



Recording requested, and
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**AMENDED AND RESTATED BYLAWS OF THE
ASSOCIATION OF UNIT OWNERS**

OF

**THE GOLF COURSE CONDOMINIUM SECTION
RESTATED EFFECTIVE JULY 3, 1993**

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OF

**THE GOLF COURSE CONDOMINIUM SECTION
RESTATED EFFECTIVE JULY 3, 1999**

ARTICLE I

PLAN OF UNIT OWNERSHIP

1. **Name and Location.** These are the Bylaws of the ASSOCIATION OF UNIT OWNERS OF THE GOLF COURSE CONDOMINIUM SECTION (hereinafter the "Golf Course Association"). The Golf Course Section (hereinafter the "Golf Course Section") is located in Black Butte Ranch, Deschutes County, Oregon, and was established by Brooks Resources Corporation establishing the Golf Course Condominium Section, recorded on April 18, 1972, at volume 183, page 937, and as amended on December 12, 1972, at volume 190, page 944, and was submitted to Oregon Ownership Law by declaration of Golf Course Association recorded at volume 192, page 933, and amended declaration recorded on March 7, 1973, at volume 193, page 166; supplemental declaration for phase 2 recorded on May 30, 1973, at volume 195, page 847 and May 17, 1973, volume 195, page 538; supplemental declaration for phase 3 recorded at volume 197, page 290; supplemental declaration for phase 4 recorded at volume 197, page 741; amended supplemental declaration for phase 2 recorded at volume 198, page 414; bylaws recorded on March 1, 1973, at volume 193, page 187, and volume 192, page 954. The location of the Golf Course Section is more specifically described in that declaration.

2. **Definitions.** The definitions contained in Section 1 of the Amended and Restated Declaration filed herewith and dated effective July 3, 1993, are hereby incorporated by reference

3. **Principal Office.** The principal office of the Golf Course Association shall be located at the office of the Black Butte Ranch Homeowner's Association, Black Butte Ranch, Deschutes County, Oregon.

4. **Purpose.** This Golf Course Association was formed under the provisions of the Oregon Condominium Act to serve as the means through which the Unit Owners may take action with regard to the administration, management and operation of the Golf Course Section.

5. **Oregon Condominium Act.** These Bylaws are amended and restated pursuant to the Oregon Condominium Act, codified at ORS Chapter 100 and expressly incorporate by reference all of the provisions therein.

6. **Applicability of Bylaws.** The Golf Course Association, all Unit Owners and all persons using the Golf Course Section property shall be subject to these Bylaws and to all rules and regulations which may be promulgated hereunder.

7. **Composition of the Golf Course Association.** The Golf Course Association shall be composed of all the Unit Owners of the Golf Course Section, including the Golf Course Association itself to the extent that the Golf Course Association owns any Unit or Units of the Golf Course Section.

ARTICLE II

MEETINGS OF THE GOLF COURSE ASSOCIATION

1. **Place of Meetings.** The Golf Course Association shall hold meetings at Black Butte Ranch Golf Course, Black Butte Ranch, Oregon, or at such other suitable place reasonably convenient to the Unit Owners as may be designated by the Board of Directors.

2. **Annual Meetings.** The annual meetings of the members of the Golf Course Association shall be held on the Saturday before Labor Day or on such date as the Board of Directors may designate. The annual meetings shall be for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

3. **Special Meetings.** Special meetings of the Golf Course Association may be called by the Chairman or Secretary or by a Majority of the Board of Directors; provided, however that a special meeting must be called by such officers upon receipt of a written request from the Unit Owners of at least thirteen (13) of the Units.

4. **Notice of Meetings.** Notice of all meetings of the Golf Course Association stating the time and place and the purpose for which the meeting is being called shall be given by the Chairman or Secretary. Such notice shall be in writing and mailed to each Unit Owner at his address as it appears in the owner roster on file with the Black Butte Ranch Homeowner's Association not less than ten (10) days, nor more than sixty (60) days prior to the date of the meeting. Proof of such mailing shall be given by affidavit of the person giving the notice. Notice of any meeting may be waived in writing by any Unit Owner before or after the meeting.

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

5. **Voting.** Only one vote may be cast per Unit. Fractional votes shall not be counted. A Unit shall not be entitled to vote if any Unit Owner is in default of any of the assessments due under Article VII of these Bylaws. The Board of Directors shall be entitled to

vote on behalf of any Unit that has been acquired by or on behalf of the Golf Course Association; provided, however, that the Board of Directors shall not be entitled to vote such Units in any election of directors.

6. **Proxies.** A vote may be cast in person or by proxy. A proxy given by a Unit Owner to any person who represents such Unit Owner at meetings of the Golf Course Association shall be in writing and signed by such Unit Owner, shall be filed with the Secretary or a designee appointed by the Board of Directors of the Golf Course Association and, unless limited by its terms, shall be deemed valid until revoked in writing.

