

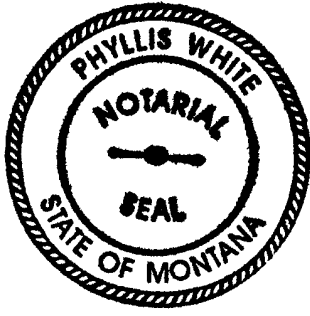
098340

Michael J. Sallaway
By:

By:
(Owner(s) of lot(s) 16)

STATE OF MONTANA)
County of Mineral : ss.

This instrument was acknowledged before me on the 26th day of September, 2004, by the above-signed individual(s) Michael J. Sallaway.



Phyllis White
Notary Public for the State of Montana
Printed Name: Phyllis White
Residing at Superior, Montana
My Commission expires: 09-08-08

PROTECTIVE COVENANTS FOR RIVERSIDE EAST SUBDIVISION

It is agreed by the undersigned, who constitute all of the owners of all of the lots located in Riverside East Subdivision, a subdivision platted at page 36 of the Plat Book, records of Mineral County, Montana, that the following protective covenants shall apply to and benefit all of the lots of said subdivision as covenants running with the land for each lot within said subdivision.

1. Maintenance. No rubbish or other waste shall be allowed to accumulate on the property. All containers for the storage and disposal of garbage shall be kept in a clean and orderly condition. No junk yards, junk vehicles, or debris shall be allowed to remain on the property.

2. Nuisances. No noxious or offensive activity shall be carried on or permitted on any lot, nor shall the property be used in any way which may endanger the health or safety of or unreasonably disturb the owners of tracts located in the said real property.

3. Animals. The normal family pets, not to exceed two dogs per residence, shall be allowed at each residence. Such animals shall be confined on the property of their owner and shall not be permitted to become a nuisance or annoyance to the neighbors.

4. Mobile Homes and Garages. Any mobile home must be skirted with a material complimentary to the siding. All residences, including mobile homes, must provide a carport or garage with a storage area sufficient in size to accommodate outdoor storage needs prior to occupancy. A garage or carport is not required upon Lots 19 through 22, upon which multifamily units are located.

5. Temporary Structures. No structure of a temporary character, nor basement, tent, shack, garage, barn or other outbuilding shall be used at any time as a residence temporarily or permanently, nor shall any building be occupied for residential purposes until it's exterior is completely finished.

6. Residential Use. The lots shall be used primarily for residential, and not commercial purposes. However, home businesses shall be allowed if they do not create a significant increase in traffic or otherwise disturb the residential character of the neighborhood.

FIRST AMERICA

74108

HORNING--ANDERSON PARTNERSHIP

By: William A Horning
William A. Horning

By: Shirleyann K. Horning
Shirleyann K. Horning (Owner
of Lots 19, 20, 21 and 22)

STATE OF)
 : ss
COUNTY OF)

On this 26 day of December, 1991, before me, the undersigned a Notary Public for the State of Washington, personally appeared William A. Horning and Shirleyann K. Horning, known to me to be the partners in the partnership of Horning--Anderson Partnership, and acknowledged to me that they executed the foregoing Protective Covenants for Riverside East Subdivision, in said partnership name.

In Witness Whereof, I have hereunto set my hand and affixed my Notarial Seal the day and year first above written.

Renee Feltzer
Notary Public for the State of Washington
Residing at Edmond, WA
My Commission expires: Feb 1, 1995

RENEE F FELTZER
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
FEBRUARY 1, 1995



7-1108

HORNING--ANDERSON PARTNERSHIP

By: John A. Anderson
John A. Anderson

By: June A. Anderson
June A. Anderson (Owner of Lots
19, 20, 21 and 22)

State of Montana)
) : ss
COUNTY OF Missoula)

On this 24 day of December, 1991, before me,
the undersigned, a Notary Public for the State of Montana,
personally appeared John A. Anderson and June A. Anderson, known
to me to be partners in the partnership of Horning--Anderson Partnership,
and acknowledged to me that they executed the foregoing Protective
Covenants for Riverside East Subdivision in said partnership name.

