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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
CLOUD NINE ESTATES HOMEOWNERS ASSOCIATION, INC.

THIS DECLARATION (hereinafter "CCRs") is made this 10th day of MAY, 2003 by William J. Matthews Construction, Inc., an Oregon corporation (hereinafter "Declarant").

RECITALS

1. Declarant is the Owner of all the real property described on Exhibit "A" attached (the "Property") and desires to create a planned community known as Cloud Nine Estates ("Cloud Nine Estates").
3. Declarant desires to provide for the preservation and enhancement of the property and amenities in Cloud Nine Estates and to provide for the maintenance of the Property and Improvements, and to this end, desires to subject the Property to the covenants, conditions restrictions, easements, charges and liens set forth in these CCRs. These CCRs are for the benefit of the Property and each Owner of any Lot.
4. Declarant deems it desirable for the efficient preservation of the values and amenities in such community to create a non-profit corporation, to which should be delegated and assigned the powers of enforcing the CCRs, collecting and disbursing the assessments and charges, and promoting the recreation, health, safety and welfare of the residents.
5. Declarant declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the provisions of the Oregon Planned Community Act, ORS 94.550 et seq., and to the CCRs, easements, charges and liens set forth in these CCRs.

ARTICLE 1. DEFINITIONS

- 1.1 "ARC" shall mean the Architectural Review Committee.
- 1.2 "Articles" shall mean the Articles of Incorporation for the non-profit corporation, Cloud Nine Estates Homeowners Association, Inc., as filed with the Oregon Corporation Division.
- 1.3 "Association" shall mean the Cloud Nine Estates Homeowners Association, Inc., its successors and assigns.
- 1.4 "Bylaws" shall mean the Bylaws of the Association.
- 1.5 "CCRs" shall mean the covenants, conditions, restrictions, and all other provisions set forth in these CCRs.
- 1.6 "Declarant" shall mean William J. Matthews Construction, Inc., its successors or assigns.

COVENANTS, CONDITIONS AND RESTRICTIONS - 1
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1.7 "Declaration" shall mean the covenants, restrictions, and all other provisions set forth in these CCRs.

1.8 "Cloud Nine Estates" shall mean the Property and all Common Property included within the Plat of Cloud Nine Estates.

1.9 "General Plan of Development" shall mean Declarant's general plan of development of the Property as approved by appropriate governmental agencies and as set forth in these CCRs.

1.10 "Improvement" shall mean every temporary or permanent structure or improvement of any kind including, but not limited to, a building, fence, wall, driveway, parking area, storage area, shelter, tent, signs, trash screens, or other products of construction efforts on or in respect to any property within Cloud Nine Estates, including landscaping and every alteration, painting or reconstruction.

1.11 "Living Unit" or "Unit" shall mean any portion of a structure situated upon the Property designed and intended for use and occupancy as a residence.

1.12 "Lot" shall mean each and any Lots in Cloud Nine Estates, whether dedicated in these CCRs or subsequently annexed to Cloud Nine Estates.

1.13 "Member" shall mean an Owner as described in Article 7.

1.14 "Occupant" shall mean the occupant of a Living Unit who shall be either the Owner, lessee or any other person authorized by the Owner to occupy the premises.

1.15 "Oregon Planned Community Act" shall mean the Oregon Planned Community Act, ORS 94.550-94.783, as amended from time to time.

1.16 "Owner" shall mean the record Owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession under a land sale contract. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation.

1.17 "Property" shall mean all real property, the Common Property and all Improvements located on the real property subject to these CCRs, as more particularly set forth on Exhibit "A" attached, together with such additional Lots and Common Property as may, from time-to-time, be annexed to the Association.

1.18 "Rules and Regulations" shall mean the documents containing Rules and Regulations and policies adopted by the Board of Directors of the Association or the ARC as may be from time to time amended.

ARTICLE 2. NAME AND CLASSIFICATION OF THE PLANNED COMMUNITY

The name of the planned community shall be Cloud Nine Estates. Cloud Nine Estates shall be a Class I Planned Community as defined by the Oregon Planned Community Act.

