

85-24298

DECLARATION

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CIRCLE FOUR RANCH CONDOMINIUM

WHEREAS the undersigned Declarant desires to submit the Property described in this Declaration, together with all improvements now existing or hereafter to be constructed thereon, to the provisions, restrictions and limitations of the Oregon Condominium Act, ORS 94.004 through ORS 94.480 and ORS 94.921;

NOW, THEREFORE, it is declared as follows:

Section 1. Definitions.

As used herein, the term

a. "Association of Unit Owners" means all the unit owners acting as a group through a nonprofit corporation in accordance with this Declaration and the Bylaws of the Association of Unit Owners.

b. "Common Expenses" means expenses of administration, maintenance, repair or replacement of the common elements, including deposits in the working capital fund and reserve fund, together with such expenses agreed upon as common by the Association of Unit Owners in the manner provided in the Bylaws.

c. "Manager" means the person or firm hired by the board of directors of the Association of Unit Owners to be in charge of the administration of and to manage the Property.

d. "Property" means the land, all buildings, improvements and structures thereon and all easements, rights

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and appurtenances belonging thereto which are hereby submitted to the provisions of the Oregon Condominium Act.

e. "Eligible Mortgage Holder" means a holder of a first mortgage on a unit who has requested notice of certain matters from the Association of Unit Owners in accordance with Section 803.08M of the FNMA Conventional Home Mortgage Selling Contract Supplement.

Section 2. Name of the Property.

The Property subject to this Declaration shall be known by the name Circle Four Ranch Condominium.

Section 3. Description of the Property.

This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, the land owned in fee simple and described on Exhibit A attached hereto, together with the easements, rights and appurtenances belonging thereto and the units hereinafter described and all other improvements now existing or to be constructed on such land which together shall constitute Phase I of the Plan of Development.

Section 4. General Description of the Units.

There shall be a total of 14 units in Phase I, each a separate two-story frame structure. The unit designation and location of the units are indicated on the plat, a copy of which is attached hereto as Exhibit B. The units to be included in Phase I are numbered 1-12 and 35-36. The lower floor of each unit contains approximately 980 square feet, including two bedrooms, one bathroom, kitchen and a

living-dining room with a vaulted ceiling and fireplace, with an outdoor covered deck (which is a limited common element) off the living-dining room. The upper floor of each unit contains approximately 525 square feet and consists of a bedroom/loft and a bathroom. Prospective unit owners shall be entitled to elect whether the interior spaces of the upper floor are "finished" or merely "roughed-in." The units do not have basements. Each unit is designated for use as a single family residence and has the exclusive right to use the deck which is attached to each unit. The units are of wood frame construction with concrete foundation, wood siding and wood and metal roofing.

The units shall be bounded by the undecorated surface of the interior perimeter walls, floors and ceilings, exclusive of any common elements. All doors, door frames, windows, window frames, walls (other than the exterior portions thereof), foundations, columns, girders, beams, supports, halls, corridors, stairs, entrances and exits within a unit are part of the unit.

Each unit shall be assigned a garage which shall be a limited common element. The garages for Phase I shall be situated in 7 structures, which shall be one-story frame structures. The unit designation and location of the garages are indicated on the plat, a copy of which is attached hereto as Exhibit B. Each garage contains approximately 288 square feet. The dividing walls between garages shall be general common elements. The buildings containing garages are of wood

frame construction with concrete foundation, wood siding and roofing.

Section 5. Common Elements.

a. The general common elements shall consist of all portions of the Property not part of a unit or a limited common element including with respect to the garages all foundations, columns, girders, beams and supports and exterior and dividing walls; also all visitor parking areas, roadways, driveways, walkways, landscaping, recreational (including swimming pool) and other facilities, and utilities and all the appurtenances thereto. No part of any unit, including foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, stairs, entrances and exits, shall be a general common element.

b. The limited common elements shall consist of all portions of the garages, including the land upon which they are situated, other than those designated as general common elements above, and all exterior portions of the units, including exterior walls, roofs, decks and fireplace chimneys and flues; also, all of the parcel of land upon which each unit is situated as shown on Exhibit B attached hereto, shall be a limited common element, assigned to such unit. Notwithstanding the foregoing land under garages which are designated as pertaining to another unit shall likewise be considered a limited common element pertaining to such unit.

Section 6. Percentage of Interest in Common Elements.

Each unit shall have an equal 1/14th interest in the common elements. Interests in common elements are to be

allocated to each unit on an equal basis, based on the total number of units. Such undivided interest in the common elements shall not be separated from the unit to which it appertains and shall be conveyed or encumbered with the unit even though such interest is not expressly mentioned or described in the conveyance or other instrument.

The common elements shall remain undivided, and no unit owner may bring any action for partition or division of any part thereof while the Property is subject to this Declaration. Any covenant to the contrary is void.

Section 7. Ownership to be Fee Simple.

Each individual unit, together with its undivided interest in the common elements shall be owned in fee simple by the unit owner and may be individually conveyed and encumbered and be the subject of ownership, possession, sale or other disposition as though it were solely and entirely independent of the other units, and the individual titles and interest shall be recordable. Each unit owner shall be entitled to the exclusive ownership, possession and enjoyment of his unit.

Section 8. Taxation of Units.

Each unit, with its percentage of undivided interest in the common elements shall be considered a parcel of real property subject to separate assessment and taxation by any taxing unit in like manner as other parcels of real property as required by ORS 94.285. The common elements shall not be considered a parcel for purposes of taxation.

Section 9. Voting Rights.

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One vote shall be allocated to each unit, except as specified in Section 27.

Section 10. Maintenance, Improvement and Intended Use of Units.

Subject to ORS 94.265, a unit owner shall make no repair or alteration or perform any other work on his unit which would jeopardize the soundness or safety of the Property, reduce the value thereof or impair any easement or hereditament, unless the consent of the board of directors and the consent of all other unit owners affected is first obtained. The units are intended to be used as residential living quarters and the garages are intended to be used for the parking of automobiles and similar vehicles and for storage of nondangerous materials.

Section 11. Use and Maintenance of Common Elements.

Each unit owner may use the common elements in accordance with the purposes for which they are intended, but may not hinder or encroach upon the lawful rights of the other unit owners.

The necessary work to maintain, repair or replace the common elements and additions or improvements to the common elements shall be the responsibility of the Association of Unit Owners and shall be carried out as provided in the Bylaws; provided, however, that it shall be the responsibility of each unit owner to maintain his unit, including the inside of the chimney flue serving his unit. All common areas shall be provided with a planting of foliage by the Declarant. All such foliage shall be maintained by the Association of Unit Owners.

If the mortgagee of any unit owner determines that the Association of Unit Owners is not providing an adequate maintenance, repair and replacement program for the project, such mortgagee, at its option, may deliver a written notice to the Association of Unit Owners by delivering the same to the registered agent, required pursuant to ORS 94.029(1)(j), setting forth the particular defects which it believes exist in the maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to the receipt of such notice, then, and in that event, the mortgagee upon written notice to the registered agent that it is exercising its proxy rights thereafter shall have the right to attend at succeeding annual or special meetings of the Association of Unit Owners. At such meetings it shall have the right to cast a vote, for each unit on which it holds a mortgage lien, on all business coming before such meeting, which said proxy right shall continue until the defects listed on the aforementioned notice are corrected.

The Association of Unit Owners shall have the right, to be exercised by the board of directors or the Manager employed by the board of directors, to have access to each unit as may be necessary for the maintenance, repair or replacement of the common elements, to make emergency repairs therein necessary for the public safety, to prevent damage to the common elements or to another unit, or to abate any nuisance existing in any unit.

A working capital fund shall be established for the initial months of the Property operation equal to at least a two months' estimated common expenses for each unit. Each unit's share of the working capital fund shall be collected and transferred to the Association of Unit Owners at the time of closing of the sale of each unit and maintained in a segregated account for the use and benefit of the Association of Unit Owners. The contribution to the working capital fund for each unsold unit shall be paid to the Association of Unit Owners by Declarant within 60 days after the date of the conveyance of the first unit. A proportionate amount of such contributions made by Declarant shall be reimbursed upon the closing of the sale of each unit and the payment of such unit's share of the working capital fund. The purpose of the fund is to ensure that the Association of Unit Owners will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services deemed necessary or desirable by the board of directors. Amounts paid into the working capital fund shall not be considered as advance payments of regular assessments.

Section 12. Management of Affairs of Association of Unit Owners.

Subsequent to the turnover meeting to be held in accordance with the Bylaws, the affairs of the Association of Unit Owners shall be managed by a board of directors and by officers consisting of a Chairman, a Secretary and a Treasurer. Prior to the turnover meeting, the affairs of the Association of Unit Owners shall be managed by Declarant as provided in Section 27.

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The board of directors shall adopt administrative rules and regulations governing the details of the operation, maintenance and use of the Property and to prevent unreasonable interference with the use of the respective units and of the common elements by the several unit owners. The board of directors may retain an individual or firm to act as Manager of the Property. Any such agreement shall provide for a term of three years and may be terminated, with or without cause, upon 90 days' notice to all parties affected.