7. **Fiduciaries and Joint Owners.** Subject to paragraph 6 above, a personal representative, conservator or trustee may vote in person or by proxy at any meeting of the Golf Course Association with respect to any Unit owned or held by him in such capacity, whether or not the same shall have been transferred to his name; provided that he shall satisfy the Secretary that he is the personal representative, conservator or trustee holding such Unit in such capacity. Whenever any Unit is owned by two or more persons jointly, according to the records of the Golf Course Association, the vote of such Unit may be exercised by any one of the Unit Owners then present, in the absence of protest by a co-owner. In the event of such protest, no one co-owner shall be entitled to vote without the approval of all co-owners. In the event of disagreement among the co-owners, the vote of such Unit shall be disregarded completely in determining the proportion of votes given with respect to such matter.

8. **Quorum of Unit Owners.** At any meeting of the Golf Course Association, a quorum shall consist of fifty percent (50%) of the Units. A Unit shall be counted as part of a quorum if the Unit is represented by a Unit Owner who is entitled to vote and who is present in person or by proxy. The subsequent joinder of a Unit whether represented by one owner or more than one owner and the action taken at a meeting by signing and concurring in the minutes thereof shall constitute the presence of the Unit for the purpose of determining a quorum. When a quorum is present to organize a meeting, it cannot be broken by the subsequent withdrawal of a Unit Owner. If any meeting of members cannot be organized because of a lack of a quorum, the members who are present, either in person or by proxy, may adjourn the meeting from time to time until a quorum is present.

9. **Majority Vote.** The vote of a Majority of the Units at a meeting at which a quorum is constituted shall be binding upon all Unit Owners for all purposes except where a higher percentage vote is required by law, by the Declaration or by these Bylaws. A Unit's vote shall be counted if the Unit is represented by a Unit Owner who is entitled to vote and who is present in person or by proxy.

10. **Order of Business.** The order of business at annual meetings of the Golf Course Association shall be:

- (a) Call of the roll and certifying of proxies.
- (b) Proof of notice of meeting or waiver of notice.

- (c) Reading of minutes of preceding meeting.
- (d) Reports of officers.
- (e) Reports of committees, if any.
- (f) Election of directors.

ARTICLE III

BOARD OF DIRECTORS

1. **Number and Qualifications.** The affairs of the Golf Course Association shall be governed by a Board of Directors composed of five (5) persons who are Unit Owners or co-Unit Owners of Units of the Golf Course Section.

2. **Election and Term of Office.** Directors shall serve a term of two (2) years. The Directors shall hold office until their respective successors have been elected by the Unit Owners. Elections shall be as provided for in paragraphs 9 and 10 of Article II above.

3. **Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the Golf Course Association shall be filled by vote of the Majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall serve as a Director for the remainder of the unexpired term of the Director he is replacing or until a successor is elected.

4. **Removal of Directors.** At any regular or special meeting of the Golf Course Association duly called, any one or more of the Directors may be removed with or without cause by a Majority of the Units represented by a Unit Owner, in person or by proxy. A successor shall be elected at that meeting to fill the vacancy thus created. The notice of any such meeting shall state that such removal is to be considered and any Director whose removal has been proposed shall be given an opportunity to be heard at the meeting.

5. **Powers and Duties.** The Board of Directors shall have all of the powers and duties necessary for the administration of the affairs of the Golf Course Association, except such powers and duties as by law or by the Declaration or by these Bylaws may not be delegated to the Board of Directors by the Unit Owners. The powers and duties to be exercised by the Board of Directors shall include, but shall not be limited to the following:

- (a) Operation, care, upkeep, maintenance and repair of the Common Elements.
- (b) Determination of the amounts required for operation, maintenance and other affairs of the Golf Course Association, and the making of such expenditures.
- (c) Collection of Assessments from the Unit Owners.

(d) Employment and dismissal of such personnel as necessary for the efficient maintenance, upkeep and repair of the Common Elements.

(e) Employment of legal, accounting or other personnel for reasonable compensation to perform such services as may be required for the proper administration of the Golf Course Association.

(f) Opening of bank accounts on behalf of the Golf Course Association and designating the signatories required therefor.

(g) Purchasing Units of the Golf Course Section at foreclosure or other judicial sales in the name of the Golf Course Association, or its designee, on behalf of all the Unit Owners as provided in these Bylaws.

(h) Selling, leasing, mortgaging, voting any vote appurtenant to a Unit other than a vote for the election of a Director, or otherwise dealing with Units of the Golf Course Section acquired by the Golf Course Association or its designee on behalf of all the Unit Owners.

(i) Obtaining insurance or bonds pursuant to the provisions of these Bylaws.