ARTICLE 3. NAME OF THE ASSOCIATION; TYPE OF ENTITY

The Association shall be called Cloud Nine Estates Homeowners Association. The Association shall be a non-profit corporation organized under ORS Chapter 65. The corporation shall adopt Bylaws as required by the Oregon Non-Profit Corporations Act. After adoption, Bylaws shall be recorded as required by the Oregon Planned Community Act.

**ARTICLE 4. PROPERTY SUBJECT TO THESE CCRs and
THE OREGON PLANNED COMMUNITY ACT**

The Property shall, upon recordation of these CCRs, be held, transferred, sold, conveyed and occupied subject to these CCRs and the Oregon Planned Community Act. The Property is located in Bend, Deschutes County, Oregon as described on Exhibit "A."

ARTICLE 5. GENERAL PLAN OF DEVELOPMENT

Declarant has developed the Property with single family residential lots.

**ARTICLE 6. USE RESTRICTIONS; ARCHITECTURAL CONTROLS AND
MAINTENANCE RESPONSIBILITIES**

6.1 Governmental Restrictions. All uses, occupancy, construction and other activities conducted on any Lot shall conform with and be subject to applicable zoning, use restrictions, setback requirements, construction and building codes of all local, state and federal public authorities.

6.2 Use. All Lots and Living Units shall be used for residential, recreation and vacation purposes only. No commercial, retail or industrial use shall be allowed on any Lot or in any Living Unit.

6.3 Architectural Review Committee ("ARC").

6.3.1 Approval Required. No Improvement of any type shall be erected, placed, altered, maintained, or permitted to remain on any land subject to this Declaration until final plans and specifications showing the nature, kind, shape, height, materials, color and location of the same have been submitted to and approved in writing by the ARC as to the harmony of external design, materials, color and location in relation to surrounding structures and topography.

6.3.2 Procedure. An Owner wishing to take any action requiring approval under this Article shall give written notice of such proposed changes to the ARC, together with complete plans, specifications and other documents as required by the ARC from time to time. The Application shall be accompanied by a check in the amount of the application fee payable to the order of the Declarant or the ARC. The amount of the application fee shall be determined by the ARC from time to time. Plans shall not be reviewed until the application fee is paid in full and all items specified in this section are submitted. No work may be performed related to any improvement unless and until all aspects of all required plans and application information have been approved in writing by the ARC. Any site plans, construction plans, or similar plans and drawings submitted to governmental agencies having jurisdiction in connection with construction of any Improvement in Cloud Nine Estates must bear the prior written approval of the ARC. Any governmental modifications of site plans and construction plans shall be resubmitted to the ARC. The ARC shall meet to review the Owner's request within thirty (30) days of receipt and shall render a decision by the vote of a Majority of the Board Members present within forty-five (45) days of receipt. Interested Owners shall have an opportunity to comment on the request at all such meetings, which shall be open to all Owners. If the ARC fails to render a written decision within the time allowed, the request shall be deemed approved.

6.3.3 Design Guidelines. It shall be the duty of the ARC ("ARC") to regulate the external design, appearance, location and maintenance of all the Property and Improvements and to regulate use of such Property as described in these CCRs. The interpretation of these CCRs is exclusively delegated to the ARC. Upon conveyance of the first Lot to an Owner, the ARC may adopt general rules to implement the purposes and interpret the covenants of this Article, including, but not limited to, rules not less restrictive than those contained in these CCRs to regulate animals and tenants, storage and use of recreational vehicles, storage and use of machinery, use of outdoor drying lines, trash containers, planting, maintenance and care of vegetation, antennas, storage and use of automobiles, promulgation of rules for noise standards, and regulation of signs from the Property.

6.3.4 Composition. The ARC shall consist of the Declarant until such time as Declarant no longer owns any Lots in Cloud Nine Estates or until Declarant appoints an ARC.