In Witness Whereof, I have hereunto set my hand and affixed
my Notarial Seal the day and year first above written.

Douglas A. Ouster
Notary Public for the State of Montana
Residing at Superior, MT
My Commission expires: Dec 2, 1993

AMERICAN

RIVERSIDE EAST NO. 1

A Platted Subdivision of
Mineral County, Montana

BYLAWS OF
RIVERSIDE EAST HOMEOWNERS ASSOCIATION

LANDOWNERS:

Mr. William A. Horning
Mrs. Shirleyann K. Horning

BYLAWS
OF
RIVERSIDE EAST HOMEOWNERS ASSOCIATION

ARTICLE I

NAME AND LOCATION

The name of the corporation is Riverside East Homeowners Association, hereinafter referred to as the "Association." The principal office of the corporation shall be located at Riverside East, Post Office Box Superior, Montana, but meetings of members and directors may be held at such places within the State of Montana, County of Mineral, as may be designated by the Board of Directors.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to Riverside East Homeowners Association, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean all real property owned by the Association for the common use and enjoyment of the members of the Association.

Section 4. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Member" shall mean and refer to every person or entity who holds a membership in the Association.

Section 6. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including buyers under a contract for deed and contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

Section 7. "Declarant" shall mean and refer to William A. Horning and Shirleyann K. Horning, his wife, their heirs, executors, administrators, successors, or assigns if heirs, executors, administrators, successors, or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 8. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the office of the County Clerk and Recorder, Mineral County, Montana.

ARTICLE III

MEMBERSHIP

Section 1. Membership. Every person or entity who is a record owner of a fee or undivided fee interest in any Lot which is subject by covenants of record to assessment by the Association, including buyers under a contract for deed and contract sellers, shall be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No Owner shall have more than one membership. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment by the Association. Ownership of such Lot shall be the sole qualification for membership.

Section 2. Suspension of Membership. During any period in which a member shall be in default in the payment of any annual or special assessment levied by the Association, the voting rights and right to use of the recreational facilities of such member may be suspended by the Board of Directors until such assessment has been paid. Such rights of a member may also be suspended, after notice and hearing, for a period not to exceed thirty (30) days, for violation of any rules and regulations established by the Board of Directors governing the use of the Common Area and facilities.

ARTICLE IV

PROPERTY RIGHTS: RIGHTS OF ENJOYMENT

Section 1. Each member shall be entitled to the use and enjoyment of the Common Area and facilities as provided in the Declaration. Any member may delegate his rights of enjoyment of the Common Area and facilities to the members of his family or his tenants who reside on the property. Such member shall notify the secretary in writing of the name of any such delegee. The rights and privileges of such delegee are subject to suspension to the same extent as those of the member.

Section 2. Irrespective of the fact that Section 1(b) of Article V of the Declaration gives the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area, this right shall not be exercised as to members for a period of five years from the date of the recordation of the Declaration, and after this period, only upon written approval of two-thirds (2/3) of the entire Class A membership.

ARTICLE V

BOARD OF DIRECTORS: SELECTION: TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) Directors.

Section 2. Election. At the first annual meeting the members shall elect three (3) directors for a term of one year and at each annual meeting thereafter the members shall elect five directors for a term of one year.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE VI

MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held annually without notice, at such place and hour as may be fixed from time to time by resolution of the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the president of the Association, or by any two (2) directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but

not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

ARTICLE VIII

POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power:

a. To adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

b. To exercise for the Association all powers, duties and authority vested in or delegated to this Association not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;

c. To declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

d. To employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

Section 2. Duties. It shall be the duty of the Board of Directors:

a. To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

b. To supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

c. As more fully provided herein and in the Declaration;

(1) To fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period, as hereinafter provided in Article XII, and

(2) To send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each annual assessment period;

d. To issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of any assessment therein stated to have been paid;

e. To procure and maintain adequate liability insurance, and to procure adequate hazard insurance on property owned by the Association;

f. To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

g. To cause the Common Area to be maintained; and

h. To cause the exterior of the dwellings to be maintained.

ARTICLE IX

COMMITTEES

Section 1. The Association shall appoint an Architectural Control Committee as provided in the Declaration and a Nominating Committee as provided in these Bylaws.