Section 13. Adoption of Bylaws.

The undersigned owner of the Property, subject to this Declaration, have adopted, pursuant to the requirements of the Oregon Condominium Act, the Bylaws attached hereto, marked Exhibit C, to govern the administration of the Property.

The Bylaws may be amended from time to time as provided therein.

Section 14. Compliance With Bylaws and Other Restrictions.

Each unit owner shall comply with the Bylaws and with the administrative rules and regulations adopted pursuant thereto and with the covenants, conditions and restrictions in this Declaration and the deed to his unit and those referenced on Exhibit D attached hereto and incorporated herein. Failure to comply therewith shall be grounds for an action maintainable by the Association of Unit Owners or by an aggrieved unit owner, in addition to other sanctions which may be provided by the Bylaws or by the administrative rules and regulations.

Unit owners shall have similar rights of action against the Association of Unit Owners.

Section 15. Person to Receive Service of Process in Certain Cases.

Service of process in any action relating to the common elements or to more than one unit in cases provided in subsection (1) of ORS 94.280 shall be made upon

Steinar R. Christiansen
Circle Four Ranch Development Co.
P.O. Box 321
31960 Charbonneau Drive
Wilsonville, Oregon 97070

Section 16. Easements and Other Interests.

Declarant hereby grants a public utility easement over all (limited and general) common areas for the operation, installation, repair, maintenance and replacement of public utilities including, but not limited to, sanitary sewer, water, storm drainage, natural gas, cable television, electrical power, lighting, security and irrigation systems.

The Association of Unit Owners, pursuant to ORS 94.146(5), has the authority to execute, acknowledge, deliver and record on behalf of the unit owners, permits, easements, rights-of-way, licenses and other similar interests affecting the general common elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance or operation of the Property. The granting of any interest by the Association of Unit Owners pursuant to this Section 16 shall be first approved by at least 75 percent of the unit owners. The instrument granting an interest pursuant to this Section 16 shall be executed and acknowledged by the

Chairman and Secretary and shall state that such granting was approved by at least 75 percent of the unit owners.

Section 17. Apportionment of Receipts and Expenses.

The receipts of the Property shall be distributed among and the Common Expenses shall be charged to the unit owners, including Declarant, according to their respective interests in the common elements. Assessments shall first commence upon the conveyance of the first unit. Units owned by the Declarant shall not be subject to assessments for additional capital improvements without the written consent of the Declarant as long as the Declarant owns more than two units or five percent of the units submitted to the provisions of the Oregon Condominium Act or the time period specified for annexation of additional Property pursuant to section 25 has not expired. Unsold units which are unoccupied may, for a period no longer than 60 days after conveyance of the first unit in the phase in which the unsold unit is included, be accorded a reasonably reduced assessment, provided that, if expenses are less than projected because of reduced occupancy, the Declarant shall have the right to pay all common expenses on behalf of the Association in which case assessments not exceeding the cost of common expenses paid by the Declarant shall be paid to the Declarant. Receipts by unit owners for rental of their unit shall not constitute common receipts. No unit owner may exempt himself from liability for his contribution toward the Common Expenses by waiver of the use or enjoyment of any of the common elements or by abandonment of his unit.

Section 18. Lien of Association Against Unit.

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The board of directors shall have the authority and the duty to levy and enforce the collection of general and special assessments for Common Expenses. Whenever the Association of Unit Owners levies any assessment for Common Expenses against a unit, the Association of Unit Owners, upon complying with this section, shall have a lien upon the individual unit and the undivided interest in the common elements appertaining to such unit for the reasonable value of such Common Expenses allocable to such unit and for any unpaid assessments and interest as provided in ORS 94.195(2)(b), plus costs and reasonable attorneys' fees, and the lien shall be prior to all other liens or encumbrances upon the unit, except

- a. tax and public improvement assessment
liens, and
- b. a first mortgage or trust deed of record.

Each assessment shall be a separate and personal debt and obligation of the unit owner against whom the same is assessed at the time the assessment fell due and shall be collectible as such. Such personal obligation shall not pass to successors in title unless assumed by them or required by law. The board of directors shall cause to be filed a notice of lien claim pursuant to ORS 94.195 with respect to any assessment which has not been paid within 30 days from the mailing of the notice of assessment. The notice of lien claim shall be filed within 10 days following the expiration of such 30-day period. The Association of Unit Owners shall be

entitled to recover, in any suit to foreclose or action to recover a money judgment for unpaid Common Expenses, interest on the delinquent assessment at the rate of 10 percent per annum and costs, including reasonable attorneys' fees in such suit or action, or any appeal therefrom.

A lien for common expense assessments shall not be affected by any sale or transfer of a unit, except that a sale or transfer pursuant to a foreclosure of a first mortgage or trust deed shall extinguish a subordinate lien for assessments which become payable prior to such sale or transfer. Any such delinquent assessments which were extinguished pursuant to the foregoing provision may be reallocated and assessed to all units as a common expense. Any such sale or transfer pursuant to a foreclosure shall not relieve the purchaser or transferee of a unit from liability for, nor the unit from the lien of, an assessment made thereafter.

In case of foreclosure, the unit owner shall be required to pay a reasonable rental for the unit; and the plaintiff in the foreclosure suit shall be entitled to the appointment of a receiver to collect the rental, without regard to the value of the security. An action to recover a money judgment, together with reasonable attorneys' fees for unpaid Common Expenses, may be maintained without foreclosing or waiving the lien securing the claim for common proceeds.

Section 19. Power of Property Manager to Bid at Foreclosure Sale.

In any suit to foreclose a lien of the Association of Unit Owners against a unit, the board of directors or the

Manager, acting on behalf of the unit owners, shall have power to bid on the unit at the foreclosure sale and to acquire and hold, lease, mortgage and convey the same. The board of directors or the Manager, acting on behalf of the unit owners, is prohibited from bidding on or otherwise acquiring a unit in any other foreclosure suit.

Section 20. Insurance.

The Association of Unit Owners, by and through the board of directors, shall obtain and keep in effect at all times insurance coverage as specified in the Bylaws.

The insurance obtained by the Association of Unit Owners, by and through the board of directors, as required by this section shall be a common expense.

Section 21. Damage or Destruction.

If one or more of the buildings within the Property is damaged, destroyed or partially condemned, the board of directors shall immediately proceed to rebuild and restore the building or buildings so damaged, destroyed or partially condemned so that the same will be returned to substantially the same condition in which the building or buildings existed prior to such damage, destruction or partial condemnation.

Each unit and the general and limited common elements shall have substantially the same vertical and horizontal boundaries as before, unless at least 90 percent of all the unit owners, plus Eligible Mortgage Holders holding mortgages on at least 51 percent of the units which are subject to Eligible Mortgage Holder mortgages, agree that the Property shall not be rebuilt

or restored. If the Property is to be rebuilt and restored and the insurance proceeds be insufficient to rebuild and restore, the unit owners shall be liable for assessment for any deficiency as a common expense. If 90 percent of all the unit owners agree that the Property shall not be rebuilt or restored, the Property shall be considered removed from the provisions of the Oregon Condominium Act in accordance with ORS 94.306. Any election to terminate the legal status of the Property after substantial destruction or a substantial taking in condemnation of the Property shall require the approval of Eligible Mortgage Holders holding mortgages on at least 51 percent of units subject to Eligible Mortgage Holder mortgages.

The Association of Unit Owners, through a trustee appointed for such purpose, shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common elements or part thereof. In the event of a taking or acquisition of part or all of the common elements by a condemning authority, the award or proceeds of settlement shall be payable to the Association of Unit Owners, or any trustee, for the use and benefit of the unit owners and their mortgagees as their interests may appear.

Upon written request to the Association of Unit Owners, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any such Eligible

Mortgage Holder or eligible insurer or guarantor shall be entitled to timely written notice of:

a. Any condemnation loss or any casualty loss which affects a material portion of the Property or any unit on which there is a first mortgage held, insured or guaranteed by such Eligible Mortgage Holder or eligible insurer or guarantor, as applicable;

b. Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a first mortgage held, insured or guaranteed by such Eligible Mortgage Holder or eligible insurer or guarantor, which remains uncured for a period of 60 days;

c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association of Unit Owners;

d. Any proposed action which would require the consent of a specified percentage of Eligible Mortgage Holders as specified herein.

Section 22. Easements for Encroachment.

If any part of the common elements now or hereafter encroaches upon any unit or if any unit now or hereafter encroaches upon any other unit or upon any portion of the common elements, an easement for such encroachment and the maintenance thereof, as long as it continues, shall exist. In the event a unit or a building containing units shall be

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partially or totally destroyed and then rebuilt, minor encroachments of any parts of the common elements upon any unit, any unit upon any other unit, or upon any portion of the common elements due to the construction shall be permitted as set forth in ORS 94.250; and easements for such encroachments and the maintenance thereof shall exist.

Section 23. Mortgage Protection.