6.3.5 Inspection. All work related to any building, structure, or Improvement or any landscaping, vegetation, ground cover, or other Improvements within the Property shall be performed in strict conformity with the plans and drawings approved by the ARC. The ARC shall have the right to inspect any such work to determine its conformity with the approved plans and drawings and reserves the right to order a stop to all work if, in good faith, it believes that any such work is nonconforming. In the event that it is determined in good faith by the ARC that certain work is nonconforming, a stop work notice may be issued, without necessity of court order, that shall require the Owner to correct all nonconforming work specified in the notice before the remainder of the proposed work may be completed. The ARC may record in the deed records a notice that the work is nonconforming and that a stop work order has been issued. Continued work without correction of any such nonconforming items shall be deemed a breach of this Declaration. Neither Declarant or the ARC nor any officer, director, employee, agent, member, or servant of Declarant of the ARC shall be responsible for any damages, loss, delay, cost or legal expense occasioned through a stop work notice given in good faith, even if it is ultimately determined that such work was in conformity with the approved plans and drawings.

6.3.6 Appeal. The decision of the ARC, including any failure to approve or disapprove within the time allowed, shall not be subject to appeal.

6.3.7 Exemptions. The following actions by the following persons shall be exempt from the provisions of this Article:

6.3.7.1 The planting of any shrubs, flowers, plants, trees by any Owner on such Owner's Lot. The construction of original improvements by the Declarant.

6.3.7.2 Any act of Declarant in implementing the General Plan of Development with respect to any Lot.

6.3.8 Liabilities. The scope of the ARC's review is not intended to include any review or analysis of structural, geophysical, engineering, building, or zoning code compliance or other similar considerations. Neither the ARC nor any member of the ARC shall be liable to any Owner, tenant, occupant, invitee, builder, or developer for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act of the ARC or a member.

6.4 Time of Construction. All buildings shall be completed within six (6) months from the date construction is commenced exclusive of the inside finish work.

6.5 Underground Utilities. No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication purposes nor any pole, tower or other structure for independent reception, transmission or support of any of the above shall be erected, placed or maintained within the Property.

6.6 Landscaping. All portions of the Lot shall be landscaped within six (6) months following the completion of a Living Unit. Landscape shall be maintained in a neat and clean manner.

6.7 Trees. Tree preservation and planting of new trees is encouraged. Trees shall not be removed without the written consent of the ARC.

6.8 Fences. Six foot (6') cedar perimeter fences for the Property and three foot (3') wide picket fences for interior fencing on Lots are the only permitted fences. The style and type of fences shall be identical to the fences constructed by the Declarant during the initial building of homes in Cloud Nine Estates.

6.9 Cleanliness. Each parcel and its Improvements shall be maintained in a clean and attractive condition, in good repair and in such fashion as to not create a fire hazard or visual pollution.

6.10 Screening. All garbage, trash, cuttings, refuse, garbage containers, clothes lines, wood piles and other service facilities shall be screened from view of the streets with either permitted fencing or plantings.

6.11 Parking. Each Living Unit shall maintain at least one garage space available to park one vehicle. All vehicles used on a daily basis shall be garaged. Outdoor storage of recreational vehicles, trailers, and/or boats is prohibited. Except as described in paragraph 6.12, parking of any vehicle of any nature, including motor vehicles, recreational vehicles, trailers, and/or boats on the streets of Cloud Nine Estates for a period more than two (2) days per month is prohibited.

6.12 Outdoor Storage. Outdoor storage of recreational vehicles, trailers or boats shall be allowed to the side or rear of any Lot.

6.13 Outdoor Repair. Outdoor repair of automobiles or recreational vehicles is prohibited. All repairs shall be conducted while the vehicle is garaged.

6.14 Manufactured Homes. Campers, mobile homes, trailers or manufactured homes as described in ORS 446.003(20)a and as amended from time-to-time are prohibited for use as a temporary or permanent residence. Only designed and site built homes are permitted.

6.15 Division of Lots. Lots may not be divided.

6.16 Noise. No person shall conduct or allow any activity on any Lot or in any Living Unit that causes excessive noise which interferes with the quiet enjoyment of adjoining Lots or Living Units or which constitutes a public or private nuisance.

ARTICLE 7. ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

7.1 Members. Each Owner shall be a mandatory Member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot automatically transfers membership in the Association. Occupants and Owners shall be governed and controlled by these CCRs, the Articles, Bylaws, and Rules and Regulations of the Association.