(j) Making repairs or alterations, including replacement of, the Common Elements and the authority to assess the Unit Owners for the costs thereof.

(k) Establishment of Reserve for Deferred Maintenance and Replacement of Common Elements.

(l) The preparation and distribution of the annual financial statement.

(m) Enforcement by legal means of the provisions of the Oregon Condominium Act, the Declaration, these Bylaws and any rules and regulations adopted thereunder.

(n) The appointment of members of an Architectural Review Committee.

6. **Manager.** On behalf of the Golf Course Association, the Board of Directors may employ or contract for a Manager at a compensation to be established by the Board of Directors. The Board of Directors may delegate to the Manager such duties and powers as the Board of Directors may authorize, including those duties and powers listed in paragraph 5 of Article III above (regarding powers and duties of the Board of Directors) and Article IV below (regarding powers and duties of officers).

7. **Organization Meeting.** Within a reasonable time, but not more than forty-five (45) days following the annual meeting of the Golf Course Association or following any meeting at which an election of Directors has been held, the Board of Directors shall hold an organization meeting at such place and time as shall have been fixed by the outgoing Chairman of the Board

of Directors at the meeting at which the election was held. No further notice of the organization meeting shall be necessary.

8. **Regular and Special Meetings.** All meetings of the Board of Directors shall be open to the Unit Owners. Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the Board of Directors. Special meetings of the Board of Directors may be called by the Chairman, provided, however, a special meeting must be called by the Secretary at the written request of at least two (2) Directors. Notice of any meeting shall be given to each Director personally or by mail, telephone, telegraph or facsimile, at least seven (7) days prior to the day named for such meeting. Any meeting of the Board of Directors may be conducted by telephonic communication. Any action taken by the Board of Directors at a meeting is effective if a quorum is present and a majority of the quorum approved such action.

9. **Waiver of Notice.** Any director may, at any time, waive notice of any meeting of the Board of Directors in writing, and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a Director at any meeting of the Board of Directors shall constitute a waiver by him of notice of the time and place thereof. If all of the Directors are present at any meeting of the Board of Directors, no notice shall be required and any business may be transacted at such meeting.

10. **Quorum of Board of Directors.** At all meetings of the Board of Directors, a majority of the Directors shall constitute a quorum for the transaction of business, and the votes of a majority of the directors present at a meeting at which a quorum is present shall constitute the decision of the Board of Directors. If at any meeting of the Board of Directors less than a quorum should be present, a majority of those present may adjourn the meeting from time to time until a quorum is constituted. At any such adjourned meeting at which a quorum is present, any business which might have been transacted at the meeting originally called may be transacted without further notice.

11. **Compensation.** No Director shall receive any compensation from the Golf Course Association for acting as such.

12. **Liability and Indemnification of Directors or Manager.** The Directors shall not be liable to the Golf Course Association or the Unit Owners for any mistake of judgment, negligence or otherwise except for their own willful misconduct or bad faith. The Golf Course Association shall indemnify and hold harmless each Director and the Manager, if any, against all contractual liability to others arising out of contracts made by the Board of Directors or Manager on behalf of the Golf Course Association, unless any such contract shall have been made in bad faith or contrary to the provisions of the Declaration or of these Bylaws. Each Director and the Manager, if any, shall be indemnified by the Golf Course Association against all expenses and liabilities, including attorney fees reasonably incurred or imposed upon them in connection with any proceeding to which they may be a party, or in which they may become involved, by reason of being or having been a Director or Manager and shall be indemnified upon any reasonable

settlement thereof; provided, however, there shall be no indemnity if the Director or Manager is adjudged guilty of willful nonfeasance, misfeasance or malfeasance in the performance of his duties.

ARTICLE IV

OFFICERS

1. **Designation.** The principal officers of the Golf Course Association shall be the Chairman, the Secretary and the Treasurer, all of whom shall be elected by the Board of Directors. The Board of Directors may appoint an Assistant Treasurer, an Assistant Secretary and such other officers as in their judgment may be necessary. The Chairman shall be a member of the Board of Directors, but the other officers need not be Directors.

2. **Election of Officers.** The officers of the Golf Course Association shall be elected annually by the Board of Directors at its organization meeting and shall hold office until the officer either is removed as provided for in paragraph 3 below or until a successor has been elected. If any office shall become vacant, the Board of Directors shall elect a successor to fill the unexpired term at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

3. **Removal of Officers.** Upon the affirmative vote of a Majority of the Directors, any officer may be removed, either with or without cause, and his successor may be elected at any regular meeting of the Board of Directors, or at any special meeting of the Board of Directors called for such purpose.

