

COVENANTS, CONDITIONS AND RESTRICTIONS
for
CROOKED RIVER RANCH CLUB & MAINTENANCE ASSOCIATION
COUNTIES OF DESCHUTES and JEFFERSON
State of Oregon

Copy of Book 48, Page 382

To: The Public.

THIS DECLARATION, made on the date hereinafter set forth by the undersigned, hereinafter referred to as "Declarant":

WHEREAS, Declarant is the owner of certain real property in the Counties of Jefferson and Deschutes, State of Oregon, hereinafter referred to as "said property", more particularly described as follows:

Crooked River Ranch - Phases I and II - a subdivision of portions of Section 24, 25, 35 and 36, T. 13 S., R. 12 E., and a portion of Section 31, T. 13 S., R. 13 E., W.M., and portions of Sections 15, 22, 23, 26, 27, 34 and 35, T. 13 S., R. 12 E., W.M., Jefferson County, Oregon, more particularly described in Exhibit A, attached hereto. (Note: No Exhibit A of public record.)

WHEREAS, Declarant desires to subject said property to certain protective covenants, conditions, restrictions, reservations, easements, liens and charges for the benefit of said property, and its present and subsequent owners as hereinafter specified, and will convey said property subject thereto,

NOW, THEREFORE, Declarant hereby declares that all of the said property is and shall be held and conveyed upon and subject to the easements, conditions, covenants, restrictions and reservations hereinafter set forth; all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of said property. These easements, covenants, restrictions, conditions and reservations shall constitute covenants to run with the land and shall be binding upon all persons claiming under them and also that these conditions, covenants, restrictions, easements and reservations shall inure to the benefit of and be limitations upon all future owners of said property, or any interest therein.

ARTICLE I.
DEFINITIONS

- "Association" shall mean and refer to CROOKED RIVER RANCH CLUB AND MAINTENANCE ASSOCIATION, a non-profit corporation organized under the laws of the State of Oregon, its successors and assigns.
- "Said Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.
- "Common Area" shall mean all real property, and appurtenances thereto, now or hereafter owned by the Association for the common use and enjoyment of the members of the Association;

ARTICLE II.
MEMBERSHIP

Every person or entity who is a record owner (including contract sellers) of a fee or undivided fee interest in any Dwelling Unit or any Lot, or Building Site located upon any part of said property shall, by virtue of such ownership, be a member of the Association. Additional persons may become members under Rules prescribed by the Board of Directors of the Association.

ARTICLE III.
VOTING RIGHTS

- Each member shall be entitled to one vote for each 5-acre lot owned, except that Developer shall have three votes for each acre of said property owned during the period of development or ten years, whichever is the shorter time.
- When more than one person holds an interest in any Lot or Building Site, all such persons shall be members. The vote for such Lot or Building Site shall be exercised as they among themselves determine, or if unable to agree, they may cast fractional votes proportionate to their ownership interests, but in no event shall more than one vote be cast with respect to any one five-acre Lot or Building Site, except by Developer, as set forth above. The vote applicable to any of said property being sold under a contract of purchase shall be exercised by the contract vendor, unless the contract expressly provides otherwise.

ARTICLE IV.
COVENANT FOR MAINTENANCE ASSESSMENT

- Creation of the lien and Personal Obligation of Assessments. The Declarant hereby covenants for all of said property, and each Owner of any Dwelling Unit, Lot or Building Site by acceptance of a deed or contract of purchase therefor, whether or not it shall be so expressed in any deed or other conveyance or agreement for conveyance, is deemed to covenant and agree to pay to the Association regular annual or other regular periodic assessments or charges, such assessments to be fixed, established, and collected from time to time as hereinafter provided. The assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such property at the time such assessment was levied. The obligation shall remain a lien on the property until paid or foreclosed, but shall not be a personal obligation of successors in title unless expressly assumed by them.
- Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in said property, including the improvement and maintenance of said property, any Common Areas (including roads), recreation facilities, the services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas, and of the buildings, dwellings and other improvements situated upon said property, and including, without being limited thereto, the payment of taxes and insurance on all or any part of said property, and for other purposes set forth in the Articles of Incorporation of the Association.
- Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be inferior, junior and subordinate to the lien of all mortgages and trust deeds now or hereafter placed upon said property or any part thereof. Sale or transfer of any Dwelling Unit, Lot or Building Site which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to amounts then due prior to such sale or transfer; and such lien shall attach to the net proceeds of sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. No sale or transfer shall relieve such Dwelling Unit, Lot or Building Site from liability for any assessments thereafter becoming due or from the lien thereof.
- Exempt Property. The following property subject to this Declaration shall be exempt from the assessments created herein: (a) all properties expressly dedicated to and accepted by a local public authority; (b) any Common Areas; (c) all other properties owned by the Association; and (d) property owned by Declarant prior to the time a Dwelling Unit or other building is constructed thereon and occupied. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