The liens created hereunder upon any unit shall be subject to and subordinate to, and shall not affect the rights of the holder of the indebtedness secured by any recorded first mortgage or deed of trust (meaning a mortgage with first priority over other mortgages) upon such interest made in good faith and for value, provided that after the foreclosure of any such mortgage there may be a lien created pursuant to Section 18 hereof on the interest of the purchaser at such foreclosure sale to secure all assessments, whether regular or special, assessed hereunder to such purchaser as unit owner after the date of such foreclosure sale, which said lien, if any is claimed, shall have the same effect and be enforced in the same manner as provided herein.

No amendment to this section shall affect the rights of the holder of any such mortgage recorded prior to recordation of such amendment who does not join in the execution thereof.

Section 24. Limits on Use of Units and Common Elements.

Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance on

the project without the prior written consent of the board of directors. No owner shall permit anything to be done or kept in his unit which will result in the cancellation of the insurance on any part of the project. The board of directors shall have the power to adopt rules and regulations for use of the common elements and there shall be no violation of such rules.

Section 25. Plan of Development.

The Plan of Development for the property includes a maximum of 36 units to be developed in not more than 4 phases. Additional phases will include the additional land described on Exhibit E attached hereto. Upon annexation of additional land, a supplemental declaration will be recorded. The right to annex additional land will expire on 5 years from the date of recording this declaration.

The units to be included in additional phases will be substantially similar to the units included in Phase I.

The minimum allocation of undivided interests in the common elements to each unit including the units in Phase I upon completion of development, if Declarant elects to proceed with all phases of development, will be 1/36th per unit.

Interests in common elements are to be allocated to each unit on an equal basis, based on the total number of units. All intended improvements in the additional phases shall be consistent with initial improvements in terms of quality of construction and shall be substantially completed prior to

annexation. Assessments and votes appurtenant to each annexed unit shall become effective on the filing of a supplemental

declaration covering such unit, which shall not occur until the substantial completion of such unit. All taxes and other assessments relating to land in additional phases, covering any period prior to the addition of such land, shall be paid or otherwise satisfactorily provided for by the Declarant. Phase I will include, as general common elements, an outdoor swimming pool, open areas, and a roadway as shown on Exhibit B, as well as various pathways. The additional phases will include as general common elements open areas, pathways and a roadway. Declarant hereby reserves a non-exclusive easement for access over the roadway.

Section 26. Apportioning Common Expenses for Additional Phases.

When an additional phase is substantially completed pursuant to the Plan of Development, the Common Expenses for such additional phase as defined in Section 13 of the Bylaws shall be added to the Common Expenses then existing for unit owners of the Property. The owners of each unit, including those units contained in the additional phases, shall be liable for and pay an equal share of the total Common Expenses. There shall be adjustments in the undivided interest of the unit owners in the common elements upon the annexation of such subsequent phase, however, the minimum allocation of interest of each unit owner shall never be below the minimum allocation of interest set forth above. In the event that an additional phase is submitted to the provisions hereof during the Association of Unit Owners' fiscal year, the Common Expenses shall be adjusted on the basis of the period of time that the owners of units in such additional phase shall be members of

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the Association of Unit Owners. The voting rights appurtenant to each unit added according to the Plan of Development shall become effective on the filing of a supplemental declaration covering such unit, which shall not occur until the substantial completion of such unit.

Section 27. Administrative Control.

Except as otherwise provided herein or in the Bylaws, until the date of conveyance, to persons other than Declarant, of 75 percent of the units in both Phase I and all additional phases, as described in Section 25 herein, or until seven years following conveyance of the first unit, whichever occurs earlier,

a. Declarant may appoint and remove officers and members of the board of directors of the Association of Unit Owners;

b. Declarant shall have three votes with respect to each unit owned by it, notwithstanding the provisions of Section 9;

c. Declarant shall have the right to exercise all the powers of the board of directors under this Declaration and the Oregon Condominium Act, except that Declarant may not bind the Association of Unit Owners, prior to passage of control, either directly or indirectly to contracts or leases, including a management contract, unless the Association of Unit Owners is provided with a right of termination of any such contract or lease, without cause, which is exercisable without penalty at any time after

transfer of control, upon not more than 90 days' notice to the other party thereto;

d. Declarant shall have the right to approve amendments to this Declaration and the Bylaws; and

e. Declarant shall have the right to occupy the common elements in connection with its construction activities so long as such activities do not unreasonably interfere with use of the common elements by other unit owners.

Section 28. Amendment.

Except as hereinafter provided, this Declaration may be amended consistent with the provisions of the Oregon Condominium Act by the affirmative vote of 75 percent of the voting rights at the annual meeting of the Association of Unit Owners, or at any special meeting called for such purpose, or by written proxy or written consent of 75 percent of the voting rights. Such amendment shall be effective upon occurrence of the following events: (a) the recordation of an instrument executed and acknowledged by the Chairman and Secretary of the Association of Unit Owners with the Deschutes County Recording Officer, setting forth such amendment in full, and (b) the approval of such amendment by the Oregon Real Estate Commissioner pursuant to ORS 94.036.

Except as otherwise provided in the Oregon Condominium Act, 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

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voting rights of any unit as expressed in this Declaration unless such amendment has been approved by the owners of the affected units, and such unit owners shall record an amendment to this Declaration setting forth the altered percentage of each unit owner having an interest and the amendment is approved by the Real Estate Commissioner pursuant to ORS 94.036.

This Declaration may not be amended to diminish any special declarant right without the prior written consent of Declarant.

In addition to the above requirements and except for amendments to this Declaration or the Bylaws or termination of the Property made as a result of destruction, damage, or condemnation pursuant to Section 21 hereof, the approval of Eligible Mortgage Holders holding mortgages on at least 67 percent of units subject to Eligible Mortgage Holder mortgages shall be required to terminate the legal status of the Property as a condominium or to add or amend any material provisions of the Declaration or Bylaws which establish, provide for, govern or regulate any of the following: voting; assessments, assessment liens or subordination of such liens; reserves for maintenance, repair and replacement of the common elements (or units if applicable); insurance or fidelity bonds; rights to use of the common elements; responsibility for maintenance and repair of the several portions of the Property; expansion or contraction of the Property or the addition, annexation or withdrawal of real or personal property to or from the Property; boundaries of any unit; the interests in the

general or limited common elements; convertibility of units into common elements or of common elements into units; leasing of units; imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer or otherwise convey his or her unit; and any provisions which are for the express benefit of mortgage holders, Eligible Mortgage Holders or eligible insurers or guarantors of first mortgages on units.

For purposes of the foregoing paragraph, an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An Eligible Mortgage Holder who receives a written request to approve additions or amendments who does not deliver or post to the requesting party a negative response within 30 days shall be deemed to have approved such request.

Section 29. Time Share Plan.

No unit shall be used in connection with a time share plan as that term is defined in the Administrative Rules of the Oregon Real Estate Commissioner or in Chapter 94 of Oregon Revised Statutes. The creation of a time share plan involving any portion of the Property is prohibited. No unit owner shall

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make a voluntary conveyance which would result in a unit being owned by more than four persons.

IN WITNESS WHEREOF the undersigned have executed this Declaration this 24 day of September, 1985.

CIRCLE FOUR RANCH DEVELOPMENT CO.

By: [Signature]
Steinar R. Christiansen,
Managing Partner

The foregoing Declaration is approved this 22 day of October, 1985.

[Signature]
Deschutes County Tax Assessor

The foregoing Declaration is approved this 22nd day of October, 1985.

[Signature]
Deschutes County Tax Collector

The foregoing Declaration is approved pursuant to ORS 94.036 this 21st day of October, 1985.

MORELLA LARSEN
Real Estate Commissioner of Oregon

BY [Signature]
Stan F. Mayfield



STATE OF OREGON

COUNTY OF Clackamas

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The foregoing instrument was acknowledged before me
this 24 day of Sept, 1985, by Steinar R. Christiansen,
Managing Partner of Circle Four Ranch Development Co., a general
partnership, on behalf of the partnership.