In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

1. A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;

2. A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvement of the Properties, and shall perform such other functions as the Board in its discretion, determines;

3. A Publicity Committee which shall inform the members of all activities and functions of the Association and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and

4. An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting as provided in Article XI, Section 8(d). The Treasurer shall be an ex officio member of the Committee.

Section 2. It shall be the duty of each committee to receive complaints from members on any matter involving Association functions, duties, and activities within its field of responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, director or officer of the Association as is further concerned with the matter presented.

ARTICLE X

MEETINGS OF MEMBERS

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of incorporation of the Association, and each

subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 2:00 o'clock, P.M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the members may be called at any time by the president or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the entire membership or who are entitled to vote one-fourth (1/4) of the votes of the Class A membership.

Section 3. Notice of Meetings. Written notice of each meeting of the members shall be given by, or at the direction of, the secretary or person authorized to call the meeting, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member's address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the purpose of the meeting.

Section 4. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, one-tenth (1/10) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these Bylaws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a quorum as aforesaid shall be present or be represented.

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE XI

OFFICERS AND THEIR DUTIES

Section 1. Enumeration of Offices. The officers of this Association shall be a president and vice president, who shall at all time be members of the Board of Directors, a secretary, and a treasurer, and such other officers as the Board may from time to time by resolution create.

Section 2. Election of Officers. The election of officers shall take place at the first meeting of the Board of Directors following each annual meeting of the members.

Section 3. Term. The officers of this Association shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, or shall be removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Association may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office with or without cause by the Board. Any officer may resign at any time by giving written notice to the Board, the president or the secretary. Such resignation shall take effect on the date of receipt of such notice or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled in the manner prescribed for regular election. The officer elected to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

President

a. The president shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.

Vice President

b. The vice president shall act in the place and stead of the president in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required of him by the board.

Secretary

c. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Treasurer

d. The treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; cause an annual audit of the Association books to be made by a public accountant at the completion of each fiscal year; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular annual meeting, and deliver a copy of each to the members.

ARTICLE XII

ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each member is deemed to covenant and agree to pay to the Association: (1) annual assessments or charges, and (2) special assessments for capital improvements. The annual and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorneys' fees shall also be the personal obligation of the person who was the Owner of such property at the time when the assessment fell due and shall pass to his successors in title and be expressly assumed by them.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents in the Properties and in particular for the improvement and maintenance of the Properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Area, and of the homes situated upon the Properties.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment shall be One Hundred and No/100 Dollars (\$100.00) per Lot.

a. From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased effective January 1 of each year without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C.) for the preceding month of July.

b. From and after January 1 of the year immediately following the conveyance of the first Lot to an owner, the maximum annual assessment may be increased above that established by the Consumer Price Index formula by a vote of the members for the next succeeding year and at the end

of each such period of two (2) years, for each succeeding period of two (2) years, provided that any such change shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

c. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix the annual assessment at an amount not in excess of the maximum.

Section 4. Method of Computation When Using the Consumer Price Index. The Consumer Price Index establishes the United States City Average numerical rating for the month of Nov. 1977, as 185.4. This will be the base rating. To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer Price Index for the month of June preceding the proposed assessment year. This adjustment percentage, if in excess of 100 percentum, is multiplied by the original maximum annual assessment to obtain the maximum assessment for the subsequent year.

Section 5. Special Assessments for Capital Improvements. In addition to the annual assessments authorized above, the Association may levy in any assessment year, a special assessment applicable to that year only, for the purpose of defraying, in whole or in part, the cost of any construction or reconstruction, unexpected repair or replacement of a described capital improvement upon the Common Area, including the necessary fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

Section 6. Uniform Rate. Both annual and special assessments must be fixed at a uniform rate for all Lots and may be collected on a monthly basis. The uniformity of the rate is further controlled by the Declarations, Article VI, Section 3.

Section 7. Quorum for Any Action Authorized Under Sections 3 and 5. At the first meeting called, as provided in Sections 3 and 5 hereof, the presence at the meeting of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirement set forth in Sections 3 and 5, and the required quorum at any such subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than sixty (60) days following the preceding meeting.