ARTICLE V.
ARCHITECTURAL CONTROL

- No building, fence, wall, hedge, structure, or improvement, shall be placed or permitted to remain upon any part of said property unless a written request for approval thereof containing the plans and specifications therefor, including exterior color scheme, has been approved in writing by a majority of the Architectural Committee or by its representative designated by a majority of the Committee. The approval of the Committee shall not be unreasonably withheld if the said plans and specifications are for improvements which are similar in general design and quality, and generally in harmony with the dwellings then located on said property.
- The Architectural Committee shall be composed of not less than three members. The members of the Architectural Committee shall serve for a term of one (1) year beginning in September of each year, and until their successors are elected. Vacancies on the Committee during the term shall be filled by the remaining members of the Committee to serve the unexpired term. The members of the Committee shall elect a Chairman and act by majority vote. The initial Committee shall be William MacPherson, Robert Lord and Harold C. Kean. All subsequent members shall be approved by Developer until such time as it no longer owns undeveloped land in said property.

ARTICLE VI.
EXTERIOR MAINTENANCE

- Maintenance of Common Areas, etc.
 - The Association shall maintain or provide for the maintenance of the Common Areas.
 - It shall be the obligation of each Owner of any Lot or Building Site to keep and maintain the same, and any building or improvement now or hereafter located thereon, in proper condition, including the area between his property line and the paved portion of any street or curb abutting his property. The Association may, if it desires, offer to and perform such service for the Owners desiring the same, assessing the reasonable cost thereof to said Owners. If any Owner fails to keep his lot and improvements so maintained, the Association may, upon reasonable notice, enter said lot and perform said maintenance and assess the cost thereof to said Owner.

Each owner shall be responsible for maintaining and keeping in good order and repair, the interior of his own dwelling unit.

Restrictions indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin are hereby deleted to the extent such restrictions violate 42 USC 3604(f).

ARTICLE VII.
PROPERTY USE RESTRICTIONS

The following restrictions shall be applicable to the real property described in EXHIBIT "A", and shall be for the benefit of and limitations upon all present and future owners of said property, or of any interest therein:

1. Unless written approval is first obtained from the Architectural Committee, no sign of any kind shall be displayed to public view on any building or building site on said property except one professional sign of not more than five square feet advertising the property for sale or rent, or signs used by the developer to advertise the property during the construction and sales period. If a property is sold or rented, any sign relating thereto shall be removed immediately, except that the Declarant and only Declarant or its agent may post a "Sold" sign for a reasonable period following a sale.
2. No part of said property shall be used or maintained as a dumping ground for rubbish, trash, garbage, or any other waste. No garbage, trash or other waste shall be kept or maintained on any part of said property except in a sanitary container. All incinerators or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.
3. No noxious or offensive or unsightly conditions shall be permitted upon any part of said property, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.
4. The records of the Secretary of the Association shall be conclusive evidence as to all matters shown by such records and the issuance of a certificate of completion and compliance by the Secretary or Assistant Secretary of the Association showing that the plans and specifications for the improvement or other matters herein provided for have been approved, and that said improvements have been made in accordance therewith, or a certificate as to any matters relating to and within the jurisdiction of the Association by the Secretary thereof, shall be conclusive evidence that shall fully justify and protect any title company certifying, guaranteeing, or insuring title to said property, or any portion thereof, or any lien thereon and/or any interest therein as to any matters referred to in said certificate, and shall fully protect any purchaser or encumbrancer from any action or suit under this Declaration, after the expiration of one year following the issuance of a building permit therefor by municipal or other governmental authority, any structure, work, improvement or alteration shall, as to any purchaser or encumbrancer in good faith and for value and as to any title company which shall have insured the title thereof, be deemed to be in compliance with all the provisions hereof, unless a notice of non-compliance executed by the Association shall have been appeared of record in the office of the County Clerk of the County in which said property is situate, or unless legal proceedings shall have been instituted to enforce completion or compliance.

