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DECLARATION SUBMITTING STAGES 1 AND 2 OF
CEDAR CREEK TOWNHOMES, A CONDOMINIUM,
TO THE OREGON CONDOMINIUM ACT

THIS DECLARATION is made and executed by Cedar Creek Townhomes, a California limited partnership, hereinafter called "Declarant."

Declarant desires to create a condominium to be known as Cedar Creek Townhomes, a condominium, which will be located in the City of Bend, Deschutes County, Oregon. The purpose of this declaration is to submit the project to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE, Declarant does hereby declare and provide as follows:

1. Definitions. When used herein the following terms shall have the following meanings:

1.1 "Act" means the Oregon Condominium Act.

1.2 "Association" means the Association of Unit Owners of CEDAR CREEK TOWNHOMES.

1.3 "Board of Directors" means the directors selected pursuant to the provisions of this declaration and the bylaws to govern the affairs of the Association.

1.4 "Bylaws" means the bylaws of the Association adopted as provided herein, as the same may be amended from time to time.

1.5 "Declarant" means CEDAR CREEK TOWNHOMES, a California limited partnership.

1.6 "Plat" means the plat of CEDAR CREEK TOWNHOMES, a condominium, recorded simultaneously with the recording of this declaration.

1.7 "Incorporation by Reference." Except as otherwise provided in this declaration, each of the terms used herein shall have the meaning set forth in ORS 94.004, a part of the Act.

2. PROPERTY SUBMITTED. The land submitted hereunder is held by Declarant in fee simple estate. It is located in the City of Bend, Deschutes County, Oregon, and is more particularly described in Exhibit "A" attached hereto. The property submitted hereunder includes the land so described, all buildings, improvements and structures thereon, and all easements, rights and appurtenances belonging thereto.

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3. NAME. The name by which the property submitted hereunder shall be known is "CEDAR CREEK TOWNHOMES, a condominium."

4. GENERAL DESCRIPTION OF BUILDINGS.

At the present time ten buildings are planned for Cedar Creek Townhomes consisting of 58 units. Each unit is planned to contain two bedrooms, two baths, a powder room, kitchen, dining and living room with a two vehicle, fully enclosed garage. Each building will contain six units, except that one building planned in Stage 4 will contain only four units. Stages 1 and 2 consist of four buildings of 6 units each. The buildings themselves will be two story townhouse style condominiums of wood frame construction with wood siding, a composition roof, concrete foundation and slab on grade or wood floor. One model of 1,650 square feet is constructed for all stages.

5. UNITS.

5.1 General Description of Units. Stages 1 and 2 of the condominium consist of four buildings containing six units each, designated Units 7 through 12, inclusive, and Units 13 through 18, inclusive, a tennis court, swimming pool and spa for Stage 1; and Units 1 through 6, inclusive, and Units 19 through 24, inclusive, for Stage 2. A two-vehicle, fully enclosed garage is provided immediately to the rear of each unit.

Proposed Stages 3 through 5 would consist of two buildings each designated as follows: Stage 3, Units 35 through 40, inclusive, and Units 53 through 58, inclusive; Stage 4, Units 31 through 52, inclusive, and a second spa located near Unit 18; and Stage 5, Units 25 through 30, inclusive, and Units 41 through 46, inclusive. A two-vehicle, fully enclosed garage is planned immediately to the rear of each unit.

Common Area Amenities. A swimming pool and spa, and a tennis court are provided with Stage 1. At the present time, Declarant intends to construct a spa located at Unit 18 with Stage 4.

The dimensions, designation, and location of each unit are shown in the plat filed simultaneously herewith and made a part of this declaration as if fully set forth herein.

5.2 Boundaries of Units. Each unit shall be bounded by the interior unfinished surfaces of its perimeter and bearing walls, floors, and ceilings. All lath, wallboard, plaster board, plaster, paneling, tiles, wallpaper, paint, finished flooring and any other materials constituting any part of the finished surfaces thereof shall be a part of the unit and all other portions of said walls, floors or ceilings shall be part of the common elements. The unit shall include windows, window frames, exterior and interior doors, door frames, air space, non-bearing interior partitions, and all other appliances, fixtures and improvements contained therein. In addition, each unit shall

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include the outlet of any utility service lines, including but not limited to water, sewerage, gas, electricity, and ventilating ducts within the unit, but shall not include any part of such lines or ducts themselves.