4. **Chairman.** The Chairman shall be the chief executive officer of the Golf Course Association. He shall preside at all meetings of the Golf Course Association and of the Board of Directors. He shall have all of the general powers and duties which are usually vested in the chief executive officer of an association, including but not limited to the power to appoint committees from among the Unit Owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

5. **Secretary.** The Secretary or another Director designated by the Chairman as acting Secretary shall keep the minutes of all proceedings of the Board of Directors and the minutes of all meetings of the Golf Course Association. The Secretary shall attend to the giving and serving of all notices to the Unit Owners and Directors and other notices required by law. The Secretary shall keep the records of the Golf Course Association, except for those of the Treasurer, and shall perform all other duties incident to the office of secretary of an association and as may be required by the Board of Directors or the Chairman. In addition, the Secretary shall act as Vice-Chairman, taking the place of the Chairman in performing his duties, whenever the Chairman is absent or unable to act.

6. **Treasurer.** The Treasurer shall have responsibility for Golf Course Association funds and securities, and shall be responsible for keeping full and accurate financial records and

books of account showing all receipts and disbursements, and for the preparation of required financial statements. He shall be responsible for the deposit of all monies and other valuable effects in such depositories as may from time to time be designated by the Board of Directors, and he shall disburse funds of the Golf Course Association upon properly authorized vouchers. He shall perform all other duties incident to the office of treasurer of an association and such other duties as may be assigned to him by the Board of Directors.

The Board of Directors shall have the authority to delegate the duties and responsibilities of the office of Treasurer to the Black Butte Ranch Corporation ("Corporation"). If the Board of Directors delegates such duties of Treasurer, then the Board shall also designate a representative of the Corporation's Accounting Department to serve as Assistant Treasurer.

7. **Execution of Instruments.** All agreements, contracts, deeds, leases and other instruments of the Golf Course Association, except checks, shall be executed by such person or persons as may be designated by general or special resolution of the Board of Directors and, in the absence of any general or special resolution applicable to any such instrument, such instrument shall be signed by the Chairman. All checks shall be signed by the Treasurer or Assistant Treasurer, or in either of their absence or disability, by the Chairman.

8. **Compensation of Officers.** No officer who is a member of the Board of Directors shall receive any compensation from the Golf Course Association for acting as an officer, unless such compensation is authorized by a resolution duly adopted by the Unit Owners. The Board of Directors may fix any compensation to be paid to other non-Board officers.

ARTICLE V

INSURANCE; REPAIR OR RECONSTRUCTION OF DAMAGED OR DESTROYED PROPERTY

1. **Insurance.**

(a) The Golf Course Association shall be required to the extent available to maintain in force and effect at all times certain fire, liability and other insurance as hereinafter provided:

(1) Property insurance with extended coverage insuring against loss by fire, vandalism and malicious mischief, insuring all of the Golf Course Association property including:

(i) all existing buildings and improvements located within the Golf Course Section; and

(ii) all fixtures, improvements, alterations and additions that become part of the premises made at the expense of the Unit Owner and which are located in a part of the

premises that is used exclusively by the Unit Owner, including but not limited to refrigeration, ventilation, cooking, dish washing, laundering, security or housekeeping appliances.

(2) The insurance shall be in an amount sufficient to cover the full replacement cost of any repair or reconstruction in the event of damage or destruction from any such hazards (to be determined by a qualified appraiser approved from time to time by the Golf Course Association for such purpose) subject to such deductible amount as the Board of Directors deems reasonable. Neither the Golf Course Association nor the Board of Directors shall be responsible for any failure to carry insurance equal to the full replacement value.

(3) The Golf Course Association shall also be required to obtain and maintain, to the extent obtainable, comprehensive public liability and property damage insurance in such limits as the Board of Directors may from time to time determine, however with limits not less than \$1,000,000 with respect to any one accident or occurrence and \$50,000 with respect to any claim for property damage. Such insurance shall insure each member of the Board of Directors, officers, employees, if any, agents, and each Unit Owner, arising in connection with the ownership, operation and maintenance, occupancy or use of the Golf Course Association property. It shall be the responsibility of each Unit Owner to obtain, at his expense, liability insurance with respect to his ownership and/or use of his Unit.

(4) In addition to the coverage in (1) and (2) above, the Golf Course Association shall also be required to obtain and maintain, to the extent reasonably obtainable, insurance coverage covering loss arising from wrongful acts or omissions of the Association, its Directors and officers, and its committee members, such loss to include but not be limited to damages, judgments, settlements, costs and defense costs.

(5) A copy of all insurance policies maintained by the Golf Course Association shall be provided to each Unit Owner at the Unit Owner's request. Each Unit Owner shall be responsible for examining said insurance policies and to make an independent determination as to the adequacy of the coverage provided by said policies, for the Private Areas owned by the Unit Owner. If the Unit Owner determines that the insurance coverage maintained by the Golf Course Association is not adequate, the Unit Owner may obtain supplemental insurance coverage at his own expense.