Section 8. Date of Commencement of Annual Assessments: Due Dates. The annual assessment provided for herein shall commence as to all Lots on the first day of the month following the conveyance of the Common Area. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Board of Directors. The Association shall upon demand at any time furnish a certificate in writing, signed by an officer of the Association, setting forth whether the assessments on a specified Lot have been paid. A reasonable charge may be made by the Board for the issuance of these certificates. Such certificate shall be conclusive evidence of payment of any assessment therein stated to have been paid.

Section 9. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of eight (8) percent per annum, and the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment. No Owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of the Common Area or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or trust deed. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created therein: (a) all properties dedicated to and accepted by a local public authority, (b) the Common Area, and (c) all properties owned by a charitable or non-profit organization exempt from taxation by the laws of the State of Montana. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE XIII

BOOKS AND RECORDS

The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The Declaration, the Articles of Incorporation and the Bylaws of the Association shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XIV

CORPORATE SEAL

The Association shall have a seal in circular form having within its circumference the words: Riverside East.

ARTICLE XV

AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control; and in the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

ARTICLE XVI

MISCELLANEOUS

The fiscal year of the Association shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we, being all of the directors of the Riverside East Homeowners Association, have hereunto set our hands this _____ day of _____,

William A. Horning
William A. Horning

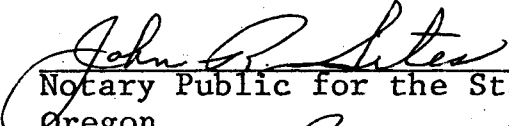
Shirleyann K. Horning
Shirleyann K. Horning

STATE OF OREGON)
): ss.
County of Multnomah)

On this 7TH day of MARCH, 1978, before me, the undersigned, a Notary Public for the State of Oregon, personally appeared William A. Horning and Shirleyann K. Horning, husband and wife, known to me to be the persons whose names are subscribed to the within instrument and acknowledged

to me that they executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand
and affixed my Official Seal the day and year first above
written.


Notary Public for the State of
Oregon
Residing at PORTLAND, ORE.

My Commission expires 12-7-81

EXHIBIT "A"

RIVERSIDE EAST OVERVIEW

Index to Exhibits

Exhibit A	Riverside East Overview
Exhibit B	Guarantee of Public Improvements
Exhibit C	Riverside East Plat plus State Health Dept Approval
Exhibit D	Covenants & Restrictions; By Laws and Articles of Incorporation
Exhibit E	Utility Plans & Specifications

SECTION II A 18 - GUARANTEE OF PUBLIC IMPROVEMENTS

Pursuant to Appendix D Sections 3 & 4, through the public hearing's process the City Council approved an optional public improvement financing alternative for Riverside East. The Council permitted the use of one or more phased S.I.D.'s for either sewer or roads or both, provided the city would not be unjustly burdened by the creation of the S.I.D.'s. Further, the subdivider has gone on record at these hearings, and in the attached Exhibit "B", committing to the installation of all public improvements to the approved standards prior to the occupancy of any structure on any lot. It is also clearly the intent of the city not to be required to construct any of the sewer lines in this subdivision.

SECTION II A 20 - FINAL PLAT FILING

- a) Certification of Park or open space dedication - See submitted plat (Exhibit C) and Mineral County Planning Board, April 19, 1976 Action, Condition #1.
- b) Certification by a licensed title abstractor. Subdivider is the owner. See Mary O'Neal's abstract submitted to J. Congdon, City Attorney in August 1977.
- c) Copies of any covenants or deed restrictions relating to public improvements - See Exhibit "D", Declaration of Covenants, Conditions and Restrictions.
- d) Certification by State Department of Health and Environmental Sciences that it has approved the plans and specifications for sanitary facilities. This certification is attached to the plat, See Exhibit C.
- e) Copies of incorporation articles and by laws for any property owner's association - See Exhibit D.
- f) Certification by the subdivider securing the future construction of any public improvements to be installed. See attached notarized Exhibit B.
- g) Certification of acceptance of dedicated lands. See plat, Exhibit C.