5.3 Use of Units. The units shall be occupied and used by the respective owners only for residential purposes for the owner, family, tenant and social guests and for no other purposes. The owners of the respective units shall have the right to lease or rent the unit or any part thereof, provided that any such lease or rental agreement shall be subject to the covenants and restrictions contained in this declaration and is further subject to the bylaws, rules and regulations of the Association. Nightly rentals are prohibited, as are any rentals for periods less than three months. The custody and control of pets is severely regulated by the Bylaws.

6. COMMON ELEMENTS.

6.1 General Common Elements. The general common elements consist of the following, to the extent they exist on the property, and except as portions thereof are expressly designated in this declaration as part of a unit or limited common element:

(a) The land, pathways, driveways, fences, grounds, parking spaces, swimming pool, spa and associated facilities, and tennis court;

(b) The foundations, columns, girders, beams, supports, bearing walls, perimeter walls, main walls, roofs, and exterior porches, corridors, lobbies, stairs, fire escapes, entrances and exits of the building(s);

(c) Installations of central services, such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, waste disposal and incinerators, up to the outlets within any units;

(d) The tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use;

(e) All other elements of any building necessary or convenient to its existence, maintenance and safety, or normally in common use; and

(f) That property marked as "variable" on the site Plan (Exhibit "C" hereto) if it is not developed or reclassified as a limited common element within seven years from the date of recordation of this Declaration.

6.2 Limited Common Elements. The following constitute limited common elements, the use of which shall be restricted to the unit(s) to which they pertain:

(a) Each unit is assigned a two-vehicle, fully enclosed garage located to the rear of said unit bearing the same number as the number of the Unit;

(b) The patio areas located off the front and rear of each unit which areas do not include the adjacent sidewalks; and

(c) The balconies located off each of the two bedrooms on the second floor of each unit.

6.3 Undivided Interest In Common Elements. Each unit is allocated an equal undivided fractional interest in the common elements as shown on Exhibit B. The allocation reflects each unit's equal right to use and enjoy the general common elements. Each unit's undivided interest shall be deemed to be conveyed or encumbered with conveyance of said unit, even though the description in the instrument of conveyance or encumbrance may refer only to title in the unit.

6.4 Use of Common Elements. No person shall use the common elements or any part thereof in any manner contrary to or not in accordance with this declaration, the bylaws or such rules and regulations pertaining thereto which from time to time may be promulgated by the Board of Directors.

6.5 Maintenance, Repair, and Replacement. Except to the extent it is imposed on the unit owners by this declaration or the bylaws, the necessary work to maintain, repair or replace the common elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the bylaws. Nothing herein, however, shall be construed so as to preclude the Board of Directors from delegating such duties to individuals or entities.

7. COMMON PROFITS AND COMMON EXPENSES. The common profits, if any, shall be allocated among the unit owners according to the allocation of undivided interest of each unit in the common elements; provided, however, that no such profits shall be distributed among the unit owners and shall be used solely for purposes of maintaining, repairing, and replacing the common elements or other expenses of the Association. The common expenses shall be assessed to the unit owners according to the allocation of undivided interest of each unit in the common elements; provided, however, that unit owners may be assessed an additional amount individually for common expenses incurred through such unit owner's fault or direction or as otherwise provided in the bylaws.

8. PLAN OF DEVELOPMENT. Declarant may add additional units in stages in the future as shown on the Site Plan attached hereto as Exhibit "C", and reserves to itself, without limitation, those rights provided under ORS 94.021(1) which include the right to reclassify all or a portion of the property designated in the declaration and on the plat as "NONWITHDRAWABLE VARIABLE PROPERTY" as one or more general common elements, limited common elements,

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units or a combination of the elements and units. Declarant reserves to itself those rights provided under ORS 94.021(1) for a period of seven years from the date of recording the declaration submitting Stages 1 and 2.

8.1 Maximum Number of Stages. Declarant hereby submits Stages 1 and 2 to the condominium form of ownership. Declarant reserves the right to add up to 3 additional stages to the condominium (for a total of 5 stages) by filing supplemental declarations pursuant to the Act. No additional stages shall be added after seven years following the recording of the declaration submitting Stages 1 and 2. Declarant may add less than 3 additional stages and may change the order in which the various stages are added.