7.2 Proxy. Unless the Bylaws provide otherwise, each Owner may cast his or her vote by absentee ballot or pursuant to a proxy executed by the Owner. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

7.3 Voting Rights. Declarant shall have all of the voting rights so long as Declarant owns any Lots in Cloud Nine Estates. Upon transfer by Declarant of the last Lot, each Member shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote.

7.4 Voting by Lot. When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but fractional voting is not allowed. Fractionalized or split votes shall be disregarded, except for purposes of determining a quorum.

7.5 Procedure. All meetings of the Association, the Board of Directors, the ARC, and Association committees shall be conducted in accordance with the latest additional of Robert's Rules of Order published by the Robert's Rules Association.

ARTICLE 8. DECLARANT CONTROL

8.1 Interim Board and Officers. Declarant reserves administrative control of the Association. Declarant, in his or her sole discretion, shall have the right to appoint and remove Members of a three-Member

Interim Board of Directors, which shall manage the affairs of the Association, and which shall be invested with all powers and rights of the Board of Directors. Notwithstanding the provisions of this Section, at the Turnover Meeting at least one (1) Director shall be elected by Owners other than Declarant, even if Declarant otherwise has voting power to elect all Directors.

8.2 Transitional Advisory Committee. Declarant shall form Transitional Advisory Committee to provide for the transition of administrative control of the Association from Declarant to the Owners. Not later than the sixtieth (60th) day after Declarant has conveyed Lots representing fifty percent (50%) or more of the Lots in the first phase of the planned community other than to a successor to Declarant or the Declarant has conveyed ten (10) Lots in the planned community to Owners other than the successor to Declarant.

8.3 Turnover Meeting. Declarant shall call a meeting for the purpose of turning over administrative control of the Association from Declarant to the Owners within ninety (90) days after the expiration of any period of Declarant control reserved in this Declaration or ninety (90) days after conveying ten (10) Lots in the planned community if there is not a period of Declarant control. The Declarant shall call the meeting for the purpose of turning over the administrative responsibility for the planned community to the homeowners association. Declarant shall give notice of the meeting to each Owner as provided in the Bylaws. If Declarant does not call the meeting required under this Section, any Owner may do so.

ARTICLE 9. MAINTENANCE ASSESSMENTS/SPECIAL ASSESSMENTS

9.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant or the Association shall determine if assessments are necessary and appropriate for the operation of the Association. Declarant and each Owner of any Lot by acceptance of a deed shall pay the Association (1) regular assessments or charges for common expenses; and, (2) special assessments, if assessed, as provided in these CCRs. All such assessments, together with interest at a rate established from time-to-time by the Board of Directors and together with all other costs, fees, charges and fines allowed by law, shall be a lien and charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made.

9.2 General Assessments.

9.2.1 Purpose of Assessments. The assessments levied under this Article shall be used for the purpose of promoting the recreation, health, safety and welfare of the Owners and shall include the costs of enforcement of these CCRs.

9.2.2 Method of Assessment. The Board of Directors shall determine the annual assessment, if any. Both annual and special assessments shall be fixed at a uniform rate for all Lots. The Board shall set the date such assessments shall become due. The Board may provide for collection of assessments annually or in monthly, quarterly or semi-annual installments; provided, however, upon the default in the payment of any one or more installments, the entire balance of such assessment may be accelerated at the option of the Board and be declared due and payable in full, together with interest, attorneys fees and costs as provided.

9.3 Date of Commencement of Annual Assessments. The general assessments with respect to the Lots shall commence at the time the Board of Directors declare.

9.4 Special Assessments. The Board of Directors shall have the power to levy special assessments against an Owner or all Owners in the following manner for the following purposes:

9.4.1 To correct a deficit in the operating budget;

9.4.2 To collect amounts due to the Association from an Owner for breach of the Owner's obligations under the CCRs, these Bylaws, or the Association's Rules and Regulations, by vote of a Majority of the Board;

9.4.3 To enforce these CCRs.

9.5 Effect of Non-Payment of Assessments: Remedies of the Association. In addition to any other remedies provided by law, the Association may bring an action at law against the Owner personally obligated to pay an assessment or foreclose a lien upon the Property. No such action or judgment shall be a waiver of the lien of the Association. No Owner may waive or otherwise escape liability for the assessments by non-use of the Common Property or abandonment of his or her Lot.