(b) The insurance to be obtained pursuant to paragraph (a) above shall be governed by the following provision:

Exclusive authority to adjust losses under the policies in force on the properties maintained by the Golf Course Association shall be vested in the Board of Directors provided, however, no mortgagee having an interest in such losses may be prohibited from participating in the settlement negotiations, if any, related thereto.

2. Repair or Reconstruction of Damaged or Destroyed Property.

(a) Except as hereinafter provided, with respect to the coverage provided for in (a)(1) above, the Golf Course Association shall receive and hold any awards or proceeds payable under any such policy or policies of property insurance and apply the same to the cost of reconstruction or repair of any damaged or destroyed property. The Unit Owner, if a Private Area or Unit is destroyed, or the Golf Course Association, if a Common Element is destroyed, shall, within forty-five (45) days from the date of such damage or destruction, commence and thereafter diligently pursue to completion the work of reconstructing or repairing such Private Area, Unit or Common Element property. Said reconstruction or repairs shall be according to substantially the same plans, specifications, design and total cubic area as such Private Area, Unit or Common Element property was constructed immediately prior to the casualty, provided that reconstruction or repair of a Unit shall be subject to prior written approval of the Golf Course Architectural Review Committee. The Golf Course Association shall pay the cost of restoration and reconstruction of a Private Area, Unit or Common Element directly to the person performing the work and entitled to payment thereof, provided that said payment shall not be made for any work performed on a Unit or Private Area without first obtaining the written consent of the Unit Owner. Payment shall be made as the work progresses upon compliance by such Unit Owner with such conditions as the Golf Course Association shall impose in order to assure full restoration or repair of the damaged portions of such Private Area or Unit in a workmanlike manner, free and clear of any mechanic's or other liens, any encumbrances, claims or charges. If the cost of such reconstruction or repair shall exceed the amount paid to the Golf Course Association under the policy or policies as set forth above, such excess shall be paid by the Unit Owner, and any proceeds of insurance in excess of the cost of such reconstruction and repair shall be the sole property of the Golf Course Association.

(b) In the event that the Unit Owner fails to carry out reconstruction within the time and in the manner stated herein, and fails to diligently pursue the same to completion, the Golf Course Association is hereby authorized to undertake such repair or reconstruction. In the event that the proceeds are inadequate to complete construction in accordance with the original plans and specifications, the excess expense incurred by the Golf Course Association in completing construction may be recovered against such Unit Owner. The Board of Directors shall have the right and duty to recover for the Golf Course Association such excess expenses, together with interest thereon at the legal rate, and the expenses of proceeding, including attorney fees, by an action brought against such Unit Owner or by foreclosure of the lien upon the Unit granted by the Oregon Condominium Act.

ARTICLE VI

**INTEREST IN AND MAINTENANCE, REPAIR AND REPLACEMENT
OF COMMON ELEMENTS**

1. Interest in Common Elements. Each Unit shall have a 1/32nd interest in the Common Elements.

2. Maintenance and Repair.

(a) General Common Elements. All maintenance, repairs and replacements to the General Common Elements shall be made by the Golf Course Association by resolution of the Board of Directors and shall be assessed to all the Unit Owners as a common expense pursuant to Article VII below.

(b) Limited Common Elements. The Golf Course Association by resolution of the Board of Directors shall be entitled to maintain, repair or replace, all Limited Common Elements within the Golf Course Section. The Board of Directors shall be entitled to assess the reasonable cost which it shall incur for such maintenance to the Unit Owners to whom such Limited Common Elements pertain as a Common Expense pursuant to Article VII below.

3. Condemnation. In the event of a taking in condemnation by eminent domain of part or all of the General Common Elements, the award made for such taking shall be payable to the Golf Course Association. If twenty-four (24) or more of the Units approve the acquisition of property and the replacement or restoration of such General Common Elements within one hundred eighty (180) days of such taking, the Board of Directors shall arrange for the same, which shall be paid out of the proceeds of the award. In the event twenty-four (24) or more of the Units do not approve the acquisition of property and replacement or restoration of such General Common Elements, the Board of Directors shall distribute the net proceeds of such award to the Unit Owners in an amount equal to 1/32nd of the net proceeds per Unit.

ARTICLE VII

BUDGET, EXPENSES AND ASSESSMENTS

1. Budget. The Board of Directors shall from time to time, and at least annually, prepare a budget for the Golf Course Association, estimate the Common Expenses expected to be incurred, less any previous overassessments, and assess the Common Expenses to the Unit Owners. The Board of Directors shall advise each Unit Owner in writing of the amount of Common Expenses payable by him, and furnish copies of each budget on which such Common Expenses are based to all Unit Owners and, if requested, to their mortgagees.