ARTICLE VIII.
EASEMENTS

All conveyances of land situate in the said Property, made by the Declarant, and by all persons claiming by, through, or under the Declarant, shall be subject to the foregoing restrictions, conditions and covenants, whether or not the same be expressed in the instruments of conveyance, and each and every such instrument of conveyance shall likewise be deemed to grant and reserve, whether or not the same be declared therein, mutual and reciprocal easements over and across and under all Common Areas and over, across and under all land situate within 10 feet of the side and rear lines of each Lot or Building Site now or hereafter recorded or platted or conveyed by recorded instrument in said Property (excepting any portion of said property which may now or hereafter be occupied by a residence shall not thereafter be subject to any easement not theretofore applied to use) for the purpose of building, constructing and maintaining thereon electric and telephone lines gas, water, sewer, storm drainage lines, radio or television cables and other services now or hereafter commonly supplied by public utilities or municipal corporations, all of said easements shall be for the benefit of all present and future owners of property subjected to the jurisdiction of the Association by covenants and restrictions recorded and approved as hereinabove provided; said easements however shall not be unrestricted, but shall be subject to reasonable rules and regulations governing rights of use as adopted from time to time by the directors of the Association in the interests of securing maximum safe usage of said property without unduly infringing upon the rights or privacy of the Association in any part of said property. Provided further that if any two or more lots or fraction of one or more lots shall be developed for one building on a single tract or building site, then said easements shall theretofore be subject to the area within ten (10) feet of the side and rear lines of said building site; if there has been an application to use such easement prior to development of such lots or fraction of one or more lots to such a building site, then, subject to the approval of the Association, such easement may be relocated, but any expense involved in moving any water lines, sewer or storm lines or other utility lines shall be borne by the Owner of the lot or building site, the development of which requires movement of such lines.

ARTICLE IX.
GENERAL PROVISIONS

1. **Enforcement.** The Association, or any Owner, or the owner of any recorded mortgage upon any part of said Property, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Declaration. Failure by the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so hereafter.
2. **Severability.** Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provisions which shall remain in full force and effect.
3. **Amendment.** The Covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years. Any of the covenants and restrictions of this Declaration except the easements herein granted may be amended during the first twenty-five (25) year period by an instrument signed by members entitled to cast a majority of the votes. Easements herein granted and reserved shall not be amended except by instrument signed and acknowledged by one hundred percent (100%) of the Owners of the property concerned, and by the Architectural Committee. All such amendments must be recorded in the appropriate Deed Records of the County in which said property is located to be effective.
4. **No Right of Reversion.** Nothing herein contained in this Declaration, or in any form of deed which may be used by Declarant, or its successors and assigns, in selling said property, or any part thereof, shall be deemed to vest or reserve in Declarant or the Association any right of reversion or re-entry for breach or violation of any one or more of the provisions hereof.
5. **Rights of Mortgagees Relating to Maintenance.** At any time that any part of the Common Area is not properly maintained and kept in good order and repair by the Association or otherwise, to the extent reasonably necessary to protect and preserve the appearance and value thereof and the appearance and value of the remainder of said property, then the record owner of any mortgage or deed of trust upon any part of said property or living unit or building located thereon, upon giving written notice as hereinafter provided, shall be entitled to exercise the rights of the mortgagee-owner of such property as a member of the Association to vote at all regular and special meetings of the members of the Association for a period of one year following the date of such notice. During said period of time such mortgagees shall be given notice of all regular and special meetings of the Association, the owner-mortgagee shall receive such notice also and may attend such meetings as an observer. Said notice shall quote this paragraph and shall be sent by Certified United States mail, return receipt requested, to the owner-mortgagee, a copy by regular mail to the Association, at the last known address of each.
6. **Benefit of Provisions; Waiver.** The provisions contained in this Declaration shall bind and inure to the benefit of and be enforceable by Declarant, the Association, and the Owner or owners of any portion of said property, and their heirs and assigns, and each of their legal representatives, and failure by Declarant or by the Association or by any of the property owners or their legal representatives, heirs, successors or assigns, to enforce any of such conditions, restrictions or charges herein contained shall in no event be deemed a waiver of the right to do so.
7. **Assignment by Declarant.** Any or all rights, powers, and reservations of Declarant herein contained may be assigned to the Association or to any other corporation or association which is now organized or which may hereafter be organized and which will assume the duties of Declarant hereunder pertaining to the particular rights, powers and reservations to the extent of such assignment, have the same rights and powers and be subject to the same obligations and duties as are given to and assumed by Declarant herein. All rights of Declarant hereunder reserved or created shall be held and exercised by the undersigned alone, so long as Declarant owns any interest in any portion of said property.
8. **Common Area Taxes.** It shall be the obligation of the Association and its officers to pay any real property taxes assessed against the Association for the common areas, and to pass on to the owners of each lot an assessment for an equal share of any common area real property taxes. If any real property taxes assessed against the common areas become delinquent, an equal pro rata portion of such taxes shall be a first lien against each lot in said property and enforceable as such, together with interest and penalties, if any, against each such lot by the taxing authority and/or by the Association.

