailers, implements or apparatus may be driven or parked in the Common Areas and/or Common Maintenance Areas, or on any easement unless in use for maintaining such Common Maintenance Areas. This restriction shall not apply to driveways, streets or paved areas intended for vehicular use. Notwithstanding anything in this Section 10.8, parking of vehicles is prohibited on any street within the Property that is signed or otherwise marked for "No Parking" by a governmental authority. The Owner of each Lot shall maintain off-street parking on its Lot (inclusive of its garage and driveway) able to accommodate at least two (2) automobiles.

Section 10.9 Commercial or Institutional Use

Except to the extent permitted by the applicable Declaration of Annexation or Supplemental Declaration, no Lot, and no building erected or maintained on any Lot shall be used for manufacturing, industrial, business, commercial, institutional or other non-residential purposes, except as set forth in Article VIII.

Section 10.10 Detached Buildings

No detached accessory buildings, including, but not limited to, detached garages and storage buildings, shall be erected, placed or constructed upon any Lot without the prior written approval of the ARC. Every outbuilding, inclusive of such structures as storage buildings, greenhouses, or children's playhouses shall be compatible with the dwelling to which it is appurtenant in terms of its design and material composition. Outbuildings shall be of a one (1) story design and not exceed fifteen (15) feet in height measured from existing grade or have total floor area in excess of fifteen percent (15%) of the first floor area of the main dwelling (excluding the area of the garage).

Section 10.11 Fences

Fences at IronHorse require specific review and written approval from the ARC before they may be installed. No "cyclone" or "chain-link" fences are allowed. Specifically allowed fencing and fencing alternatives are discussed at length in the Design Guidelines, including Special Fencing Standards for the "Open Landscaping and Fencing District" within IronHorse.

Section 10.12 Clothes Hanging Devices

Clothes hanging devices exterior to a dwelling shall be temporary, unaffixed structures not exceeding six (6) feet in height and shall not be placed nearer to any street abutting

the Lot than the side yard setback line or the back of the Unit constructed on the Lot. Clothes hanging devices shall be screened from public view by a fence or similar treatment as approved by the ARC.

Section 10.13 Window Treatment

No aluminum foil, reflective film, plastic, newspaper or similar treatment shall be placed on windows or glass doors.

Section 10.14 Oil and Mining Operations

No oil drilling, oil development operations, oil refining, quarrying or mining operation of any kind shall be permitted upon or in any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted upon any Lot. No derrick or other structure designed for use in boring for oil or natural gas shall be erected, maintained or permitted upon any Lot. No tank for the storage of oil or other fluids may be maintained on any of the Lots above the surface of the ground.

Section 10.15 Mailboxes

Mailboxes shall be erected and maintained upon areas determined by the U.S. Postal Service in accordance with the current postal authority standards. Street access to mail boxes shall be continuously maintained between 8:00 a.m. and 5:00 p.m.

Section 10.16 Garages

Lots with single-family dwellings must have an enclosed garage able to accommodate at least two (2) automobiles. The openings of such garages must be situated within the setback lines established by the Design Guidelines and comply with Section 10.17. Garages may be used as Declarant's sales offices before permanent occupancy of the main structure; however, sales offices must be converted to garages before permanent occupancy. With the exception of periods when garages are used by the Declarant as sales offices, a garage shall not be used for business purposes and no garage door may be removed except when necessary to repair or replace a garage door with the same type of garage door. Residences constructed with garage space greater than two automobiles in size providing storage space and/or parking of a third automobile may be enclosed or otherwise used for habitation in all or part of this additional garage space only with the approval of the ARC pursuant to Article VI. In no case shall a doorway, other than overhead garage door, be located in such space, which faces a front yard.

Section 10.17 Setback Lines

All buildings or other structures (including fences), permanent or temporary, habitable or uninhabitable, must be constructed, placed and maintained in conformity with setback standards imposed by the local governmental jurisdictional authority and the Design Guidelines.