2. Determination of Common Expenses. Common Expenses shall include:

- (a) Expenses of administration.
- (b) Expenses of operation, maintenance, repair or alteration of Common Elements.
- (c) Cost of insurance or bonds obtained in accordance with these Bylaws.
- (d) A general operating reserve.

- (e) Reserve for deferred maintenance and replacement of Common Elements.
- (f) Any charges allocated to the Golf Course Association by the Manager of Black Butte Ranch under the Master Design of Black Butte Ranch.
- (g) Any deficit in Common Expenses for any prior period.
- (h) Any other items properly chargeable as a common expense of the Golf Course Association.

3. **Assessment of Common Expenses.** Each Unit shall be obligated to pay a fractional share equal to 1/32nd of the total Common Expenses arising out of the operation, maintenance, repair or alteration of the General Common Elements of the Golf Course Association and all other expenses assessed to the Units by the Board of Directors on behalf of the Golf Course Association pursuant to these Bylaws and the Declaration. In addition, each Unit Owner shall be obligated to pay any Common Expenses assessed to that Unit Owner that arise out of the operation, maintenance, repair or alteration of the Limited Common Elements pertaining to that Unit Owner's unit. The Board of Directors, on behalf of the Golf Course Association, shall assess the Common Expenses against the Unit Owners from time to time, and at least annually, and shall take prompt action to collect from a Unit Owner any Common Expense due which remains unpaid by him for more than thirty (30) days from the due date for its payment. Such Assessments shall be in addition to any Assessments imposed directly upon the Unit Owner by the Manager of Black Butte Ranch under the Master Design of Black Butte Ranch.

4. **Reserve For Deferred Maintenance and Replacement of Common Elements.** The Board of Directors shall establish a reserve account in the name of the Golf Course Association for the replacement of all General Common Elements that will normally require replacement, in whole or in part, in more than three (3) and less than thirty (30) years. In addition, the Board of Directors may establish a reserve account in the name of the Golf Course Association for the replacement of all Limited Common Elements that will normally require replacement, in whole or in part, in more than three (3) and less than thirty (30) years. Reserve accounts established under this paragraph shall be funded by Assessments against the individual Units in accordance with the following:

(a) **Replacement Plan.** The Board of Directors shall take appropriate steps to prepare a Replacement Plan, including the retention of outside professional consultants for the purpose of preparing the Replacement Plan. The Replacement Plan shall set forth the estimated remaining life of the items for which the reserve account is created, the current replacement cost of the items, and the amount required to fund the reserve account. The Replacement Plan shall be submitted to the Unit Owners for approval and adoption at the next annual meeting following the adoption of these Amended and Restated Bylaws. The Replacement Plan shall continue until and unless amended as provided for in paragraph 4(d) below.

(b) Funding of Reserve Account. Pursuant to the Replacement Plan and after its adoption by the Unit Owners, the reserve account shall be funded by assessments to the Unit Owners. The assessed amount shall be determined by the Board of Directors taking into account the General and Limited Common Elements affected.

(c) Expenditures from Reserve Account. After the Replacement Plan is adopted by the Unit Owners, the Board of Directors may make expenditures from the reserve account without the prior approval of the Unit Owners. Expenditures shall be for a listed item in accordance with the Replacement Plan.

(d) Amendment of Replacement Plan. The Board of Directors shall have the authority to amend the Replacement Plan as needed without the approval of the Unit Owners; provided, however, that any adjustment to the Replacement Plan resulting in a ten percent (10%) or greater increase in assessments to the Unit Owners shall require the approval of a majority of the Units. Subject to the above, upon any amendment resulting in an increase or decrease in the amount required to fund the reserve account, assessments to the Unit Owner shall be adjusted accordingly.

(e) Separate Account. The reserve account established under this paragraph may be used only for the replacement and maintenance of Common Elements as set forth herein and shall be kept separate from other Assessments.

(f) Property of Golf Course Association. Assessments paid into the reserve account shall be the property of the Golf Course Association and are not refundable. In any sale of a Unit, the sellers of a Unit may treat their outstanding share of the reserve account as a separate item in any sales contract. Nothing in this paragraph prohibits prudent investment of the funds of the reserve account, subject to any constraints imposed by the Declaration, these Bylaws or Rules of the Golf Course Association.

5. Default in Payment of Assessments. In the event of default by any Unit Owner in the payment to the Golf Course Association of the assessed Common Expenses, the Unit Owner shall be obligated to pay interest at the highest rate allowed by law on such expenses from the due date thereof, together with all expenses including attorney fees incurred by the Golf Course Association in any proceeding brought to collect such unpaid Common Expenses or any appeal therefrom. The Board of Directors shall have the right and duty to recover for the Golf Course Association such expenses, interest and attorney fees by an action brought against such Unit Owner or by foreclosure as a lien upon the Unit as provided by Oregon law. The Board of Directors shall provide any holder of a prior mortgage or trust deed with ninety (90) days prior written notice that the Unit Owner or Unit Owners is in default of payment of an Assessment. The contents of the notice shall contain the name of the borrower, recording date of the trust deed or mortgage, recording information, name of the Unit Owner, amount of unpaid Assessment, and shall set forth the following in ten-point type:

NOTICE: THE LIEN OF THE GOLF COURSE ASSOCIATION MAY
BECOME PRIOR TO THAT OF THE LENDER PURSUANT TO ORS 100.450.