IN WITNESS WHEREOF, we, the owners of all property within said Property, have herewith caused these presents to be executed this 7 day of April, 1972.

(CORPORATE SEAL)

CROOKED RIVER RANCH

By /s/ W. R. MacPherson
"DEVELOPER-DECLARANT"

AMENDMENT

On April 7, 1972, Covenants were recorded in Book 48, page 382, Records of Jefferson County, Oregon, erroneously listing the Crooked River Ranch Club and Maintenance Association as the "Developer-Declarant", when Crooked River Ranch (a limited partnership organized under the laws of the State of Washington and authorized to do business in the State of Oregon) was intended to be the "Developer-Declarant" on whose behalf W. R. MacPherson signed said Covenants. Said Covenants are hereby so amended and superseded to conform to the foregoing attached Covenants.

CROOKED RIVER RANCH

By /s/ W. R. MacPherson
Developer-Declarant

FIRST NATIONAL BANK OF OREGON,
Trustee under Title Holding
Trust Agreement dated _____, 197__.

By /s/ _____

AMENDMENT TO COVENANTS, CONDITIONS, AND RESTRICTIONS OF
CROOKED RIVER RANCH PHASE I AND II, AND
CROOKED RIVER RANCH NUMBERS 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16
LOCATED IN THE COUNTIES OF JEFFERSON AND DESCHUTES, STATE OF OREGON

Copy of Book 69, Page 597

RECITALS:

1. Currently on file in the records of Jefferson and Deschutes Counties, Oregon are covenants, conditions and restrictions covering CROOKED RIVER RANCH PHASE I AND PHASE II, and CROOKED RIVER RANCH numbers 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, and 16, hereinafter referred to as CROOKED RIVER RANCH.
2. Certain of said covenants, conditions and restrictions are filed, in Miscellaneous Book 11, Document 536, Deed Book 48, Page 382, Deed Book 50, page 690, Deed Book 52, Page 834, Deed Book 53, Page 609, Deed Book 55, page 628, Deed Book 57, Page 639, Deed Book 56, Page 742, Deed Book 60, page 499, Deed Book 63, Page 666, Deed Book 65, Page 668, Deed Book 64, Page 232, Deed Book 55, Page 891, Deed Book 65, Page 194, all in Jefferson County Records, Jefferson County, Oregon, and further covenants, conditions and restrictions are recorded with and on the Plats on file with the Plat Records of Jefferson County, Oregon, and in Deed Book 200, Page 306, Deschutes County Records, Deschutes County, Oregon, and further filed on and with the recorded Plat in Deschutes County Plat Records, Deschutes County, Oregon. These documents together with any and all other covenants, conditions, and restrictions duly executed and in effect and covering and encumbering said CROOKED RIVER RANCH shall hereinafter be referred to as "the covenants".

AMENDMENT:

NOW, THEREFORE, pursuant to the powers of amendment granted by the covenants, the covenants are hereby amended as follows:

ARTICLE I
INCORPORATION OF RECITALS

The above recitals are hereby incorporated herein.

ARTICLE II
DEFINITIONS

For the purposes of interpretation of these amendments to the covenants, the following definitions shall apply:

- (1) "Lot" shall mean and refer to any platted lot within CROOKED RIVER RANCH, as shown on a recorded subdivision plat, except for any common area.
- (2) "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee title to any part of the properties, but excluding those having such interest merely as security for the performance of an obligation and contract vendors. Owner shall also mean contract vendee of record.
- (3) "Building Site" shall mean and refer to a lot or to any parcel of CROOKED RIVER RANCH under one ownership which consists of a portion of one of such lots, or contiguous portions of two or more contiguous lots, provided the same has been duly recorded and is in conformance with the applicable land use laws and regulations. Building site shall not refer to any common area.
- (4) "Association" shall mean and refer to CROOKED RIVER RANCH CLUB AND MAINTENANCE ASSOCIATION, an Oregon non-profit Corporation, its successors and assigns as further described and defined in the covenants, except as modified herein.
- (5) "Assessments" shall mean and refer to the maintenance assessments leviable by the Association under the provisions of the covenants and as further defined and described in the covenants, except as modified herein.