Mary J. Elend
Notary Public for Oregon
My commission expires:

My Commission Expires May 20, 1988



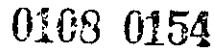
A portion of a tract of land conveyed by SUNRIVER PROPERTIES OREGON, LTD. to Franklin D. Piacentini, George J. Marshall and Steinar R. Christiansen by Warranty Deed recorded 22 August 1984 in Book 70, Page 362, Deschutes County Deed Records and located in the Northwest Quarter of Section 32, Township 19 South, Range 11 East of the Willamette Meridian, Deschutes County, Oregon and more fully described as follows:

Beginning at the Initial Point, a 5/8-inch iron rod set flush with the surface inside a 2-inch by 36-inch galvanized iron pipe set 7-inches below the surface of the ground at an angle point of the Easterly boundary line of RANCH CABINS PHASE III, ANNEXATION TO RANCH CABINS I & II, said point being West 642.01' and North 254.79' from a 5/8-inch iron rod with punch at the Southwest corner of Lot 5, Block 2, MOUNTAIN VILLAGE EAST III, Deschutes County Plat No. 70; thence North 04° 55' 26" West 77.12 feet along said boundary of RANCH CABINS PHASE III to a 5/8 inch iron rod; thence South 24° 49' 56" East 17.81 feet to a 5/8 inch iron rod; thence North 89° 09' 22" East through the middle of an existing garage 29.14 feet to a 5/8 inch iron rod; thence on a 245.00 foot radius curve right (long chord bears North 05° 20' 37" East 64.34 feet) an arc distance of 64.52 feet to a 5/8-inch iron rod; thence North 12° 53' 18" East 50.98 feet to a 5/8-inch iron rod; thence on a 305.00 foot radius curve left (long chord bears North 07° 04' 17" East 61.82 feet) an arc distance of 61.93 feet to a 5/8-inch iron rod; thence North 01° 15' 16" East 41.73 feet to a 5/8-inch iron rod; thence on a 65.00 foot radius curve right (long chord bears North 07° 29' 34" East 14.13 feet) an arc distance of 14.15 feet to a 5/8-inch iron rod; thence North 76° 16' 09" West 105.41 feet to a 5/8-inch iron rod on the Easterly line of said RANCH CABINS PHASE III; thence North 00° 42' 08" West 50.00 feet along said boundary of RANCH CABINS PHASE III to a 5/8 inch iron rod; thence North 11° 32' 38" East 116.40 feet along said boundary of RANCH CABINS PHASE III to a 5/8 inch iron rod on the Southerly right-of-way line of a road known as "West Cascade Road" as located by the recorded plat of MOUNTAIN VILLAGE WEST I, Deschutes County Plat No. 39; thence on a 317.35 foot radius curve right (long chord bears South 66° 43' 07" East 133.76 feet) an arc distance of 134.77 feet along said right-of-way of West Cascade Road to a 5/8 inch iron rod; thence South 54° 33' 11" East 46.97 feet along said right-of-way of West Cascade Road to a 5/8 inch iron rod; thence on a 160.00 foot radius curve left (long chord bears South 72° 48' 11" East 100.21 feet) an arc distance of 101.92 feet along said right-of-way of West Cascade Road to a 5/8 inch iron rod; thence North 88° 56'

52" East 22.52 feet along said right-of-way of West Cascade Road to a 5/8 inch iron rod; thence on a 40.00 foot radius curve right (long chord bears South 56° 51' 41" East 44.96 feet) an arc distance of 47.74 feet along said right-of-way of West Cascade Road to a 5/8 inch iron rod on the South right-of-way of a road know as "Abbot Circle No. 4" and platted by MOUNTAIN VILLAGE EAST I, Deschutes County Plat No. 38 and also described in the "Redescription of Abbot Drive from Abbot Circle #3 to Abbot Circle #4 recorded in Volume 203, Page 440, Deschutes County Deed Records; thence on a 150.00 foot radius curve left (long chord bears South 44° 15' 26" East 110.37 feet) an arc distance of 113.03 feet along said right-of-way of said Abbot Circle No. 4 to a 5/8 inch iron rod; thence on a 40.00 foot radius curve right (long chord bears South 30° 47' 35" East 45.94 feet) an arc distance of 48.94 feet along said right-of-way of said Abbot Circle No. 4 to a 5/8-inch iron rod in the pavement on the Westerly right-of-way line of "Abbot Drive"; thence on a 309.04 foot radius curve left (long chord bears South 04° 42' 38" East 96.70 feet) an arc distance of 97.10 feet along said right-of-way of Abbot Drive to a 5/8 inch iron rod; thence South 13° 42' 41" East 243.78 feet along said right-of-way of Abbot Drive to a 5/8-inch iron rod; thence South 68° 10' 07" West 69.00 feet to a 5/8-inch iron rod; thence North 60° 37' 58" West 30.00 feet to a 5/8-inch iron rod; thence on a 64.32 foot radius curve left (long chord bears North 01° 24' 16" West 65.82 feet) an arc distance of 69.09 feet to a 5/8-inch iron rod; thence North 32° 10' 34" West 13.68 feet to a 5/8-inch iron rod; thence South 73° 41' 02" West 105.15 feet to a 5/8-inch iron rod; thence South 03° 00' 46" East 18.00 feet to a 5/8-inch iron rod; thence West 168.00 feet to a 5/8-inch iron rod; thence North 23° 11' 55" East 91.39 feet to a 5/8-inch iron rod; thence North 64° 04' 46" West 77.25 feet to a 5/8-inch iron rod; thence on a 85.00 foot radius curve right (long chord bears South 18° 36' 31" West 36.71 feet) an arc distance of 37.00 feet to a two-inch iron pipe; thence North 58° 55' 13" West 30.00 feet to a 5/8-inch iron rod; thence South 61° 21' 52" West 26.61 feet to the Initial Point.

Said tract containing 4.0040 acres.

Located in the Northwest 1/4, Section 32, Township 19 South, Range 11 East of the Willamette Meridian
Sunriver, Deschutes County, Oregon



SUAVEYON'S CERTIFICATE

[illegible]

Thereby certify that the accompanying plat accurately depicts the above described tract, as given to scale and all points measured in accordance with Oregon survey law. I further certify that the plat fully and accurately depicts the boundaries of the unit of the buildings and that construction of the units and buildings as depicted on the plat have been

CLARIFICATION:

IN THIS ISSUE, we have set our hands

KNOWLEDGEMENTS:

1846
 day _____
 and see! this
 put in ten days
 for the first time

On this day personally appeared before me _____, to me known to be the identical person described in and who executed the foregoing instrument, and acknowledged to me that he executed the same on behalf of Pacific Western Bank freely and voluntarily for the uses and purposes herein stated.

State of Oregon,

IN WITNESS WHEREOF I have set my hand and seal this _____ day
of _____, 1925.

Sanchez County Surveyor

Date

Sacubutee County Tax Collector

 Milwaukee County Assessor Date _____

ASSESSOR'S CERTIFICATE:

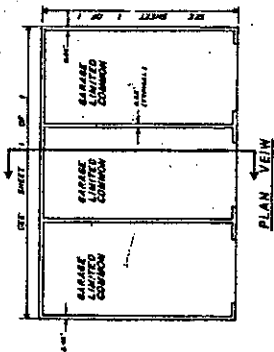
Arthur County Clerk

Leonard A. Rydell, P.L.S. No. 1427

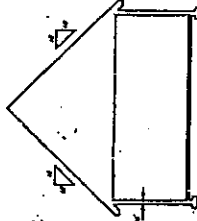
Sheet 2 of 3

Circle Four Ranch Condominium Phase I

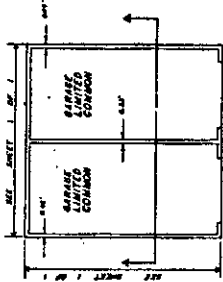
Located in the Northwest 1/4, Section 32, Township 19 South, Range 11 East of the Willamette Meridian
Sunriver, Deschutes County, Oregon



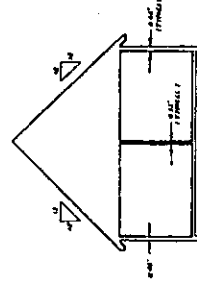
PLAN VIEW



TYPICAL SECTION



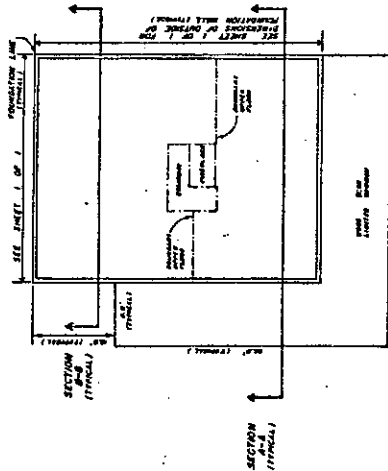
PLAN VIEW



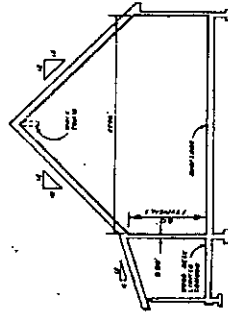
TYPICAL SECTION

TYPICAL THREE CAR GARAGE
Scale: 1/8" = 1'-0"

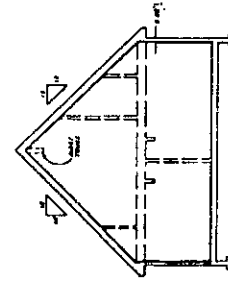
TYPICAL TWO CAR GARAGE
Scale: 1/8" = 1'-0"



TYPICAL UNIT FLOOR PLAN
Scale: 1/8" = 1'-0"



TYPICAL SECTION A-A
Scale: 1/8" = 1'-0"



TYPICAL SECTION B-B
Scale: 1/8" = 1'-0"

NOTE:

Building information shown on this sheet based upon a combination of field measurements and dimensions from the architectural plans dated 8 March 1983 by Ron Korte and Christopher Mautner, P.E.