6. **Foreclosure of Liens for Default in Payment of Assessments.** In any suit brought by the Golf Course Association to foreclose a lien on a Unit because of default in payment of assessments, the Unit Owner shall be required to pay a reasonable rental for the use of the Unit during the pendency of the suit, and the plaintiff in such foreclosure suit shall be entitled to the appointment of a receiver to collect such rent. The Board of Directors, acting on behalf of the Golf Course Association, shall have the power to purchase such Unit at the foreclosure sale and to acquire, hold, lease, mortgage, vote the votes appurtenant to, convey, or otherwise deal with the Unit. An action to recover a money judgment for unpaid Common Expenses shall be maintainable without foreclosing the lien securing the same.

7. **Statement of Common Expenses.** The Board of Directors shall promptly provide any Unit Owner who makes a request in writing with a written statement of his unpaid Common Expenses.

ARTICLE VIII

RECORDS AND ACCOUNTING

1. **General Records.** The Board of Directors shall keep minutes of the meetings of the Board of Directors and minutes of the meetings of the Golf Course Association. The Board of Directors or its designee shall maintain a list of the Unit Owners of each Unit and a list of Units entitled to vote at meetings of the Golf Course Association.

2. **Records of Receipts and Expenditures.** The Board of Directors or its designee shall keep detailed, accurate records in chronological order of the receipts and expenditures affecting the Common Elements, itemizing the maintenance, repair or replacement expenses of the Common Elements, and any other expenses incurred. Such records and the vouchers authorizing the payments shall be available for examination by the Unit Owners at convenient hours of the weekday.

3. **Assessment Roll.** The assessment roll shall be maintained and recorded in such a manner that there shall be an account for each Unit. Such account shall designate the name and address where billing is to be sent, the amount of each Assessment, the dates and amounts in which the Assessments come due, the amounts paid upon the account, and the balance due on the Assessments.

4. **Payment of Vouchers.** The Treasurer or Assistant Treasurer shall pay all vouchers.

5. **Annual and Monthly Financial Statements.** As soon as practicable after the end of the fiscal year, the Board of Directors shall distribute to each Unit Owner a copy of the annual financial statement consisting of a balance sheet and a statement of receipts and

expenditures for the preceding fiscal year. The annual financial statement shall also be distributed to all mortgagees of the Units who have requested a copy. From time to time, the Board of Directors, at the expense of the Golf Course Association, may obtain a review or an audit of the books and records pertaining to the Golf Course Association by a Certified Public Accountant and furnish copies to the Unit Owners. At any time, any Unit Owner may, at his own expense, inspect the books and records of the Golf Course Association.

ARTICLE IX

RESTRICTIONS AND REQUIREMENTS RESPECTING USE OF THE GOLF COURSE SECTION PROPERTY AND ENFORCEMENT

1. **Black Butte Ranch Restrictions.** Each Unit Owner while using his Unit, Common Areas, Common Elements, Private Areas and Private Ways shall be subject to the limitations, restrictions and requirements set forth in the Declaration, the Declaration Submitting The Golf Course Section to Oregon Unit Ownership Law, and any amendments or supplements thereto, the Master Design of Black Butte Ranch, these Bylaws, or any rules and regulations adopted thereunder and the Oregon Condominium Act as codified in ORS Chapter 100 or as amended.

2. **Association Rules.** In addition, the Golf Course Association from time to time may adopt, modify or revoke rules governing the conduct of persons and the operation, use, architectural features and appearance of the Units, Common Areas, Common Elements, Private Areas and Private Ways as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Golf Course Section property and to preserve the architectural uniformity of the Golf Course Section. Such action must be by the affirmative vote of seventeen (17) of the Units at a meeting at which a quorum is present. The notice of such action shall state that such adoption, modification or revocation of rules will be under consideration. A copy of the rules, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Secretary to each Unit Owner and shall be binding upon all Unit Owners and occupants of all Units from the date of delivery. Such rules shall not be inconsistent with any Black Butte Ranch Rules.