ARTICLE III
MEMBERSHIP

Every person or entity who is an owner of a lot or building site located upon any part of the properties shall, by virtue of such ownership, be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any such lot or building site made subject to the jurisdiction of the Association. Such ownership shall be the sole qualification for membership, and shall automatically commence upon a person becoming such owner and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred.

ARTICLE IV
VOTING RIGHTS

- (1) Except as provided elsewhere in this section each member shall be entitled to one vote for each platted lot of said property owned. Members who do not own any of said property shall not be entitled to any vote. Members who are in default in payment of membership assessments shall not be entitled to any vote.
- (2) When more than one person holds such interest in any lot or building site, all such persons shall be members. The vote for such lots shall be exercised as the owners among themselves determine. In the event that only one of such owners or one group of such owners vote in person or by proxy, it is rebuttably presumed that such owner is authorized, by the other owners of such lot, to vote one hundred (100%) per cent of the vote entitled to such lot. Said presumption may be overcome by express statement by any one or more of the other owners of the lot, or by contrary vote by any one or more of the owners of such lot. In the event that such owners are unable to agree, they may cast fractionally votes proportionate to their ownership interest. However, in no event shall more than one vote be cast with respect to any one platted lot. The vote applicable to any of said property being sold under a recorded contract of purchase and sale shall be exercised by the contract vendee unless the contract expressly provides otherwise.

ARTICLE V
THE EFFECT OF NONPAYMENT OF ASSESSMENTS: REMEDIES OF THE ASSOCIATION

Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of twelve (12%) per cent per annum. The Secretary of said Association shall file in the office of the County Clerk, or appropriate recorder of conveyances of the County in which said covenants are recorded with two (2) years after delinquency, a statement of the amount of such charges or assessments, together with interest as aforesaid, which have become delinquent with respect to any lot or building sites on said properties, and the costs, expenses and attorney fees for filing said statement and upon payment in full thereof shall execute and file proper property release of the lien, securing the same. The aggregate amount of such assessment, together with interest, costs, expenses and reasonable attorneys fees for the filing and enforcement thereof, including fees on appeal, if any, shall constitute a lien upon the whole lot (including any undivided interest in the common elements of any lot and any Condominium), with respect to which it is filed from the date the notice of deficiency thereof is filed in the office of the County Clerk, or other appropriate recording office, until the same has been paid or released as herein provided. Such lien may be enforced by said Association in the manner provided by law with respect to liens upon real property. The owner of said property at the time said assessment is levied shall also be personally liable for the expenses, costs and disbursements, including reasonable attorneys fees of the declarant or of the Association, for processing and if necessary enforcing such lien, all of which expenses, costs, and disbursements and attorneys fees, including fees on appeal, if any, shall be secured by said lien and such owner at the time of such assessment is accrued shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No owner may waive or otherwise escape liability for the assessment provided for herein by non-use of the common areas or abandonment of his lot.

ARTICLE VI
EFFECTIVE DATE

These amendments shall be in effect from and after the effective date of those certain Articles of Amendment of the Association passed by the membership on September 20, 1982; or September 27, 1982, whichever time is sooner, unless these amendments are sooner modified and said modification is filed and executed in the manner of these amendments.

ARTICLE VII
EFFECT ON EXISTING RIGHTS OR LIABILITIES

The amendment of the covenants by this document shall not have the effect to release or extinguish any liability or right accrued under the covenants, as in effect prior to the effective date of this document, unless a provision of this document shall so expressly provide, the covenants shall be treated as still remaining in force for the purpose of sustaining any proper action or the enforcement of any right or liability accrued prior to the effective date of this document.

ARTICLE VIII
EFFECT ON COVENANTS

Except as the covenants are modified by this document, said covenants shall continue in full force and effect.

ARTICLE IX
SEVERABILITY

The provisions of this document are severable. If any section, sentence, clause, or phrase of this document is adjudged by a Court of competent jurisdiction, to be invalid, that decision shall not affect the validity of the remaining portions of this document.