I hereby certify that this drawing is an exact copy of the original plan.

Leonard A. Reed, P.E., No. 107

Sheet 3 of 3

0108 0156

0108 0157

Covenants and restrictions in Plan of Sunriver, recorded June 20, 1968, in Book 159, Page 198, Deed records. Supplement to Plan of Sunriver, recorded October 19, 1976, in Book 239, Page 270, Deed records.

Covenants, conditions and restrictions in Sunriver Declaration establishing Mountain Village, recorded October 29, 1971, in Book 180, Page 34, Deed Records.

Covenants, conditions and restrictions in Sunriver Declaration Establishing Ranch Cabins and Annexing Ranch Cabins to Mountain Village, recorded April 14, 1972, in Book 183, Page 805, Deed Records, and amended August 9, 1972, in Book 187, Page 242, Deed Records, October 9, 1972, in Book 189, Page 153, Deed Records, January 16, 1973, in Book 191, Page 843, Deed Records, and February 14, 1973, in Book 192, Page 559, Deed Records; as amended by instrument recorded September 7, 1976, in Book 236, Page 939, Deed Records.

EXHIBIT D.

A parcel of land located in the Northwest One-Quarter (NW-1/4) of Section Thirty-Two (32), in Township Nineteen (19) South, Range Eleven (11), East of the Willamette Meridian, Deschutes County, Oregon, and being more particularly described as follows:

Commencing at the Southeast corner of said Section 32; thence North $40^{\circ}36'34''$ West, a distance of 4,919.27 feet to the true point of beginning for this description, said point lying on the Westerly right of way line of a road known as Abbot Drive, as located in the recorded plat of MOUNTAIN VILLAGE EAST I, and also described in the Redescription of Abbot Drive from Abbot Circle #3 to Abbot Circle #4, recorded in Book 203, Page 440, Deschutes County Deed Records; thence leaving said right of way line due West, a distance of 592.20 feet to a point on the Easterly boundary line of the RANCH CABINS, PHASE I AND II; thence along said boundary line the following courses: North $09^{\circ}50'24''$ West, a distance of 218.36 feet; thence North $15^{\circ}39'16''$ East, a distance of 99.88 feet; thence South $71^{\circ}46'13''$ East, a distance of 76.92 feet; thence North $39^{\circ}26'28''$ East, a distance of 30.78 feet; thence North, $04^{\circ}54'42''$ West, a distance of 77.08 feet; thence North $72^{\circ}03'16''$ West, a distance of 58.47 feet; thence North $15^{\circ}28'07''$ East, a distance of 72.25 feet; thence North $00^{\circ}40'31''$ West, a distance of 202.54 feet; thence North $11^{\circ}29'12''$ East, a distance of 116.58 feet to a point on the Southerly right of way line of a road known as West Cascade Road, as located in the recorded plat of MOUNTAIN VILLAGE WEST I; thence along said right of way line the following courses: Along the arc of a 317.35 foot radius curve to the right, 134.77 feet, the chord of which bears South $66^{\circ}43'07''$ East, a distance of 133.76 feet; thence South $54^{\circ}33'11''$ East, a distance of 46.97 feet; thence along the arc of a 160.00 foot radius curve to the left, 101.92 feet, the chord of which bears South $72^{\circ}48'11''$ East, a distance of 100.21 feet; thence North $88^{\circ}56'52''$ East, a distance of 22.52 feet; thence along the arc of a 40.00 foot radius curve to the right, 47.74 feet, the chord of which bears South $56^{\circ}51'41''$ East, a distance of 44.96 feet; thence along the arc of a 150.00 foot radius curve to the left, 113.03 feet, the chord of which bears South $44^{\circ}15'26''$ East, a distance of 110.37 feet; thence along the arc of a 40.00 foot radius curve to the right, 48.94 feet, the chord of which bears South $30^{\circ}47'35''$ East, a distance of 45.94 feet to a point of the Westerly right of way line of the above said right of way line of Abbot Drive; thence along said right of way line, the following courses: Along the arc of a 309.04 foot radius curve to the left, 97.10 feet, the chord of which bears South $04^{\circ}42'38''$ West, a distance of 96.70 feet; thence South $13^{\circ}42'41''$ East, a distance of 418.78 feet; thence along the arc of 420.00 foot radius curve to the right, 37.32 feet, the chord of which bears South $11^{\circ}09'53''$ East, a distance of 37.31 feet to the point of beginning and terminus of this description.

END

FF/18

EXHIBIT E

8710 0320

0108 0159

STATE OF OREGON)
COUNTY OF DESCHUTES) ss.

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:

1985 OCT 23 PM 1:42

MARY SUE PENHOLLOW
COUNTY CLERK

✓ Circle 4 Ranch Development Co.
in office

BY E. Willis DEPUTY
NO. 85-24298 FEE 129-
DESCHUTES COUNTY OFFICIAL RECORDS

OF

CIRCLE FOUR RANCH
CONDOMINIUM ASSOCIATION

WHEREAS CIRCLE FOUR RANCH DEVELOPMENT CO., a general partnership comprised of STEINAR R. CHRISTIANSEN, GEORGE J. MARSHALL and FRANKLIN D. PIACENTINI (hereinafter referred to as "Declarant"), is the owner of certain real property in Deschutes County, Oregon, upon which it intends to develop a condominium project known as Circle Four Ranch Condominium, and

WHEREAS Declarant has executed a Declaration submitting such real property, together with all improvements constructed thereon (hereinafter referred to as the "Property"), to the provisions, restrictions and limitations of the Oregon Condominium Act, ORS 94.004 through ORS 94.480 and 94.991,

NOW, THEREFORE, Declarant approves and adopts these Bylaws and annexes the same to the Declaration, which Bylaws and Declaration shall govern the operation of the Property. These Bylaws shall run with the land and shall be binding on and for the benefit of Declarant, acting on behalf of Circle Four Ranch Condominium Association and its successors and assigns, and on all subsequent unit owners, and their mortgagees, tenants, occupants, employees and others who may use the Property.

1. DEFINITIONS.

As used in these Bylaws, the term

A. "Association" means Circle Four Ranch Condominium Association.

B. "Majority of the Unit Owners" means the owners of more than 50 percent of the voting rights as provided in the Declaration. Whenever a percentage of the unit owners is specified, percentage means a percentage of voting rights.

C. "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 803.08M of the FNMA Conventional Home Mortgage Selling Contract Supplement.

2. ORGANIZATION OF ASSOCIATION. The Association shall be organized as a nonprofit corporation. Its members shall be all unit owners. The initial meeting of the Association shall be held within 30 days following the recording of these Bylaws. Declarant shall give at least 7 but not more than 50 days' written notice of the initial meeting to all persons who are unit owners on the date of mailing of the notice.

3. TRANSITIONAL COMMITTEE. Within 60 days after the conveyance to persons other than Declarant of a total of 50 percent of the total number of units which Declarant may submit under the Declaration, Declarant shall call a meeting of unit owners to select a transitional committee. Declarant shall give notice in accordance with these Bylaws to each unit owner at least 7 but not more than 50 days prior to the meeting. The notice shall state the purpose of the meeting and the time and place at which the meeting is to be held. At such

meeting, the unit owners in attendance, other than Declarant, by vote of a majority of those present, shall select two members of a transitional committee composed of three members, one of whom shall be Declarant or its representative. The members of the transitional committee shall serve until the turnover meeting to be held pursuant to subsection 4A. The function of the transitional committee shall be that of enabling ease of transition from control of the administration of the Association by Declarant to control by the unit owners. The transitional committee shall have access to all information, documents and records which Declarant must turn over to the unit owners pursuant to the Oregon Condominium Act. If the meeting required pursuant to this Section 3 is not called by Declarant, within the time specified, the meeting may be called and notice given by any unit owner within the time specified.

4. UNIT OWNERS' MEETINGS.

A. Turnover Meeting. Within 90 days after the expiration of the period of Declarant's control of the Association reserved in Section 27 of the Declaration, Declarant shall call a turnover meeting. Declarant shall give notice as provided in subsection 4.E below to each unit owner at least 7 but not more than 50 days prior to the meeting. The notice shall state the purpose of the meeting and the time and place at which the meeting is to be held. At the turnover meeting:

(i) Declarant shall relinquish control of the administration of the Association and the unit owners shall assume the control.

(ii) The unit owners shall elect a board of directors in accordance with these Bylaws, and

(iii) Declarant shall deliver to the Association all items required to be delivered at the turnover meeting pursuant to the Oregon Condominium Act.

If Declarant fails to call the turnover meeting within the time specified above, the meeting may be called and notice given by any unit owner or any first mortgagee of a unit.

B. Annual Meetings. Subsequent to the turnover meeting, the annual meetings of the Association shall be held on the first Monday in October of each year. At such meetings, the Association shall, by ballot, elect directors and transact such other business as may come before the meeting. If the election of directors shall not be held on the date designated herein for any annual meeting of the unit owners or at any adjournment thereof, the board of directors shall cause the election to be held at a special meeting of the Association as soon thereafter as conveniently may be, not more than 60 days after said time, by proper notice designating the meeting as the annual meeting.