8.2 Maximum Number of Units. Stages 1 and 2 contain 24 units. Stages 3 and 5, inclusive, are designed to contain 12 units each while Stage 4 is designed for 10 units. Declarant reserves the right to develop up to 34 additional units in subsequent stages, for a total of 58 units in the condominium. Declarant may develop less than 34 additional units.

8.3 Future Units. Declarant reserves the right to modify the floor plan, the architectural style, the size, and the materials used in future units, but will not lower the overall standard of quality.

8.4 Right to Pre-sell. Declarant may pre-sell condominium units prior to construction and may require that up to 100 percent of the units of each stage, or all stages be sold prior to electing to proceed with the construction of the units in any stage.

8.5 Additional Common Elements. Declarant proposes to include additional common elements in subsequent stages which may increase the proportionate amount of the common expenses payable by owners of units in Stages 1 and 2. Declarant proposes to add a spa near Unit 18 with Stage 4. It is anticipated that the maintenance and repair associated with this amenity will increase the proportionate cost of common expenses payable by owners in Stages 1, 2, and 3, respectively, but in a relatively minor amount.

8.6 Fractional Interest in Common Elements. Each unit is allocated an equal undivided fractional ownership interest in the common elements. Each unit's equal undivided interest shall be deemed to be conveyed or encumbered with a conveyance or encumbrances of said unit, even though the description in the instrument of conveyance or encumbrance may refer only to title in the unit.

The method used to establish the allocation of undivided interest in the common elements of each unit at each stage of the development reflects each unit's equal right of use and enjoyment in the general common elements.

The fractional interest in the common elements of units in Stages 1 and 2 will change if additional stages are added to the condominium. At each stage, the numerator of the fraction will be one (1), and the denominator will be the total number of declared units. If Declarant elects to develop a total of 58 units, each unit in Stages 1 and 2 will have an undivided 1/58th fractional interest in the common elements.

8.7 Variable Property is NonWithdrawable. Declarant has no right to withdraw property marked as "NONWITHDRAWABLE VARIABLE PROPERTY". As noted above, however, Declarant may elect not to develop property marked on Exhibit "C" as "NONWITHDRAWABLE VARIABLE PROPERTY".

8.8 Reclassification and Extinguishment of Security Interests on NONWITHDRAWABLE VARIABLE PROPERTY. In the event any property designated NONWITHDRAWABLE VARIABLE PROPERTY remains seven years after recording the declaration submitting Stages 1 and 2, said NONWITHDRAWABLE VARIABLE PROPERTY shall become part of the common elements and any interest in such property held for security purposes shall be automatically extinguished by such reclassification.

8.9 Association's Right Regarding Automatically Reclassified NONWITHDRAWABLE PROPERTY. The Association may exercise any right previously held by the Declarant with respect to automatically reclassified NONWITHDRAWABLE VARIABLE PROPERTY provided said action is first approved by a majority of all voting rights. All other action relating to such reclassified general common elements shall be regulated and governed in like manner as other general common elements of the condominium. Supplemental declarations and plats, if required for any action, shall be executed by the chairperson and secretary of the Association and shall comply with the relevant provisions of Chapter 94 of the ORS.

Title to any additional units created on automatically reclassified NONWITHDRAWABLE VARIABLE PROPERTY shall be automatically vested in the Association upon the recording of a supplemental declaration and plat. The Board of Directors acting on behalf of the Association shall have the power to hold, convey, lease, encumber or otherwise deal with a unit or any interest therein in like manner as other property owned by the Association.

9. SERVICE OF PROCESS. The name of the person to receive service of process in cases provided in subsection (1) of ORS 94.280 within the State of Oregon is named in the Condominium Information Report filed with the Secretary of State in accordance with ORS 94.038.

10. EASEMENTS AND ENCROACHMENTS.

10.1 Right of Access. The Association, through its Board of Directors, shall have the right to have access to each unit as may be necessary for the maintenance, repair or replacement of the common elements, or to make emergency repairs therein

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necessary for the public safety or to prevent damage to the common elements or to another unit. In case of an emergency originating in or threatening his unit, or other portion of the condominium, each unit owner hereby grants the right of entry to any person authorized by the Board of Directors or the Association, whether or not the owner is present at the time. Each unit owner shall, upon request, leave a key to his unit with the Board of Directors to be used in such emergencies.

