

ARTICLES OF ASSOCIATION
OF
BUENA VENTURA PROPERTY OWNERS ASSOCIATION

ARTICLE I
NAME AND PURPOSE

SECTION 1.

This association shall be called BUENA VENTURA PROPERTY OWNERS ASSOCIATION.

SECTION 2.

The purpose and object of this association shall be to provide for the operation, maintenance, repair, rebuilding or rehabilitation of roads, streets and public ways of Buena Ventura Development Subdivision, Deschutes County, Oregon, for the benefit of the members of the association who have purchased parcels therein.

ARTICLE II

MEMBERSHIP

SECTION 1.

All owners of parcels of property within the above described subdivision shall automatically become members of this association and shall receive a certificate evidencing such membership. Any person purchasing any parcel within said area under an agreement of sale or land sales contract shall be deemed the owner of said parcel for the purpose hereunder. Joint owners of any lot shall be entitled to one (1) membership.

ARTICLE III

FEES AND DUES

SECTION 1.

There shall be no dues to the membership of the

association, and in lieu thereof, the Board of Directors shall annually assess each lot in the subdivision its appropriate share of the costs for maintenance of said roads, streets, and public ways in said subdivision. The cost of said maintenance shall include the necessary amounts incurred by the Directors for insurance, bond premiums, equipment rental, material, labor and any professional services required for such operation and maintenance.

In determining the proportionate share of the costs for maintenance of said roads, the amount annually assessed for each lot in the subdivision, shall be the same for each lot and the owner of the subdivision shall pay its assessment for each lot remaining unsold in said subdivision.

At such time as Deschutes County or any other public political subdivision of the State of Oregon shall assume the responsibility of such operation and maintenance, there shall be no further assessments.

SECTION 2.

In the event any property owner shall fail to pay his assessment when due and payable, the amount thereof, together with interest, at the maximum amount permitted by the law from such date and the cost of the collection, if any, shall become and constitute a lien against the parcel or parcels owing by said delinquent property owner. The lien shall attach upon filing a claim of lien in the office of the County Clerk of Deschutes County, Oregon, within 60 days from the date thereof, particularly describing such parcel or parcels and mailing to the delinquent property owner, at his last known address, a copy of such claim of lien. Said lien may be foreclosed and the property sold to satisfy said lien in the same manner as provided for the foreclosure of mechanic's liens under the laws of the State of Oregon.

If no such claim of lien shall have been filed within said time, or if the claim of lien shall have been filed, but no action to enforce such lien shall have commenced within six (6) months after the filing, then such lien shall be null and void.

In the event the Board of Directors fails or refuses to file a claim of lien with the office of the County Clerk of Deschutes County, or fails to foreclose the lien by an action, this shall not preclude the property owners association from proceeding to collect said amount by suit or action in the same manner as other debts or accounts are collected.

ARTICLE IV

MEMBERSHIP MEETING

SECTION 1. Annual Meetings

The annual membership meetings shall be held on the first Monday of August, of each year or such other times as may be designated by the property owners.

SECTION 2. Special Meetings.

Special meetings of the members may be held as called by resolution of the Board of Directors or upon written request signed by any two (2) directors, by the President or by ten percent (10%) or more of all members, and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided.

SECTION 3. Quorum.

At any regular or special meeting, a quorum shall consist of twenty-five percent (25%) of the membership, except that any membership meeting at which a quorum is not present may be adjourned for from seven (7) to fourteen (14) days, and the Secretary of the Board will, within three (3) days, give notice to all voting members of the adjourned meeting, and the time, place and date that the reconvened meeting will

be held. At the reconvened meeting, a quorum shall consist of five percent (5%) of the membership.

SECTION 4. Place of Meeting.

Any annual membership meeting or special meeting shall be held at such time and at such place within the subdivision as may be fixed by the Board of Directors.

SECTION 5. Notice of Meeting.

Written or printed notice stating the place, day and hour of meeting and, in case of a special meeting or an annual meeting at which business requiring special notice to members is to be transacted, the purpose or purposes for which the meeting is called shall be delivered not less than ten (10) days nor more than sixty (60) days before the date of the meeting, either personally or by mail, by or at the direction of the Secretary or, upon a default in duty by the Secretary, by persons calling the meeting to each member.