IN WITNESS WHEREOF, the duly authorized agent of the entity entitled to cast the majority of the vote under the covenants sets his hand and seal, in duplicate this 20th day of September, 1982.

CROOKED RIVER RANCH
By /s/ W. R. MacPherson
W. R. MACPHERSON, General Partner and Agent

STATE OF OREGON #145386
County of Jefferson

I hereby certify that the within instrument of writing was received for record the 21st day of Sept. A.D., 1982 at 12:10 o'clock P.M., and recorded in Book 69 on Page 597 Records of Deeds.
ELAINE HENDERSON, County Clerk /s/ Jeanette S. Scholme, Deputy

ARTICLE I.

NAME AND LOCATION. The name of the corporation is CROOKED RIVER RANCH OWNERS ASSOCIATION, hereinafter referred to as the "Association". The principal office of the corporation shall be located at Crooked River Ranch, Terre Bonne, Oregon, but meetings of members and directors may be held at such places within the State of Oregon as may be designated by the Board of Directors.

ARTICLE II.
DEFINITIONS

Section 1. "Association" shall mean and refer to CROOKED RIVER RANCH OWNERS ASSOCIATION, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in EXHIBIT A to the Declaration of Covenants, Conditions and Restrictions hereinafter referred to, and such additions thereto as may hereafter be brought within the jurisdiction of the Association. (Note: No Exhibit A of public record.)

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

Section 4. "Lot" shall mean and refer to any plot of land consisting of five acres or more, within said property, or to any plot of land shown on a recorded subdivision plot, except for any common area.

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

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

Section 7. "Declarant" or "Developer" shall mean and refer to W. R. MacPHERSON, Trustee, his successors, heirs and assigns, if such successors, heirs or assigns should acquire more than ten undeveloped lots or building sites from the Declarant for the purpose of development.

Section 8. "Declaration" or "Covenants" shall mean and refer to the covenants, conditions, easements and restrictions applicable to the Properties recorded in Book 48, Page 382, Deed Records of Jefferson County, Oregon.

Section 9. "Building Site" shall mean and refer to a lot, or to any parcel of said property under one ownership which consists of a portion of one of such lots or contiguous portions of two or more contiguous lots if a building is constructed thereon, provided the same consists of five acres or more, or is shown on a recorded subdivision of said property.

ARTICLE III.
ANNEXATION OF ADDITIONAL PROPERTY

Real property in addition to that described in EXHIBIT A may be made subject to the jurisdiction of the Association, in the manner set forth in the Covenants, whereupon automatically it shall be included in any reference herein to "said property" or "said properties".

ARTICLE IV.
MEMBERSHIP

Every person or entity who is a record owner (including contract sellers) of a fee or undivided fee interest in any Dwelling Unit or any Lot, or Building Site located upon any part of said property shall, by virtue of such ownership, be a member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any such Dwelling Unit, Lot or Building Site made subject to the jurisdiction of the Association. Such ownership shall be the sole qualification for membership, and shall automatically commence upon a person becoming such owner, and shall automatically terminate and lapse when such ownership in said property shall terminate or be transferred.

ARTICLE V.
VOTING RIGHTS

The voting rights shall be as prescribed in the Covenants.

ARTICLE VI.
PROPERTY RIGHTS; RIGHTS OF ENJOYMENT

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

Section 2. Irrespective of the fact that the Protective Covenants give the Association the right to charge reasonable admission and other fees for the use of any recreational facilities situated upon the Common Area, this right shall not be exercised as to members (except special fees for exclusive use of facilities consented to by those assessed, in circumstances prescribed in the Covenants), for a period of five (5) years from the date of the recordation of the Declaration, and after this period, except upon written approval of members entitled to cast two-thirds (2/3) of the voting power exclusive of voting power held by Developer.

ARTICLE VII.
BOARD OF DIRECTORS; ELECTION; TERM OF OFFICE

Section 1. Number. The affairs of this Association shall be managed by a Board of three (3) directors; the directors need not be members of the Association.

Section 2. Election. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years, and one director for a term of three years; and at each annual meeting thereafter the members shall elect directors for a term of three years to fill the position of any director whose term has expired.