C. Special Meetings. Special meetings of the Association for any purpose or purposes may be called by the

Chairman or by a majority of the board of directors and shall be called by the Chairman at the request of not less than 20 percent of the unit owners entitled to vote at the meeting.

D. Place of Meeting. Such place as the board of directors may designate shall be the place of meeting for all annual and special meetings of the unit owners.

E. Notice of Meeting. Written or printed notice stating the place, date and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than 7 nor more than 50 days before the date of the meeting, either personally or by mail, by or at the discretion of the Chairman, the Secretary, or the officer or persons calling the meeting, to each unit owner entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the unit owner at his last known address on the records of the Association, with postage thereon prepaid.

F. Quorum and Voting of Unit Owners. At any meeting of the Association, unit owners owning more than 50 percent of the voting rights, present in person or by proxy, shall constitute a quorum: and the concurring vote of more than 50 percent of such unit owners present and constituting a quorum shall be valid and binding upon the Association, except as otherwise provided by law, these Bylaws, or the Declaration. If less than a quorum of the voting rights are represented at a

meeting, a majority of the Unit Owners represented may adjourn a meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally noted. The unit owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding withdrawals of enough unit owners to leave less than a quorum. Declarant shall be the voting owner with respect to any unit owned by the Declarant.

If a voting owner owns or represents more than one unit, he shall have votes corresponding with each unit which he owns or represents. In the event the owner or owners have pledged their votes regarding special matters to a mortgagee under a duly recorded mortgage and notice thereof has been given to the Secretary or Manager of the Association, only the vote of the mortgagee will be recognized in regard to the special matters upon which the votes are so pledged.

An administrator, executor, guardian, or trustee may vote in person or by proxy at any meeting of the Association with respect to any unit owned or held by him in such capacity, whether or not same shall have been transferred to his name; provided that he shall satisfy the Secretary that he is the executor, administrator, guardian, or trustee holding such unit in such capacity. Whenever any unit is owned by two or more persons jointly, according to the records of the Association,

a vote thereof may be exercised by any one of the owners then present, in the absence of protest by a co-owner. In the event of protest by a co-owner, the vote shall be divided by the number of co-owners, and each co-owner shall cast an equal fractional vote.

G. Proxies. At all meetings of the unit owners, a unit owner may vote by proxy executed in writing by the unit owner or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting.

5. BOARD OF DIRECTORS.

A. General Powers. Subsequent to the turnover meeting, the business and affairs of the Association shall be managed by its board of directors, who shall be unit owners. The number of directors of the Association shall be three. Each director shall hold office for a term of three years expiring on the date of the third annual meeting of unit owners following his election and upon the election and qualification of his successor; provided, however, that one member of the initial board of directors shall be elected for a term of one year, and one member of the initial board of directors shall be elected for a term of two years. The board of directors shall have and exercise all powers necessary or convenient to effect any or all the purposes for which the Association is organized except as such powers shall be reserved to the unit owners or limited or proscribed by these Bylaws or by the Declaration.

B. Regular Meetings. A regular meeting of the board of directors shall be held without notice other than this Bylaw immediately after and at the same place as the annual meeting of unit owners. The board of directors may provide by resolution the time and place for the holding of additional regular meetings without notice other than such resolution. The initial organization meeting shall be held immediately following the turnover meeting of the Association. Until the initial meeting of the board of directors, its rights, duties and functions shall be exercised by Declarant.

C. Special Meetings. Special meetings of the board of directors may be called by or at the request of the Chairman of the board of directors or any two directors. The person or persons authorized to call special meetings of the board of directors may fix the place for holding any special meeting called by them.

D. Notice of Special Meetings. Notice of any special meeting shall be given at least 72 hours previous thereto by written notice delivered personally or mailed to each director at his residence or business address, or by telegram. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, so addressed, with postage thereon prepaid. If notice is given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. In the event that a majority of units in the project

are the principal residences of the occupants, for other than emergency meetings, notice of the board of directors' meetings shall be posted in a place or places within the project at least three days prior to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform unit owners of such meetings. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because a meeting is not lawfully called or convened. Neither the business to be transacted nor the purpose of any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

E. Quorum of Directors. A majority of the directors shall constitute a quorum for the transaction of business at any meeting of the board of directors; but if less than such majority is present at a meeting, the remaining director present may adjourn the meeting from time to time without further notice. Each director shall have one vote.

F. Manner of Directors Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors.

G. Vacancies on Board of Directors. Any vacancy occurring on the board of directors may be filled by the affirmative vote of a majority of the remaining directors even if there exists less than a quorum of the board of directors. A

director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors or by reason of the removal of one or more directors shall be filled by election at an annual meeting or at a special meeting of the unit owners called for that purpose.

H. Presumption of Assent. A director who is present at a meeting of the board of directors at which action on any matter is taken shall be presumed to have assented to the action taken unless his dissent shall be entered in the minutes of the meeting or unless he shall file his written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary immediately after the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

I. Removal of Directors. All or any number of directors may be removed with or without cause at a meeting expressly called for that purpose by a vote of a Majority of the Unit Owners then entitled to vote at an election of directors. Any director who ceases to be a unit owner shall cease to be a director.

J. Reimbursement of Directors. The directors shall be reimbursed for their reasonable expenses related to attendance at meetings of the directors.

K. Directors May Engage Manager. The board of directors may retain the services of an individual or firm to act as Manager or Managing Agent and may employ, or instruct such Manager or Managing Agent to employ, such other persons as may be necessary from time to time for the maintenance, upkeep and repair of the common elements. All agreements for the services of an individual or firm to act as Manager or Managing Agent shall provide for a term of three years and may be terminated, with or without cause, upon 90 days' notice to all parties affected. When professional management has been previously required by any Eligible Mortgage Holder or eligible insurer or guarantor, whether such entity became an Eligible Mortgage Holder or eligible insurer or guarantor at that time or later, any decision to establish self-management by the Association shall require the prior consent of owners of at least 67 percent of the units and the approval of Eligible Mortgage Holders holding mortgages on at least 51 percent of the units subject to Eligible Mortgage Holder mortgages.

L. Directors to Adopt Administrative Rules and Regulations. The administrative rules and regulations shall be adopted by Declarant and shall be binding as though they are a part hereof.

The board of directors shall have the power to amend such administrative rules and regulations as may be necessary or desirable to govern the details of the operation and use of the units and common elements, including such rules as are
• desirable to prevent unreasonable interference with the use of

their respective units and of the common elements by the several unit owners and subsection D above.

M. Attendance by Unit Owners. All meetings of the board of directors of the Association shall be open to unit owners and notice of such meetings shall be given as required by the provisions of ORS 94.164.

6. OFFICERS.

A. Number. The officers of the Association shall be a Chairman, a Secretary and a Treasurer, each of whom shall be elected by the board of directors. No two offices may be held by the same person.

B. Election and Term of Office. The officers shall be elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of the unit owners. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as is convenient. Each officer shall hold office until his successor shall have been duly elected and shall have qualified, or until his death, or until he shall resign or shall have been removed in the manner herein provided.

C. Removal. Any officer elected or agent designated by the board of directors may be removed by the board of directors whenever, in its judgment, the best interests of the Association will be served thereby; but such removal shall be without prejudice to the contract rights, if any, of the persons so removed.

D. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise shall be filled by the board of directors for the unexpired portion of a term.

E. Chairman. The Chairman shall, when present, preside at all meetings of the unit owners and the board of directors and shall perform all duties incident to such office and such other duties as may be prescribed by the board of directors from time to time. He shall be the principal executive officer of the Association and subject to the control of the board of directors. He shall, in general, supervise and control all the business and affairs of the Association and sign with the Secretary, or any other proper officer of the Association authorized by the board of directors, any deeds, mortgages, bonds, contracts or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the board of directors or by these Bylaws to some other officer or agent of the Association, or shall be required by law to be otherwise signed or executed.

F. Secretary. The Secretary shall (i) keep the minutes of the meetings of unit owners and the board of directors in one or more books provided for that purpose; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws, or as required by law; (iii) be custodial of the Association records; and (iv) in general,

perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the Chairman or the board of directors.

G. Treasurer. The Treasurer shall (i) have charge and custody of and be responsible for all funds of the Association; (ii) receive and give receipts for moneys due and payable to the Association from any source whatsoever; (iii) deposit all moneys in the name of the Association in such banks, trust companies or other depositories as shall be selected by the board of directors; and (iv) in general, perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to him by the Chairman or by the board of directors.

7. FIDELITY BONDS.

The Association, through the board of directors, shall require that all officers, directors, employees and agents of the Association handling or responsible for its funds shall furnish adequate fidelity bonds. The premiums on such bonds shall be common expenses.