10.2 Encroachments. Each unit and all common elements shall have an easement over all adjoining units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to the building overhang or projection. There shall be valid easements for the maintenance of the encroaching units and common elements so long as the encroachments shall exist, and, except as otherwise provided in the Act, the rights and obligations of owners shall not be altered in any way by the encroachment, nor shall the encroachment be construed to be encumbrances affecting the marketability of title to an unit.

10.3 Granting of Interest Affecting Common Elements. The Association shall have the authority to grant easements, rights of way, licenses or other similar interests affecting the general common elements. The granting of any such interest shall first be approved by at least seventy-five percent (75%) of all votes of the unit owners as required by ORS 94.146(6). The instrument granting any such interest shall be executed by the chairman and secretary of the Association and acknowledged in the manner provided for acknowledgment of such instruments by such officers and shall state that such grant was approved by at least seventy-five percent (75%) of all votes of the unit owners.

11. VOTING RIGHTS. The owners or co-owners of each unit shall be entitled to one vote per unit.

12. ASSOCIATION OF UNIT OWNERS.

12.1 Organization: Adoption of Bylaws. Upon the execution and recording of this declaration, the Association shall be organized to serve as a means through which the unit owners may take action with regard to the administration, management, and operation of the condominium. Declarant shall simultaneously adopt and record bylaws for the Association.

12.2 Membership: Board of Directors. Each unit owner shall be a member of the Association, and membership therein shall be limited to unit owners only. The affairs of the Association shall be governed by a Board of Directors as provided in the bylaws.

12.3 Power and Duties of the Association. The Association shall have such powers and duties as may be granted to

it by the Oregon Condominium Act, together with such additional powers and duties contained in this declaration and the bylaws.

12.4 Declarant Control of Association; Interim Board of Directors. Declarant will appoint an interim Board of Directors for the Association. Declarant hereby reserves the right to control the Association until the earlier of (a) the date of conveyance to persons other than Declarant of seventy-five percent (75%) of the units in the last stage which Declarant may submit to this condominium, or (b) seven years from the date the first unit is conveyed. Accordingly, upon the recording of the declaration and bylaws, the interim directors shall serve until the turnover meeting is held as provided in the bylaws.

12.5 Management Agreements, Contracts, and Leases. The Board of Directors, including the interim Board of Directors, shall have the right to contract with a professional manager or management firm to manage the affairs of the Association. However, if entered into prior to the turnover meeting of the condominium, no management agreement, service contract or employment contract which is directly made by or on behalf of the Association, the Board of Directors, or the unit owners as a group shall be in excess of three years and may be terminated without penalty by the Association or the Board of Directors upon not less than thirty (30) days' written notice to the other party given not later than sixty (60) days after the turnover meeting.

13. MORTGAGES.

13.1 Definitions. As used herein, the following terms shall have the following meanings:

(a) "Mortgage" means a recorded mortgage or trust deed creating a lien against a unit; and

(b) "Eligible mortgage holder" means a holder of a first mortgage on a unit who has requested notice of certain matters from the Association in accordance with Section 13.3 below.

13.2 Notice of Association. At the request of the Board of Directors, each owner shall promptly supply to the Board the name and address of the mortgagee or mortgagees of his unit.

13.3 Notice to a Holder, Insurer, or Guarantor of a Mortgage. A holder, insurer, or guarantor of a mortgage on a unit, who submits a written request to the Association stating the name and address of the holder, insurer, or guarantor and the unit number or address of the mortgaged unit, shall be entitled to timely written notice of the following:

(a) Any condemnation or casualty loss that affects either a material portion of the condominium or the unit securing its mortgage;

(b) Any sixty-day (60-day) delinquency in the payment of assessments or charges owed by the owner of any unit on which it holds the mortgage;

(c) A lapse, cancellation, or material modification of any insurance policy or fidelity bond maintained by the Association; and

(d) Any proposed action that requires the consent of a specified percentage of eligible mortgage holders.

13.4 Consent to Termination of the Condominium. Except with respect to termination of the condominium as a result of destruction, damage, or condemnation, any termination of the condominium shall require the approval of eligible mortgage holders representing at least sixty-seven percent (67%) of the votes of units that are subject to mortgages held by eligible mortgage holders. This approval shall be in addition to such other approvals and procedures as may be required by the declaration, bylaws, and Act.