SECTION 6. Power of Meetings.

At an annual membership meeting, declarative resolutions may be adopted and instructions may be issued to the Board provided they do not abridge powers specifically granted to the Board by these Articles. At a special membership meeting, no business may be transacted other than that stated as the purpose of the meeting without the unanimous consent of the members present.

SECTION 7. Voting Rights.

Each member shall be entitled to one (1) vote per lot owned. Joint owners of a lot shall be entitled to one (1) vote per lot. Votes may be cast in person or by mail and there may be voting by proxy.

SECTION 8. Cumulative Voting.

Cumulative voting in the election of the Board of Directors

shall be allowed in all elections in which more than two positions on the Board of Directors are to be filled. Voting for members of the Board of Directors shall be by secret written ballot.

SECTION 9. Organizational Meeting.

The initial Board of Directors shall be Vincent Gisler, Robert H. Mayfield and William R. Mayfield, and shall serve until their replacements are elected.

The membership, at its first annual meeting, shall elect a new Board of Directors as set forth in Article V, Section 1, and conduct such other and further business as the membership attending may elect. The quorum for such organizational meeting shall be not less than 25% of the membership.

ARTICLE V

DIRECTORS AND DIRECTORS MEETINGS

SECTION 1. Directors.

The management of the property owners association shall be vested in a Board of Directors of five (5) persons, the initial Board of Directors of three (3) persons shall be appointed by the developer and shall serve until the first property owners meeting.

At the first property owners meeting five (5) members of the Board of Directors shall be elected by the membership. The term of office of the five members of the Board shall be determined by the number of votes received. The two members receiving the highest vote total shall be elected for a three-year period, the two members receiving the third and fourth highest vote totals shall be elected for a two-year period, and the member elected with the lowest vote total shall be elected for one year.

Each term of a director thereafter shall be for a three-year period and election of directors shall be held each year for re-

election to directors positions expiring in that year.

SECTION 2. Meeting of Directors and Officers.

(a) Special Meetings. Special meetings of the Board of Directors may be called or held by resolution of the Board of Directors upon written request signed by any two Directors, by the President and it shall thereupon be the duty of the Secretary to cause notice of such meeting to be given as hereinafter provided.

(b) Notice of Board of Directors and Officers Meeting. Written or printed notice of meeting, stating the place, day and hour of the meeting shall be delivered not less than twenty-four (24) hours nor more than ten (10) days before the date of the meeting either personally or by mail, by or at the direction of the Secretary or, upon a default in duty by the Secretary, by persons calling the meeting to each member.

In the event of an emergency, the President or Secretary may call a special meeting of the Board of Directors and Officers without written notice and by waiver of such defect of notice by the members of the Board of Directors at the time of said emergency meeting, or by ratification of the acts of the Board of Directors at the emergency meeting by the Board of Directors at a subsequent, duly authorized and regularly called meeting of the Board.

If notice is mailed, it shall be deemed to be delivered when deposited in the United States mail addressed to the member of the Board of Directors at his address as it appears on the records of the corporation, with postage thereon prepaid. The failure of any member to receive notice of an annual or special meeting of the members shall not invalidate any action which may be taken by the members at such Board of Directors meeting.

SECTION 3. Vacancies.

Any director of this association, who having been duly notified, fails to attend four regular consecutive board meetings without excuse satisfactory to the board, shall thereby forfeit his membership thereon, and the position shall thereupon be deemed vacant.

SECTION 4. Duties of Directors.

The directors shall administer all business carried on by the association under the direction and control of any special or regular meeting of the members. They shall arrange an impartial audit by a public accountant of the books of the association at least once a year, and shall issue a financial statement to the membership. They shall also issue annually to the membership a full report of its work during the year and of the progress and condition of the association.

The board may create advisory committees composed of individuals interested in one or more phases of the work of the association.

The directors shall have the power to purchase and/or lease additional real estate; to construct recreational facilities; to purchase recreational equipment, including horses; to expend money to maintain the roads and other facilities owned and/or operated by the association and/or its membership for the benefit of all members; to provide informational services for members and prospective owners of the property; to enforce the provisions and terms of the restrictive covenants running with the land; and to provide such additional services or benefits to the members as they in their sole discretion may determine to be advisable.