ARTICLE 10. DECLARANT'S SPECIAL RIGHTS

Until the Living Units on all Lots on the Property have been constructed, fully completed and sold, with respect to the Common Property and each Lot on the Property, Declarant shall have the following special rights:

10.1 Sales Office and Model. Declarant shall have the right to maintain a sales office and model residence on one or more of the Lots which Declarant owns. Declarant, prospective purchasers, and their agents shall have the right to use and occupy the sales office and model residences during reasonable hours any day of the week.

10.2 "For Sale" Signs. Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property, including, without limitation, the Common Property.

ARTICLE 11. GENERAL PROVISIONS

11.1 Records. The Board of Directors shall preserve and maintain Minutes of the meetings of the Association, the Board and any committees. The Board of Directors shall also keep detailed and accurate financial records including individual assessment accounts of Owners, the balance sheet and income and expense statements. Individual assessment accounts shall designate the name and address of the Owner or Owners of the Lot, the amount of each assessment as it becomes due, amounts paid upon the account, and the balance due on the assessments. The Minutes of the Association, the Board and Committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies.

11.2 Indemnification of Directors, Officers, Employees and Agents. The Association shall indemnify any Director, Officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he or she is or was a Director, Officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of no contest or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her conduct was not unlawful. Payment under this clause may be made during or after the pendency of such claim, action, suit or proceeding, as and when incurred, subject only to the right of the Association to recover reimbursement from such persons, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, Officer, employee or agent shall have a right of contribution over and against all other Directors, Officers, employees or agents and Members of the Association who participated with or benefited from the acts which created said liability. Any such contribution claims shall be subject to all of the provisions of this Section.

11.3 Enforcement. The Association and the Owners within the Property or any mortgagee on any Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or later imposed by any of the provisions of these CCRs as may appertain specifically to such parties or Owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant or restriction shall not be a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of these CCRs, the prevailing party shall be entitled to its attorney fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorney fees, to be set by the appellate court. In addition, the Association shall be entitled to its reasonable attorney fees incurred in any enforcement activity taken to collect delinquent assessments, whether or not suit or action is filed.

11.4 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect the other provisions, which shall remain in full force and effect.

11.5 Duration. The covenants and restrictions of these CCRs shall run with and bind the land for a term of thirty-five (35) years from the date of these CCRs being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at least ninety percent (90%) of the Owners and ninety percent (90%) of the first mortgagees; provided, however, amendments which do not constitute rescission of the planned community may be adopted as provided in these CCRs; provided, however, that if any of the provisions of these CCRs violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law.

11.6 Amendment. These CCRs may be amended at any time by an instrument approved by not less than seventy-five percent (75%) of the Owners and by the Declarant, if the Declarant owns any lots at the time of the proposed Amendment. Any amendment must be executed, recorded and certified as provided by law; provided, however, that no amendment of these CCRs shall effect an amendment of the Bylaws or Articles of Incorporation without compliance with the provisions of such documents, and the Oregon Planned Community Act and the Oregon Non-Profit Corporation Act; provided further, no amendment affecting the general plan of development or any other right of Declarant may be effected without the express written consent of Declarant or its successors and assigns.

11.7 Release of Right of Control. Declarant may give up its right of control in writing at any time by notice to the Association.

11.8 Unilateral Amendment by Declarant. Declarant may amend these CCRs in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, the approval of which entity is required in order for it to insure, guarantee or provide financing in connection with development of the Property and sale of Lots. Prior to the Turnover Meeting, no such amendment shall require notice to or approval by any other Owner.