13.5 Consent to Amendment of Documents. Except as otherwise provided in the Act, the approval of eligible mortgage holders representing at least fifty-one percent (51%) of the votes of units that are subject to mortgages held by eligible mortgage holders shall be required for any amendments of a material nature to the declaration or bylaws. Any amendment to the declaration or bylaws which changes any of the following would be considered as material:

- (a) Voting rights;
- (b) Assessments, assessment liens, or subordination of assessment liens;
- (c) Reserves for maintenance, repair and replacement of the common elements;
- (d) Responsibility for maintenance and repairs;
- (e) Reallocation of interests in the general or limited common elements, or rights to their use;
- (f) Boundaries of any unit;
- (g) Convertibility of units into common elements or of common elements into units;
- (h) Expansion or contraction of the condominium or the addition, annexation, or withdrawal of property to or from the condominium, except as provided in Section 8;
- (i) Insurance or fidelity bonds;

- (j) Leasing of units;
- (k) Imposition of any restriction on a unit owner's right to sell or transfer his or her unit;
- (l) A decision by the Association to establish self-management when professional management had been required previously by eligible mortgage holders;
- (m) Restoration or repair of the condominium (after a hazard damage or partial condemnation) in a manner other than that specified in the declaration, bylaws, or Act;
- (n) Any provisions that expressly benefit mortgage holders, insurers, or guarantors.

This approval shall be in addition to such other approvals and procedures as may be required by the declaration, bylaws, and Act.

13.6 Request for Approval of Eligible Mortgage Holders. Any eligible mortgage holder or other mortgagee who receives a written request to approve additions or amendments to the declaration, bylaws, or other action to be taken by the Board of Directors, Association, or unit owners, shall be deemed to have given such approval unless a negative response is delivered or posted to the requested party within thirty (30) days after such request has been received.

13.7 Mortgagee's Request for Professional Management. Upon written request of eligible mortgage holders representing at least fifty-one percent (51%) of the votes of units that are subject to mortgages held by eligible mortgage holders, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Any agreement for professional management shall be consistent with Section 12.5.

13.8 Discharge of Lien Upon Foreclosure. Where the purchaser of a unit obtains title to a unit as a result of foreclosure of the first mortgage or first trust deed, such purchaser, his successors and assigns, shall not be liable for any of the common expenses chargeable to such unit which became due prior to the acquisition of title to such unit by such purchaser. Such unpaid share of common expenses shall be a common expense of all the unit owners including such purchaser, his successors and assigns. Provisions of this section shall apply only to mortgagees of a first mortgage of record or beneficiaries of a first trust deed of record constituting first liens against the unit or purchasers holding under them.

13.9 Right to Receive Written Notice of Meetings. A holder of a first mortgage shall, upon written request to the Association, be entitled to receive notice of all meetings of the Association and shall be entitled to designate a representative to attend all such meetings.

13.10 Additional Approvals. Unless fifty-one percent (51%) of the holders of first mortgages of individual units have given their prior written approval, the Association shall not:

(a) Change the pro rata interest or obligations of any unit for (1) purposes of levying assessments or charges or allocating distribution of hazard insurance proceeds or condemnation awards, and (2) determining the pro rata share of ownership of each unit in the common elements;

(b) Partition or subdivide any unit;

(c) By act or omission, seek to abandon or terminate the condominium status of the project except as provided by statutes in case of substantial loss to the units and common elements of the condominium project;

(d) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer the common elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this clause; or

(e) Use hazard insurance proceeds for losses to any condominium property (whether to units or to common elements) for other than the repair, replacement, or reconstruction of such improvements, except as provided by statute in case of substantial loss to the units and/or common elements of the condominium project.

13.11 Right to Examine Books and Records. All mortgagees shall have the right to examine the books and records (including the declaration, bylaws, rules, and regulations and financial statements) of the Association upon written request. Such books and records shall be available for duplication at reasonable times; a mortgagee shall be entitled to have an audited financial statement prepared at his own expense if such audited statement is not otherwise available; the Association, its Board of Directors and its officers shall cooperate to facilitate the necessary auditing and review process.

14. AMENDMENT.

14.1 Approval Required. Except as may otherwise be provided in this declaration or by the Act, the declaration may be amended if such amendment is approved by seventy-five percent (75%) or more of all votes of the unit owners. No amendment may change the allocation of undivided interest in the common elements, method of determining liability for common expenses, right to common profits, or voting rights of any unit unless such amendment has been approved by the owners of the affected units and the holders of any mortgage or trust deed on such unit. No amendment may reduce or eliminate the rights of first mortgagees set forth

herein without the written consent of fifty-one percent (51%) of all such first mortgagees.