SECTION 5. Officers.

The officers shall be: President, Vice President, Secretary, Treasurer, and such others as the Board may deem necessary.

The President, Vice President and Secretary shall be appointed by the Board of Directors from their number at the first regular Board meeting following the annual election. All officers shall hold office at the discretion of the Board.

If the Treasurer is not a member of the Board, he may have a voice, but no vote, at the Board meetings.

SECTION 6. Duties of Officers.

The officers shall perform the duties usually appertaining to such officers and such other duties as may be delegated to them by these Articles of Association, or by the Board.

SECTION 7. Bonds.

All officers and employess of the Association handling funds of the Association shall be bonded.

ARTICLE VI

MAIL VOTE

SECTION 1.

Whenever in the judgment of the Board of Directors any question shall arise which it considers should be put to the vote of the membership, and when it deems it inexpedient to call a special meeting for that purpose, it may submit the matter to the membership in writing by mail for vote and decision, and the questions thus presented shall be determined according to the majority of the votes received by mail within two weeks after such submission to the membership, provided that in each case, votes of at least a majority of the members shall be received. Action taken in this matter shall be as effective as action taken at a duly called meeting.

ARTICLE VII

LIABILITIESSECTION 1.

Nothing herein shall constitute members of the Association or partners for any purpose. No member, officer, agent or employee shall be liable for the acts or failure to act of any other member, officer, agent or employee of the Association. Nor shall any member, officer, agent or employee be liable for his acts or failure to act under these Articles, except only acts or omissions arising out of his willful misfeasance.

ARTICLE VIII

AMENDMENTSSECTION 1.

These Articles of Association of Buena Ventura Property Owners Association may be amended, repealed, or altered, in the whole or in part by a majority vote of the members of the property owners association at any duly organized meeting of the Association or by mail ballot.

ARTICLE IX

ROADS, STREETS AND PUBLIC WAYSSECTION 1.

The property owners association shall be responsible for the maintenance, repair, rebuilding or rehabilitation of all roads, streets and public ways in the development.

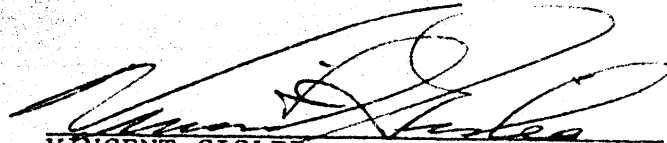
ARTICLE X

EFFECT AND RECORDINGSECTION 1.

The above Articles of Association of Buena Ventura

Development shall run with the land and shall be binding upon all parties and persons owning property within the Buena Ventura Development Subdivision as shown on the official plat filed with the Deschutes County Clerk and their future grantees, assigns, heirs and successors, and shall continue until terminated or modified by petition signed by two-thirds (2/3) of the record owners of the property.

The undersigned are all the owners of the property and these Articles shall become effective upon their recording with the Deschutes County Clerk.



VINCENT GISLER

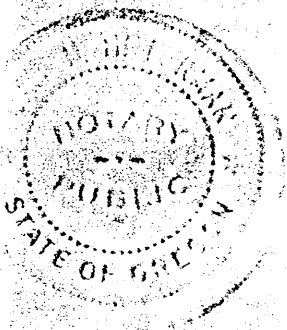

ROBERT H. MAYFIELD


WILLIAM R. MAYFIELD

STATE OF OREGON)
) ss.
County of Deschutes)

On this 3rd day of MAY, 1978, personally appeared before me the above named VINCENT GISLER, ROBERT H. MAYFIELD and WILLIAM R. MAYFIELD who stated that they are all the owners of the real property containing Buena Ventura Subdivision and who acknowledged the foregoing instrument to be their voluntary act and deed.

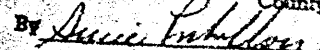

Notary Public for Oregon
My commission expires: 6/26/79
32437



STATE OF OREGON
County of Deschutes

I hereby certify that the within instrument of writing was received for Record the 26 day of May A.D. 1978 at 33 o'clock P M., and recorded in Book 274 on Page 586 Records of Deschutes

ROSEMARY PATTERSON
County Clerk

By  Deputy