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

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

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

ARTICLE VIII.
MEETING OF DIRECTORS

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

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

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

ARTICLE IX.
NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairman, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting of the members until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

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

**ARTICLE X.
POWERS AND DUTIES OF THE BOARD OF DIRECTORS**

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

- a) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;
- b) exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these Bylaws, the Articles of Incorporation, or the Declaration;
- c) declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and
- d) employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties.

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

- a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the members who are entitled to vote;
- b) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;
- c) as were fully provided herein, and in the Declaration, to:
 - 1) fix the amount of the assessment against each Lot at least thirty (30) days in advance of each assessment period, as hereinafter provided, and
 - 2) send written notice of each assessment to every Owner subject thereto at least thirty (30) days in advance of each assessment period;
- d) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;
- e) procure and maintain adequate liability and hazard insurance on property owned by the Association;
- f) cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;
- g) cause the Common Area to be maintained; and
- h) cause the exterior or any other part of any building on said Properties to be maintained.

**ARTICLE XI.
COMMITTEES**

Section 1. The replacements for the Architectural Committee shall be appointed as provided in the Protective Covenants, and a Nominating Committee shall be appointed by the Directors as provided in these By-Laws. In addition, the Board of Directors may appoint other committees as deemed appropriate in carrying out its purposes, such as:

- a) A Recreation Committee which shall advise the Board of Directors on all matters pertaining to the recreational program and activities of the Association and shall perform such other functions as the Board, in its discretion, determines;
- b) A Maintenance Committee which shall advise the Board of Directors on all matters pertaining to the maintenance, repair or improvements of the Properties, and shall perform such other functions as the Board in its discretion determines;
- c) A Publicity Committee which shall inform the members of all activities and functions of the Association, and shall, after consulting with the Board of Directors, make such public releases and announcements as are in the best interests of the Association; and
- d) An Audit Committee which shall supervise the annual audit of the Association's books and approve the annual budget and statement of income and expenditures to be presented to the membership at its regular annual meeting, as provided in Article XIII, Section 8 (d). The Treasurer shall be an ex officio member of the Committee.

**ARTICLE XII.
MEETINGS OF MEMBERS**

Section 1. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of Incorporation of the Association, and each subsequent regular annual meeting of the members shall be held on the same day of the same month of each year thereafter, at the hour of 7:30 o'clock P. M. If the day for the annual meeting of the members is a legal holiday, the meeting will be held at the same hour on the first day following which is not a legal holiday.

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

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

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

Section 5. Proxies. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and titled with the secretary. Every proxy shall be revocable and shall automatically cease when said member no longer owns an interest in any Lot upon said Properties.

**ARTICLE XIII.
OFFICERS AND THEIR DUTIES**

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

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

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

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

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

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

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

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

President

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

Vice-President

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

Secretary

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

Treasurer

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

ARTICLE XIV.
ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. By the Declaration each member is deemed to covenant and agree to pay to the Association: (1) assessments or charges, and (2) special assessments for capital improvements. The assessments and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the land against which such assessment is made. Each such assessment, together with such interest, costs, and reasonable attorneys' fees shall be the personal obligation of the person who was the Owner of such property at the time when the assessment was accrued. The lien upon said property for such charges shall affect the interest of any successor in title, but shall not be the personal obligation of any person who was not the Owner thereof at the time the same accrued unless expressly assumed by such person.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Properties and for the purposes set forth in the Covenants.

Section 3. Basis and Maximum of Annual Assessments. Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum regular monthly assessment shall be 3.00 for each Lot subject thereto.

a) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment may be increased effective January 1 of each year by the Directors of the Association without a vote of the membership in conformance with the rise, if any, of the Consumer Price Index (published by the Department of Labor, Washington, D.C., or successor U.S. governmental agency) from the month preceding the month in which the Covenants are recorded to the month preceding the month in which such increase becomes effective.

b) From and after January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum monthly assessment may be increased above that determined by reference to the Consumer Price Index, as aforesaid, by a vote of the members, provided that any such increase shall be approved by the affirmative vote of not less than two-thirds (2/3) of the votes of each class of members who are voting in person or by proxy, at a meeting duly called for this purpose, written notice of which shall be sent to all members not less than 30 days nor more than 60 days in advance of the meeting setting forth the purpose of the meeting. The limitations hereof shall not apply to any change in the maximum flat charge and basis of the assessments undertaken as an incident to a merger or consolidation in which the Association is authorized to participate under its Articles of Incorporation.

c) After consideration of current maintenance costs and future needs of the Association, the Board of Directors, in its discretion, may fix a regular flat assessment upon a monthly, quarterly, or annual basis at an amount not in excess of the maximum specified above.