14.2 Recordation. The amendment shall be effective upon recordation of the declaration as amended or of the amendment thereto, certified by the chairman and secretary of the Association as being adopted in accordance with the declaration and the provisions of ORS 94.004 to 94.480 and 94.991, and approved by the Real Estate Commissioner, in the Deed Records of Deschutes County.

14.3 Change of Person to Receive Service of Process. The Board of Directors of the Association may elect to designate a person other than the one named in the Condominium Information Report to receive service of process. Upon adoption of a resolution by the Board of Directors in accordance with the bylaws, the Board of Directors shall deliver to the Office of the Secretary of State the filing on behalf of the Association in accordance with ORS 94.038 and 94.040(5).

15. DECLARANT'S RIGHTS.

Notwithstanding any provision to the contrary in this declaration or the bylaws, Declarant shall have the following special rights:

15.1 Amendment to Declaration and Bylaws. No amendment to the declaration and bylaws shall be effective without the written consent of Declarant until such time as seventy-five percent (75%) of the units in the last stage which Declarant may submit in this project have been conveyed to persons other than Declarant. No amendment may limit or diminish any right of Declarant reserved under the declaration, the Act, or any other special declarant right without the written consent of Declarant until such time as Declarant waives in writing this right of consent.

15.2 Assessments for Additional Capital Improvements. No units owned by Declarant shall be assessed by the Association or the Board of Directors for the construction or acquisition of additional capital improvements without the written consent of Declarant as long as Declarant owns more than two units or five percent of the units submitted to the condominium, whichever is greater, or the time period specified in the declaration during which Declarant may add additional stages has not expired.

15.3 Development Easement. Declarant and its agents shall have an easement over and upon the common elements as may be reasonably necessary for the purpose of completing any portion of the condominium, discharging any obligation of Declarant, and/or carrying out sales and rentals of units and advertisements thereof, including posting signs on the property. Declarant shall have the right to use units owned by Declarant as model units and shall have the right to use a unit as a sales office.

15.4 Other. Declarant shall be entitled to any and all other special declarant rights, in addition to those specified herein, that are reserved for the benefit of or created by the Declarant under the declaration, bylaws, or the provisions of the Act.

16. SEVERABILITY.

Should any of the provisions herein conflict with the provisions of the Act, the statutory provisions shall apply. Each provision of this declaration and the bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this declaration or the bylaws.

17. CONFLICTING PROVISIONS.

In the event of a conflict between or among the declaration, bylaws, and any administrative rules and regulations, the provisions of the declaration shall be paramount to the bylaws and the rules and regulations, and the bylaws shall be paramount to the rules and regulations. For purposes of this section, the term "declaration" shall include all amendments and the term "bylaws" shall include all amendments.

IN WITNESS WHEREOF, Declarant has caused this declaration to be executed this 31 day of October, 1989.

CEDAR CREEK TOWNHOMES,
a California limited partnership

By: James R. Toone
James R. Toone
title: General Partner

STATE OF ~~OREGON~~ California)
COUNTY OF San Diego) SS.

Personally appeared James R. Toone
who, being duly sworn, did say that he is a General Partner of Cedar Creek Townhomes, a California limited partnership, and that said instrument was signed on behalf of said partnership by authority of its general partners; and acknowledged said instrument to be his voluntary act and deed.



Lorraine Preli
(Notary Public for Oregon California
My commission expires: 1-29-91)

EXHIBIT A

A parcel of land located in Tract 10 of the Plat of Boyds Acreage and a portion of the NE 1/4 of Section 28, Township 17 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, being more particularly described as follows:

Beginning at the Northeast corner of Tract 10 of said Plat of Boyds Acreage being the "initial point" of the Plat of Cedar Creek Townhomes, Stages I & II; thence along East boundary line of said Tract 10 South 00° 04' 54" West a distance of 301.07 feet (South 00° 07' 58" West-Record) to a point on the Northerly right-of-way line of Butler Market Road; thence along said Northerly right-of-way line of Butler Market Road South 53° 47' 51" West a distance of 138.60 feet to a 1" iron pipe; thence continuing along said Northerly right-of-way line of Butler Market Road South 55° 51' 12" West a distance of 135.30 feet (South 54° 25' 00" West a distance of 135.30 feet-record) to a point on the existing North curb line of Studio Road; thence along said North curb line around a 169.39 foot radius curve right 39.43 feet (39.90 feet-record) (chord bears South 82° 54' 44" West, 39.34 feet); thence North 87° 52' 55" West a distance of 297.75 feet (North 88° 51' 58" West a distance of 297.40 feet-record) to an iron bolt at the back of said curb on Studio Road; thence North 02° 44' 13" East a distance of 452.66 feet (North 02° 43' 22" East a distance of 448.70 feet-record) to a point on the North line of Tract 10 of said Plat of Boyds Acreage which bears North 89° 56' 16" East a distance of 286.19 feet (East, 285.75 feet-record) from the Northwest corner of said Tract 10; thence along said North line of said Tract 10 North 89° 56' 16" East a distance of 539.22 feet (East, 539.73 feet-record) to the point of beginning, the terminus of this description.

Exhibit "A" to DECLARATION SUBMITTED STAGES 1 AND 2 OF
CEDAR CREEK TOWNHOMES, a condominium Page -1-

FRACTIONAL INTEREST IN COMMON ELEMENTS
OF STAGES 1 AND 2

Unit 1	1/24th
Unit 2	1/24th
Unit 3	1/24th
Unit 4	1/24th
Unit 5	1/24th
Unit 6	1/24th
Unit 7	1/24th
Unit 8	1/24th
Unit 9	1/24th
Unit 10	1/24th
Unit 11	1/24th
Unit 12	1/24th
Unit 13	1/24th
Unit 14	1/24th
Unit 15	1/24th
Unit 16	1/24th
Unit 17	1/24th
Unit 18	1/24th
Unit 19	1/24th
Unit 20	1/24th
Unit 21	1/24th
Unit 22	1/24th
Unit 23	1/24th
Unit 24	1/24th

STUDIO ROAD

BUTLER MARKET ROAD

*Cedar Creek
Townhomes*
SITE PLAN
1" = 60'