11.9 Resolution of Document Conflicts. In the event of a conflict among any of the provisions in the documents governing Cloud Nine Estates, such conflict shall be resolved by looking to the following documents in the order shown below:

11.9.1 Declaration of Covenants, Conditions and Restrictions ("CCRs");

11.9.2 Articles of Incorporation;

11.9.3 Bylaws; and

11.9.4 Rules and Regulations.

IN WITNESS WHEREOF, the undersigned being Developer herein, has executed this instrument this 14th day of MAY, 2003.

CLOUD NINE ESTATES HOMEOWNERS
ASSOCIATION, INC.

By William J. Matthews President
William J. Matthews, President
WILLIAM J. MATTHEWS
CONSTRUCTION, INC., Declarant

STATE OF OREGON)
) ss.
County of Deschutes)

On this 14th day of MAY, 2003, personally appeared before me, William J. Matthews, who being duly sworn, states he is the President of WILLIAM J. MATTHEWS CONSTRUCTION, INC., an Oregon corporation and that the foregoing instrument was signed and sealed on behalf of said corporation and he acknowledged said instrument to be the voluntary act and deed of said corporation.



Angela I Hicks
Notary Public for Oregon

Francis & Martin, LLP
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(541) 389-5010

SCHEDULE "C"

The land referred to in the Policy is described as follows:

A tract of land located in the Northeast Quarter of the Southeast Quarter (NE1/4SE1/4) and in the Southeast Quarter of the Northeast Quarter (SE1/4NE1/4) of Section Sixteen (16), Township Seventeen (17) South, Range Twelve (12), East of the Willamette Meridian, Deschutes County, Oregon, more particularly described as follows:

Commencing at the East One quarter corner of said Section 16; thence along the East line of said Section 16 South 0°11'18" East, 440.00 feet; thence West, 583.40 feet to the True Point of Beginning; thence around a 150 foot radius curve left, 58.32 feet, long chord bears South 8°30'51" East, 57.95 feet; thence South 19°39'07" East, 24.91 feet; thence South 86°45'00" West, 362.13 feet; thence North 57°30'00" West, 417.48 feet to the centerline of a public road as dedicated in Book 212, Page 409, Deed Records, Deschutes County Oregon; thence along said centerline, North 40°47'45" East, 530.27 feet; thence along said centerline around a 100.00 foot radius curve right, 107.51 feet, long chord bears North 71°35'40" East, 102.40 feet; thence along said centerline South 77°36'25" East, 49.21 feet; thence leaving said centerline, South 78°55'50" East, 157.26 feet; thence around a 150 foot radius curve right, 111.71 feet, long chord bears South 57°35'44" East, 109.14 feet; thence South 36°15'42" East, 146.39 feet; thence around a 100 foot radius curve right, 125.15 feet, long chord bears South 0°24'27" East, 117.14 feet; thence South 35°26'48" West, 174.63 feet; thence around a 150 foot radius curve left, 85.93 feet, long chord bears South 19°02'06" West, 84.76 feet to the True Point of Beginning.

EXCEPTING THEREFROM that portion of said tract contained within a public road described in a dedication of a public road, recorded in Book 212, Page 409, Deed Records, Deschutes County Oregon.

Together with a non-exclusive easement for roadway purposes 30 feet in width, being 15 feet on each side of the following described centerline: Commencing at the East One Quarter corner of said Section 16; thence along the East line of said Section 16, South 0°11'18" East, 440.00 feet; thence West, 583.40 feet; thence around a 150 foot radius curve left, 58.32 feet, long chord bears South 8°30'51" East, 57.95 feet; thence South 19°39'07" East, 24.91 feet to the True Point of Beginning of this description and beginning point of this easement; thence North 19°39'07" West, 24.91 feet; thence around a 150 foot radius curve right, 144.25 feet, long chord bears North 7°53'50" East, 138.75 feet; thence North 35°26'48" East, 174.63 feet; thence around a 100 foot radius curve left, 125.15 feet, long chord bears North 0°24'27" West, 117.14 feet; thence North 36°15'42" West, 146.39 feet; thence around a 150 foot radius curve left, 111.71 feet, long chord bears North 57°35'44" West, 109.14 feet; thence North 78°55'50" West, 157.26 feet to the centerline of a public road as dedicated in Book 212, Page 409, Deed Records, Deschutes County Oregon, and the end of this description.