3. **Abatement and Enjoining of Violations.**

(a) The violation or breach of any rule adopted hereunder, any Bylaw contained herein, any provision of the Declaration or of any provision of the Oregon Condominium Act as codified in ORS Chapter 100 or as amended shall give the Board of Directors, acting on behalf of the Golf Course Association, the right, in addition to any other rights set forth in these Bylaws:

(b) To enter the Unit in which or as to which such violation exists and to summarily abate and remove, at the expense of the defaulting Unit Owner, any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof, and the Board of Directors shall not thereby be deemed guilty of any manner of trespass; or

(c) To enjoin, abate or remedy such things or condition by appropriate legal proceedings.

ARTICLE X

AMENDMENT TO BYLAWS

1. **How Proposed.** Amendments to these Bylaws shall be proposed by either a majority of the Board of Directors or by the Unit Owners of at least eleven (11) Units. The proposed amendment must be reduced to writing and shall be included in the notice of any meeting at which action is to be taken thereon.
2. **Adoption.** A resolution adopting a proposed amendment may be proposed by either the Board of Directors or by the Unit Owners and may be approved by the Unit Owners at a meeting called for this purpose. Unit Owners not present at the meeting considering such amendment may express their approval in writing or by proxy. Such resolution must be approved by the Unit Owners of at least seventeen (17) of the Units.
3. **Execution and Recording.** An amendment shall not be effective until certified by the Chairman and Secretary of the Golf Course Association as being adopted in accordance with the Bylaws and the provisions of ORS 100.410 and until recorded as required by law.

ARTICLE XI

MISCELLANEOUS

1. **Notices.** All notices to the Golf Course Association or to the Board of Directors shall be sent to the office of the Black Butte Ranch Homeowner's Association or to such other address as the Board of Directors may hereafter designate from time to time. All notices to any Unit Owner shall be sent to such address as may have been designated by him from time to time, in writing, to the Board of Directors, or as contained in the owner roster of the Black Butte Ranch Homeowner's Association.
2. **Waiver.** No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have been abrogated or waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.
3. **Invalidity; Number; Captions.** The invalidity of any part of these Bylaws shall not impair or affect in any manner the validity, enforceability or effect of the balance of these Bylaws. As used herein, the singular shall include the plural, and the plural the singular. The masculine and neuter shall include the masculine, feminine and neuter as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Bylaws.

4. **Conflicts.** These Bylaws are intended to comply with the Oregon Condominium Act, the Declaration and the Master Design of Black Butte Ranch. In case of any irreconcilable conflict, such statute and documents shall control over these Bylaws or any rules and regulations adopted hereunder.

CERTIFICATION

We, Chairperson and Secretary, certify that we are the duly elected, qualified and acting Chairman and Secretary, respectively, of the ASSOCIATION OF UNIT OWNERS OF THE GOLF COURSE CONDOMINIUM SECTION and that the Board of Directors has adopted a resolution to cause its bylaws to be restated and recorded, and that the foregoing is a full, true and complete copy of the restated bylaws of said Association, including all previously adopted amendments and no other changes have been made except to correct scrivener's errors or to conform format and style

IN WITNESS WHEREOF, we have hereunto set our signatures this 14th day of SEPTEMBER, 2004.

Jack Rosicky
CHAIRMAN

STATE OF OREGON)

County of Deschutes)

)ss.

See attached notarial acknowledgment

The foregoing instrument was acknowledged before me this ____ day of _____, 2004, by _____, the Chairman of the ASSOCIATION OF UNIT OWNERS OF THE GOLF COURSE CONDOMINIUM SECTION.

NOTARY PUBLIC FOR OREGON

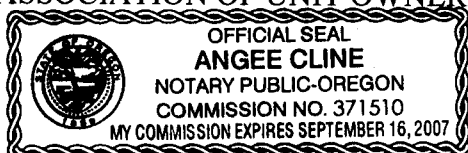
Linda C. Rockwell
SECRETARY

STATE OF OREGON)

County of ~~Deschutes~~ Multnomah)

)ss.

The foregoing instrument was acknowledged before me this 5th day of October, 2004, by Linda C. Rockwell, the Secretary of the ASSOCIATION OF UNIT OWNERS OF THE GOLF COURSE CONDOMINIUM SECTION.



Angie Cline
NOTARY PUBLIC FOR OREGON

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Humboldt } SS.

On Sept 14, 2004 before me, Mary Frances Janney

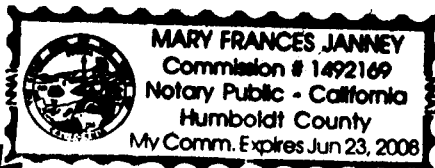
personally appeared Jack Rosicky

Name and Title of Officer (e.g. "Jane Doe, Notary Public")

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Mary Frances Janney
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

- ☐ Individual
- ☐ Corporate Officer — Title(s): _____
- ☐ Partner — ☐ Limited ☐ General
- ☐ Attorney-in-Fact
- ☐ Trustee
- ☐ Guardian or Conservator
- ☐ Other: _____

Signer Is Representing: _____