Section 4. Method of Computation when Using the Consumer Price Index. The Consumer Price Index establishes the United States City Average Numerical Rating (1967=100) for the month of January 1972 as 123.2. This will be the base rating. To determine the percentage to be applied to the maximum annual assessment for each subsequent year, divide this base rating into the numerical rating established by the Consumer Price Index for the month preceding the proposed assessment month. This adjustment percentage, if in excess of 100 percentum, is multiplied by the original maximum annual assessment to obtain the maximum assessment for the subsequent year.

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

Section 6. Uniform Rate. Both regular periodic flat charges and any special assessments must be fixed at a uniform rate for all Lots and may be collected upon an annual, quarterly or monthly basis in the discretion of the Directors.

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

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

Section 9. Effect of Non-Payment of Assessments; Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six (6%) per annum. The Secretary of said Association shall file in the office of the Director of Records, County Clerk, or appropriate recorder of conveyances of the county in which said Covenants are recorded, within 120 days after delinquency, a statement of the amount of such charges or assessments, together with interest as aforesaid, which have become delinquent with respect to any Lot on said Properties, and upon payment in full thereof, shall execute and file a proper release of the lien securing the same. The aggregate amount of such assessment, together with interest, costs and expenses and reasonable attorneys' fees for the filing and enforcement thereof, including fees on appeal, if any, shall constitute a lien upon the whole Lot (including any undivided interest in the common elements of any Lot in any condominium) with respect to which it is fixed from the date the notice of delinquency thereon is filed in the office of said Director of Records or County Clerk or other appropriate recording office, until the same has been paid or released as herein provided. Such lien may be enforced by said Association in the manner provided by law with respect to liens upon real property. The owner of said property at the time said assessment is levied shall be personally liable for the expenses, costs and disbursements, including reasonable attorneys' fees of the Declarant or of the Association, as the case may be, of processing and if necessary, enforcing such liens, all of which expenses, costs and disbursements and attorneys' fees, including fees on appeal, if any, shall be secured by said lien, and such owner at the time such assessment is accrued shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of his Lot.

Section 10. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any mortgage or mortgages or deed of trust. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to amounts thereof which became due prior to such sale or transfer, and such lien shall attach to the net proceeds of such foreclosure sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 11. Exempt Property. The following property subject to the Declaration shall be exempt from the assessments created thereunder: (a) all properties dedicated to and accepted by a local public authority; (b) the Common Areas; (c) all other properties owned by the Association; and (d) property owned by Declarant prior to the time a dwelling unit or other building is constructed thereon and occupied. However, no land or improvements devoted to dwelling use shall be exempt from such assessments.

ARTICLE XV.
BOOKS AND RECORDS

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

ARTICLE XVI.
CORPORATE SEAL

The Association shall have no seal.

ARTICLE XVII.
AMENDMENTS

Section 1. These Bylaws may be amended, at a regular or special meeting of the members, by a vote in person or by proxy of members entitled to exercise a majority of the total eligible voting power of the membership.

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

ARTICLE XVIII.
MISCELLANEOUS

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

IN WITNESS WHEREOF, we, being all of the Directors of the Association have hereunto set our hands and seals this 10th day of April, 1972.

W. R. MacPherson /s/
Robert P. Lord /s/
Hurdock O. MacPherson /s/

CERTIFICATION

I, the undersigned, do hereby certify:

That I am the duly elected and acting Secretary of CROOKED RIVER RANCH OWNERS ASSOCIATION, a non-profit corporation organized under the laws of the State of Oregon.

That the foregoing Bylaws constitute the original Bylaws of said Association, as duly adopted at a meeting of the Board of Directors thereof, held on the 10 day of April, 1972.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of said Association this 10 day of April, 1972.

June L. Boyer, Secretary /s/

STATE OF OREGON)
) ss. CROOKED RIVER RANCH OWNERS ASSOCIATION #104423
County of Jefferson) to THE PUBLIC
I certify that the within instrument was received for record on the 20 day of April, A.D. 1972 at 9:30 o'clock A.M., and recorded in book 11 on page 137 Record of Miscellaneous of said County.
Witness my hand and seal of County affixed.
CLAREN L. HENDERSON, County Clerk By June Wondcock, Deputy /s/