8. RECORDS AND AUDIT.

The Association shall keep financial records sufficient for proper recording purposes. The board of directors may appoint a certified public accountant or certified public accounting firm as auditor, who shall not be an officer of the Association or own any interest in any unit, to audit the books and financial records of the Association. Within 90 days after

the end of each fiscal year, the board of directors shall distribute to each unit owner a copy of the annual financial statement consisting of a balance sheet and income and expense statement for the preceding fiscal year. The Association shall make available to unit owners and lenders, and to holders, insurers or guarantors of any first mortgage, for their inspection, upon request, during normal business hours or under other reasonable circumstances, current copies of the Declaration, Bylaws, and other rules concerning the Property and the books, records and financial statements of the Association.

9. CONTRACTS.

The board of directors may authorize any officer or director, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Association; and such authority may be general or confined to specific instances. The board of directors shall have the right to make additions, alterations, or improvements to the common elements and to pay for the same out of the reserve fund established by the board of directors, or to specifically assess the several units therefor as a common expense.

10. LOANS.

No loan shall be contracted on behalf of the Association, and no evidence of indebtedness shall be issued in its name unless authorized by a resolution of the board of

directors and approved by the affirmative vote of the owners of 75 percent of the voting rights. Such authority may be general or confined to specific instances.

11. CHECKS, DRAFTS AND VOUCHERS.

All checks, drafts, vouchers or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association and in such manner as shall from time to time be determined by the resolution of the board of directors.

12. DEPOSITS.

All funds of the Association not otherwise employed shall be deposited from time to time to the credit of the Association in such banks, savings and loan associations or other depositories as the board of directors may select. All reserves to cover the cost of capital expenditures shall be kept in a separate bank account and shall not be commingled with the general operating funds of the Association.

13. COMMON EXPENSES.

The owner of each unit shall be liable for and pay a share of the common expenses in proportion to his interest in the common elements. Common expenses shall include the cost of all utilities, except for the cost of utilities which are billed by the provider of the utility services directly to the individual owners, assessments, insurance, including fire and other casualty and liability insurance, cost of repair,

reinstatement, rebuilding, or replacement of the premises, yard, janitorial, and other similar services, maintenance of foliage planted by the Association, wages, accounting and legal fees, management fees, and other necessary expenses of upkeep, maintenance, management, and operation actually incurred on or for the common elements. It shall be the responsibility of each unit owner to maintain his unit, including the inside of the chimney flue serving his unit. Common expenses shall also include such amounts as the board of directors may deem proper to make up any deficit in the common expenses of any prior year. The Declarant shall establish a reserve account for the periodic maintenance, repair, and replacement of certain common elements pursuant to the Oregon Condominium Act. Such reserve account shall be maintained out of regular assessments for common expenses. Following the second year after the turnover meeting referred to in subsection 4A, future assessments for the reserve account may be reduced, eliminated or increased by an affirmative vote of not less than 75 percent of all voting rights.

In the event additional units are annexed pursuant to the Plan of Development during the course of the fiscal year, the common expenses shall be apportioned pursuant to Section 26 of the Declaration.

14. COLLECTION OF UNIT OWNERS' SHARES OF COMMON EXPENSES.

- A. Monthly Statements. Unit owners' shares of common expenses shall be collected monthly, in advance, by the

Treasurer of the Association. Each unit owner shall be entitled to receive from the Treasurer at the time of payment of common expenses an itemized statement of common expenses. Such itemized statement shall be prepared in such manner as the board of directors shall determine.

B. Late Charges. The board of directors may impose a late charge not to exceed 5 percent of the amount of any statement which is not paid within 15 days after it is rendered. The imposition of a late charge shall be without prejudice to any other remedy available to the Association.

C. Liens. The Association shall have a lien as provided in Section 18 of the Declaration. If the Association records a lien notice, the unit owner shall be liable for the cost of preparation and recording of the notice.

15. INSURANCE.

The Association, through the board of directors, shall obtain and maintain at all times and shall pay for out of common expense funds the following insurance covering both the common elements and individual units, including fixtures, equipment, and other property which would ordinarily be required to be covered by a holder of a first mortgage:

(i) Property hazard insurance including, but not limited to, fire, extended coverage, vandalism and malicious mischief, in an amount equal to 100% of the replacement value of the insured property, and

(ii) Insurance covering the legal liability of the Association, the unit owners individually and

the manager, including but not limited to, the board of directors, the public and the unit owners and their invitees or tenants, incident to ownership, supervision, control or use of the Property. There may be excluded from the policy required under this subsection, coverage of a unit owner, other than coverage as a member of the Association or board of directors, for liability arising out of acts or omissions of that unit owner and liability incident to the ownership or use of the part of the Property as to which that unit owner has the exclusive use or occupancy. Liability insurance required under this subsection shall be issued on a comprehensive liability basis, in an amount of at least \$1,000,000 for bodily injury and property damage from any one single occurrence, and shall provide a cross liability endorsement providing that the rights of a named insured under the policy shall not prejudice any action against another named insured.

The Association, through the board of directors, shall also obtain and maintain at all times and shall pay out of common expense funds blanket fidelity bonds for anyone who handles or is responsible for funds administered by the Association.

The Association must, with regard to such insurance, observe the requirements appearing in Chapter 3, Part 5 of the FNMA Lending Guide.

The Association shall not be required to obtain or maintain insurance covering any personal property of a unit owner.

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be named as an insured, on behalf of the Association, the Association's authorized representative, including any trustee with whom such Association may enter into any insurance trust agreement or any successor to such trustee (each of whom shall be referred to herein as the "Insurance Trustee"), who shall have exclusive authority to negotiate losses under any policy providing such property or liability insurance.

Each unit owner appoints any Insurance Trustee or substitute Insurance Trustee designated by the Association, as an attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association or any insurance trustee shall receive, hold or otherwise properly dispose of any proceeds of insurance in trust for unit owners and their first mortgage holders, as their interests may appear.

16. INDEMNIFICATION OF DIRECTORS AND OFFICERS.

Each director and officer of the Association now or hereafter in office, and his heirs, executors and administrators,

shall be indemnified by the Association against all costs, expenses, amounts or liability therefor, including counsel fees, which are reasonably incurred by or imposed upon him in connection with or resulting from any action, suit, proceeding or claim to which he may be made a party, or in which he may be or become involved by reason of his acts or alleged acts of omission or commission as such director or officer, or subject to the provisions hereof, or any settlement thereof, whether or not he continues to be such director or officer at the time of incurring such costs, expenses or amounts. Such indemnification shall not apply, however, with respect to any matter as to which such director or officer shall be finally adjudged in such action, suit or proceeding to have been individually guilty of willful misfeasance or malfeasance in the performance of his duties as such director or officer. Further, the indemnification herein provided shall, with respect to any settlement of any such suit, action, proceeding or claim, include reimbursement or any amounts paid and expenses reasonably incurred in settling any such suit, action, proceeding or claim when, in the judgment of the board of directors, a settlement or reimbursement appears to be to the best interests of the Association. The foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights as to which any such director or officer may be entitled under any agreement, vote of unit owners or otherwise.

17. REPAIR AND MAINTENANCE OF UNITS.

Every unit owner shall at all times keep his unit in good order and repair and shall promptly perform all such work within his unit, the omission of which would affect any common elements or other units, and shall be responsible for all loss and damage caused by his failure to do so.

All repairs of internal installations within each unit, such as water, light, gas, power, sewers, telephones, sanitation, doors, windows, lamps and all other fixtures and accessories belonging to such unit, including interior walls and partitions and the innerdecorated or finished surfaces of the perimeter walls, floors and ceilings of such unit, and the interior surfaces of any limited common element appurtenant to such unit, shall be at the unit owner's expense.

Every unit owner shall reimburse the Association for any expenditure incurred in repairing or replacing any common element or furniture, furnishings, and equipment thereof damaged or lost through the fault of such unit owner or any person using the project under him and shall give prompt notice to the managing agent of any such damage, loss or other defect when discovered.

18. USE AND MAINTENANCE OF COMMON ELEMENTS.

Each unit owner may use the common elements in accordance with the purposes for which they are intended, but may not hinder or encroach upon the lawful rights of the other unit owners.

The necessary work to maintain, repair or replace the common elements and additions or improvements to the common elements shall be the responsibility of the Association; provided, however, that it shall be the responsibility of each unit owner to maintain the inside of the chimney flue serving his unit and to keep the flue free of any unreasonable accumulation of soot, ash and other residue. All common areas shall be provided with a minimal planting of foliage by the Association, or in its discretion shall be left in its natural state. All such foliage shall be maintained by the Association. Additional foliage may be planted and maintained by individual unit owners, at their sole expense, on the limited common areas assigned to their unit. A unit owner making additional plantings shall be responsible for any additional costs of maintenance to the Association occasioned by such plantings.