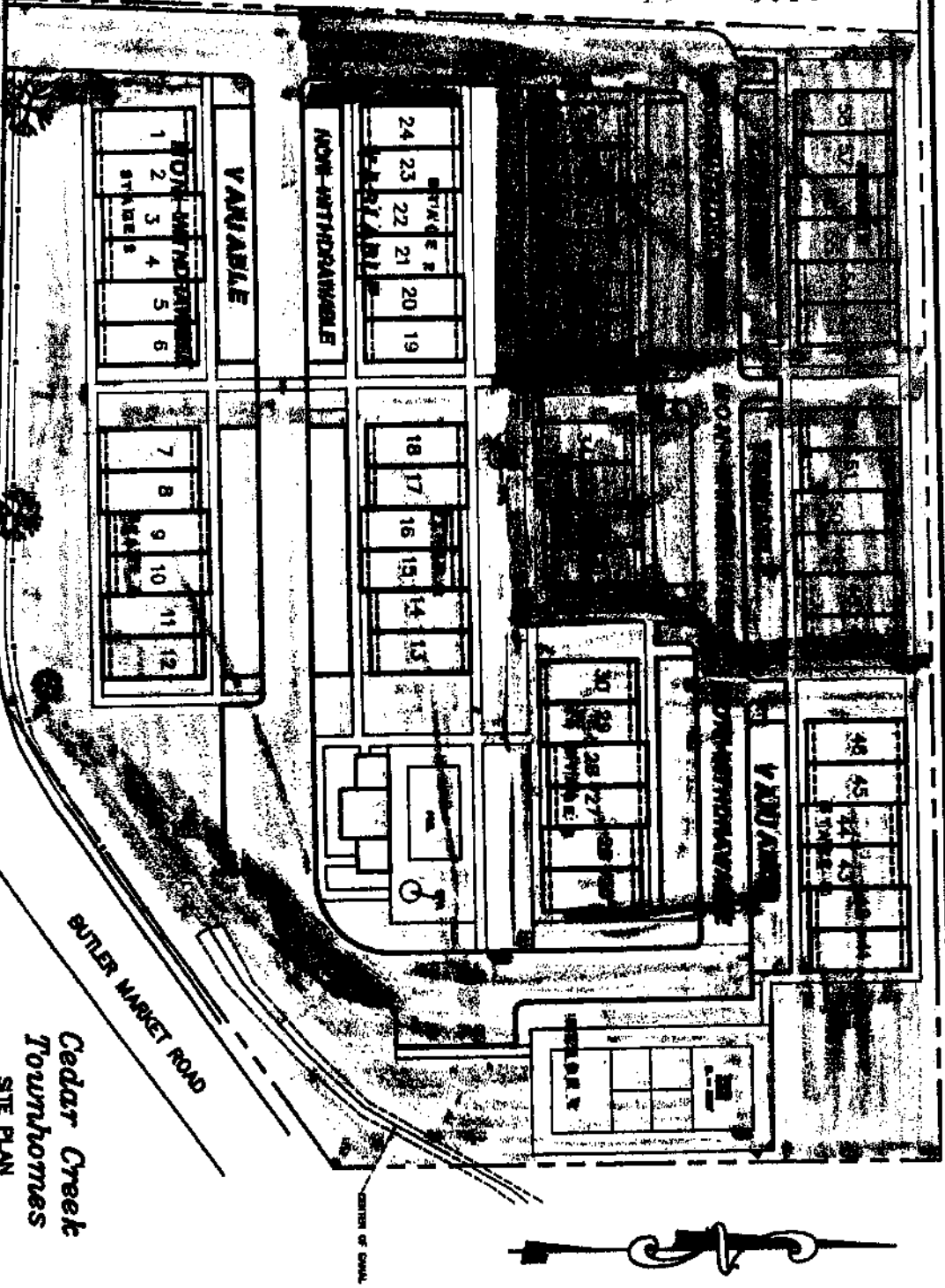


EXHIBIT D

NONWITHDRAWABLE VARIABLE PROPERTY
(DESCRIPTION)

A parcel of land containing 2.06 acres, more or less, located in the Plat of Boyds Acreage and a portion of the SW 1/4 of the NE 1/4 of Section 28, Township 17 South, Range 12 East, Willamette Meridian, City of Bend, Deschutes County, Oregon, being more particularly described as follows:

Beginning at a point on the north line of Tract 10 of said Plat of Boyds Acreage which bears North 89° 56' 16" East a distance of 286.19 feet (East, 285.72 feet-Record) from the Northwest corner of said Tract 10; thence along said north line of said Tract 10 North 89° 56' 16" East a distance of 453.69 feet (East-Record); thence South 00° 03' 44" East a distance of 92.00 feet; thence South 89° 56' 03" West a distance of 16.38 feet; thence 00° 56' 03" West a distance of 16.38 feet; thence South 00° 19' 07" West a distance of 108.00 feet; thence South 89° 56' 16" West a distance of 446.37 feet; thence North 02° 44' 13" East a distance of 200.24 feet (North 02° 43' 22" East-Record) to the Point of Beginning, the terminus of this description, said terminus point bears North 02° 44' 13" West a distance of 4.50 feet from a 1/2" iron rod.

SUBJECT TO: All easements, restrictions and rights-of-way of record and those common and apparent on the land.

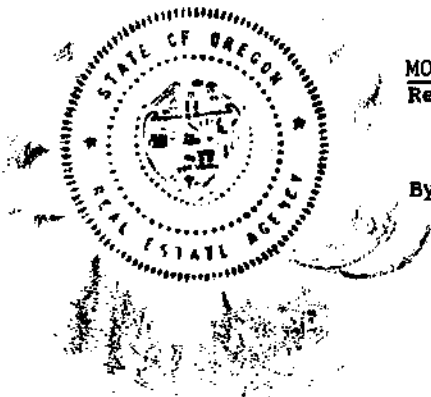
Exhibit "D" to DECLARATION SUBMITTED STAGES 1 AND 2 OF
CEDAR CREEK TOWNHOMES, a condominium Page -1-

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The foregoing declaration is approved this 1 day of NOVEMBER, 1989.

[Signature] Deas B. Brathen by
Assessor and Tax Collector for Juan Retsohl
Deschutes County

The foregoing declaration is approved this 7th day of November, 1989.



MORELLA LARSEN
Real Estate Commissioner

By: [Signature]

STATE OF OREGON) ss.
COUNTY OF DESCHUTES)

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AND FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

89 NOV -9 PM 1:36
MARY SUE PENHOLLOW
COUNTY CLERK

BY: [Signature] DEPUTY
NO. 89-29790 FEE 90-
DESCHUTES COUNTY OFFICIAL RECORDS

DECLARATION SUBMITTING STAGES 1 & 2 OF CEDAR CREEK TOWNHOMES 14