If the mortgagee of any unit owner determines that the Association is not providing an adequate maintenance, repair and replacement program for the project, such mortgagee, at its option, may deliver a written notice to the Association by delivering the same to the registered agent, required pursuant to ORS 94.029(i)(j), setting forth the particular defects which it believes exist in the maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to the receipt of such notice, then, and in that event, the mortgagee upon written notice to the registered agent that he is exercising its proxy rights thereafter shall have the right to attend at succeeding annual or special

meetings of the Association. At such meetings it shall have the right to cast a vote, for each unit on which it holds a mortgage lien, on all business coming before such meeting, which said proxy right shall continue until the defects listed on the aforementioned notice are corrected.

The Association shall have the right, to be exercised by the board of directors, or the manager employed by the board of directors, to have access to each unit as may be necessary for the maintenance, repair or replacement of the common elements, to make emergency repairs therein necessary for the public safety, to prevent damage to the common elements or to another unit, or to abate any nuisance existing in any unit.

A working capital fund shall be established for the initial months of the Property operation equal to at least a two months' estimated common area charge for each unit. Each unit's share of the working capital fund shall be collected and transferred to the Association at the time of closing of the sale of each unit and maintained in a segregated account for the use and benefit of the Association. The contribution to the working capital fund for each unsold unit shall be paid to the Association by Declarant within 60 days after the date of the conveyance of the first unit in each phase. A proportionate amount of such contributions made by Declarant shall be reimbursed upon the closing of the sale of each unit and the payment of such unit's share of the working capital fund. The purpose of the fund is to ensure that the Association will have cash available to meet unforeseen expenditures, or to acquire additional equipment or services

deemed necessary or desirable by the board of directors.
Amounts paid into the working capital fund shall not be considered as advance payments of regular assessments.

19. COLLECTION FROM TENANTS.

All leases or rental agreements for units shall be in writing and specifically subject to the requirements of the Declaration and Bylaws. If the unit owner shall at any time rent or lease his unit and shall default for a period of 30 days or more in the payment of the unit owner's proportionate share of common expenses and of taxes and assessments, or any installment thereof, the board of directors may, at its option, so long as such default continues, demand and receive from any tenant of the unit owner occupying the unit the rent due or becoming due from such tenant to the unit owner, up to an amount sufficient to pay all sums due from the unit owner, including interest, if any, and any such payment as such rent to the board of directors by the tenant shall be sufficient discharge of such tenant as between such tenant and the unit owner to the extent of the amount so paid. But any such demand or acceptance of rent from any tenant shall not be deemed to be a consent to or approval of any lease by the unit owner or a release or discharge of any of the obligations of the unit owner hereunder. In the event the board of directors makes demand upon the tenant as aforesaid, the tenant shall not have the right to question the right of the board of directors to make such demand, but shall be obligated to make said payments to the board of directors, as demanded by the board of

directors, with the effect as aforesaid; provided, however, the board of directors may not exercise this right if a receiver has been appointed to take charge of the premises pending a mortgage foreclosure or if a mortgagee is in possession pending a mortgage foreclosure.

20. COMPLIANCE.

A. Subordination. These Bylaws are subordinate and subject to the provisions of the Declaration and all amendments thereto and the Oregon Condominium Act; and in case of any conflict the latter shall control. All terms herein (except where clearly repugnant to the context) shall have the same meaning as in the Declaration or the Oregon Condominium Act.

B. Interpretation. In case any provision of these Bylaws shall be held invalid, such invalidity shall not render invalid any other provision hereof which can be given effect. Nothing in these Bylaws shall be deemed or construed to authorize the Association or board of directors to conduct or engage in any act or business for profit on behalf of any of or all the unit owners.

21. STATEMENT OF PURPOSES, USE AND RESTRICTIONS.

The Property shall be used and occupied as follows:

- A. No part of the Property shall be used for other than residential and the related common purposes for which the Property was designed. Each unit shall be used and occupied as a private residence. The units may be used as full-time residences or vacation homes. Nothing herein shall prohibit a unit owner from leasing or renting his or her unit.

B. There will be no obstruction of the common elements nor shall anything be stored in the common elements without the prior written consent of the Association except as is otherwise provided herein.

C. Nothing shall be done or kept in any unit or in the common elements which will increase the rate of insurance on the building or contents thereof beyond that customarily applicable for residential use, without the prior written consent of the Association. No unit owner shall permit anything to be done or kept in his unit or in the common elements which will result in the cancellation of insurance on any building, or the contents thereof, or which would be in violation of any law or regulation of any governmental authority. No waste shall be committed in the common elements.

D. No unit owner shall cause or permit anything (including, without limitation, a sign, awning, canopy, shutter, storm door, screen door, radio or television antenna) to hang, be displayed or otherwise affixed to or placed on any exterior portion of his or her unit, including doors, roofs, walls and windows, without the prior written consent of the Association.

E. No animals or birds of any kind shall be raised, bred or maintained in any unit or in the common elements, except that dogs, cats and other household pets may be kept in units, subject to the rules adopted by the board of directors provided that they are not kept or bred, for any commercial

purpose; and provided further that any such pet causing or creating a nuisance or disturbance shall be permanently removed from the Property upon ten (10) days' written notice from the board of directors.

F. No noxious or offensive activity shall be carried on in any unit or in the common elements, nor shall anything be done therein, either wilfully or negligently, which may be or become an annoyance or nuisance to the other unit owners or occupants.

G. Nothing shall be done in any unit or in, on or to the common elements which will impair the structural integrity of the buildings or any part thereof or which would structurally change the building or any part thereof except as is otherwise provided herein.

H. No clothes, sheets, blankets, laundry of any kind or other articles shall be hung out or exposed on any part of the common elements, in such manner as to be visible except from the unit for which such common element is reserved. The common elements shall be kept free and clear of all rubbish, debris and other unsightly materials.

I. The Property is subject to the Plan of Sunriver, recorded in the Deed Records of Deschutes County in Volume 159, at page 198 and following, and as subsequently amended.

22. AMENDMENTS.

Amendments to these Bylaws may be proposed by resolution of the board of directors or by a unit owner. Any proposed amendment shall be delivered in writing, either personally or

by mail, to each unit owner entitled to vote not less than 10 nor more than 50 days before the date of the meeting at which the proposed amendment will be voted upon or attached to any request for amendment. If mailed, such notice or request shall be deemed to be delivered when deposited in the United States mail addressed to the unit owner at his last known address on the records of the Association, with postage thereon prepaid. No amendment of the Bylaws proposed in either of such ways shall be effective unless approved by a Majority of the Unit Owners, either in writing or at a duly constituted meeting, and until a copy of the Bylaws, as amended, or the amendment thereto, has been certified by the Chairman and Secretary of the Association, approved by the Oregon Real Estate Commissioner and recorded with the recording officer of Deschutes County, Oregon.

These Bylaws may not be amended to limit or diminish any special declarant right of Declarant without the consent of Declarant.

23. USE.


The dwelling units are intended to be used as residential living quarters and the garages are intended to be used for the parking of automobiles and similar vehicles and for storage of nondangerous materials. Use is further restricted by the covenants, conditions and restrictions imposed by the Declaration and the deed to any unit and those referenced on Exhibit A attached hereto and incorporated herein.

0108 0189

ADOPTION OF BYLAWS

The undersigned hereby adopts the foregoing on behalf
of the Association as the Bylaws of Circle Four Ranch
Condominium Association this 24 day of SEPTEMBER, 1985.

CIRCLE FOUR RANCH DEVELOPMENT CO.

By: 
Steinar R. Christiansen,
Managing Partner

STATE OF OREGON)
COUNTY OF Clackamas) SS

The foregoing instrument was acknowledged before me
this 24 day of September, 1985, by Steinar R. Christiansen,
Managing Partner of Circle Four Ranch Development Co., a general
partnership, on behalf of the partnership.




Notary Public for Oregon
My commission expires:

My Commission Expires May 20, 1988

0108 0190

Covenants and restrictions in Plan of Sunriver, recorded June 20, 1968, in Book 159, Page 198, Deed records. Supplement to Plan of Sunriver, recorded October 19, 1976, in Book 239, Page 270, Deed records.

Covenants, conditions and restrictions in Sunriver Declaration establishing Mountain Village, recorded October 29, 1971, in Book 180, Page 34, Deed Records.

Covenants, conditions and restrictions in Sunriver Declaration Establishing Ranch Cabins and Annexing Ranch Cabins to Mountain Village, recorded April 14, 1972, in Book 183, Page 805, Deed Records, and amended August 9, 1972, in Book 187, Page 242, Deed Records, October 9, 1972, in Book 189, Page 153, Deed Records, January 16, 1973, in Book 191, Page 843, Deed Records, and February 14, 1973, in Book 192, Page 559, Deed Records; as amended by instrument recorded September 7, 1976, in Book 236, Page 939, Deed Records.

STATE OF OREGON)
COUNTY OF DESCHUTES) ss.

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:

1985 OCT 23 PM 1:43
MARY SUE PENHOLLOW
COUNTY CLERK

BY: E. Willis DEPUTY
NO. 85-24299 FEE 125
DESCHUTES COUNTY OFFICIAL RECORDS

EXHIBIT A

✓ Circle 4 Ranch Dev Co.
in office