

89-08294

182 - 0509

AMENDMENT NO. 1

TO

DECLARATION AND ESTABLISHMENT

OF

CONDITIONS, COVENANTS, RESERVATIONS AND RESTRICTIONS  
FOR NORTH COURSE ESTATES

The Declaration and Establishment of Conditions, Covenants, Reservations and Restrictions for North Course Estates is hereby amended to add the following Article IX.

IX

GENERAL PROVISIONS

(a) The name of the Developer is changed from North Course Estates, Inc. to Henry F. Rogers, dba North Course Estates.

(b) The Association referred to in Article IV shall be organized under ORS Chapter 61, under the name North Course Estates Owners Association, Inc. ("Association"). The Association shall be governed by Articles of Incorporation and Bylaws in the form attached hereto as Exhibits "A" and "B." Said Articles and Bylaws may be amended from time to time in accordance with their provisions and with the provisions of Oregon law. It shall not be necessary in order for such amendments to be effective that they be recorded as part of any future amendment to these Declarations. Anyone desiring a copy of the current Articles of Incorporation and

*✓ Memo.  
Henry  
F. Rogers*

Bylaws may obtain such copies by requesting them from the Association Board of Directors.

(c) The Declaration and Establishment of Conditions, Covenants, Reservations and Restrictions, including this Amendment and all future amendments, 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 land subject to these Declarations, their respective legal representatives, heirs, successors and assigns, for a term of ten years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten years each, unless an instrument signed by the then owners of two-thirds of the Lots has been recorded, agreeing to change said covenants and restrictions in whole or in part; provided, however, that no such agreement to change shall be effective unless made and recorded three years in advance of the effective date of such change and unless written notice of the proposed agreement is sent to every owner of land subject to these Declarations at least 90 days in advance of any action taken.

(d) Any notice required to be sent to any member of the Association or Owner of land subject to these Declarations, under the provisions of these Declarations, shall be deemed to have been properly sent when mailed, postpaid, to the last known address of the person who appears as a member or Owner

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on the records of the Association at the time of such mailing.

(e) Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provision, which shall remain in full force and effect.

DATED this 21st day of March, 1989.

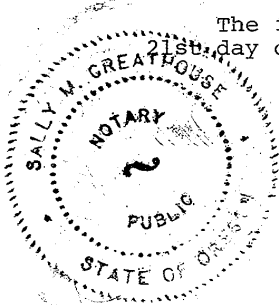
"Developer"

NORTH COURSE ESTATES

By *Henry F. Rogers*  
HENRY F. ROGERS

STATE OF OREGON            )  
                                  ) ss:  
County of Deschutes        )

The foregoing instrument was acknowledged before me this 21st day of March, by HENRY F. ROGERS.



*Sally M. Greathouse*  
Notary Public for Oregon  
My Commission Expires: 4-13-90

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ARTICLES OF INCORPORATION  
NONPROFIT CORPORATION

OF

NORTH COURSE ESTATES OWNERS ASSOCIATION, INC.

FILED  
IN THE OFFICE OF THE SECRETARY  
OF STATE OF THE STATE OF OREGON.

MAR 27 1989

CORPORATION DIVISION

ARTICLE I

The name of this Corporation is:

NORTH COURSE ESTATES OWNERS ASSOCIATION, INC.

ARTICLE II

The name of the initial registered agent of this Corporation is James E. Petersen, whose address is 835 N.W. Bond Street, Bend, Oregon 97701, which address is the registered office of this Corporation.

ARTICLE III

The address where the Division may mail notices is:

835 N.W. Bond Street  
Bend, Oregon 97701

ARTICLE IV

The purpose for which this corporation is organized is to promote the health, safety and welfare of the residents of North Course Estates, being a subdivision of a portion of Tract D, Fairway Crest Village IV (Plat No. 679), in Sunriver, Oregon, and such additions thereto as may hereafter be brought within the jurisdiction of this corporation and for this purpose to:

Exhibit "A"

Page 1. ARTICLES OF INCORPORATION

(a) own, acquire, build, operate and maintain common properties situated within North Course Estates;

(b) fix assessments (or charges) to be levied against land situated in North Course Estates;

(c) enforce any and all covenants, restrictions and agreements applicable to the properties; and to pay taxes, if any, on the common properties and facilities; and

(d) to engage in any lawful activity for which corporations may be organized under ORS Chapter 61.

ARTICLE 5

The number of initial directors is one. The name and address of the initial board of directors is as follows:

HENRY F. ROGERS  
P.O. Box 4245  
Sunriver, OR 97707

ARTICLE VI

Directors may be selected exclusively by the Developer until 12 lots in the subdivision are sold to parties other than Developer, after which time directors are elected by a majority vote of a quorum of members represented in person or by proxy at the annual meeting of members. The term of office for all directors is two years.

ARTICLE VIIDisposition of Assets Upon Dissolution


Upon dissolution of the corporation, the assets, both real and personal, of the corporation shall be dedicated to an appropriate public agency, utility, or other homeowner's association organized under Chapter 61 of the Oregon Revised Statutes for purposes as nearly as practicable the same as those to which they are required to be devoted by the corporation. In the event that such dedication is refused acceptance, such assets shall be granted, conveyed and assigned to any nonprofit corporation, association, trust or other organization to be devoted to purposes as nearly as practicable the same as those to which they were required to be devoted by the corporation. No such disposition of association properties shall be effective to divest or diminish any right or title of any member vested in him under any recorded declaration or bylaws of the corporation unless made in accordance with the provision of such declaration or bylaws.

ARTICLE VIII

The name and address of the incorporator executing these Articles of Incorporation is as follows: James E. Petersen, whose address is 835 N.W. Bond Street, Bend, OR 97701.

For the purpose of organizing this Corporation under the laws of the State of Oregon, I sign these Articles of

Incorporation in duplicate this 21st day of March, 1989, and declare, under the penalties of perjury, that I have examined them and that to the best of my knowledge and belief they are true, correct and complete.

  
\_\_\_\_\_  
JAMES E. PETERSEN  
835 N.W. Bond St.  
Bend, Oregon 97701

Page 4. ARTICLES OF INCORPORATION

Exhibit "A"

BYLAWS  
OF  
NORTH COURSE ESTATES OWNERS ASSOCIATION, INC.

ARTICLE I  
GENERAL PROVISIONS

1.1 Name. The name of the Association is NORTH COURSE ESTATES OWNERS ASSOCIATION, INC. ("Association"). The principal office of the Association shall be at such place in the County of Deschutes, state of Oregon, as the Board of Directors may designate from time to time.

1.2 Definitions. Unless expressly indicated to the contrary, the terms used herein shall have the following meanings:

(a) "Declaration." That certain Declaration of Covenants, Conditions and Restrictions recorded November 8, 1988, in the office of the recording officer of Deschutes County in book 173 beginning at page 2310 and all amendments thereto.

(b) "Subdivision." All of the Subdivision as defined in the Declaration and together with the improvements thereon.

(c) "Additional Terms." The balance of the terms defined in the Declaration shall have the same meaning when used in these Bylaws as when used in the Declaration.

(d) "Developer." Henry F. Rogers, dba North Course Estates.

1.3 Purpose. The Association has been formed for the purpose of exercising the powers and performing the duties of the Association set forth in these Bylaws, the Articles of Incorporation of the Association, and the Declaration.

ARTICLE II  
MEMBERSHIP AND VOTING RIGHTS

2.1 Membership. Every person or entity who is a record owner of a fee or undivided fee, interest in any Lot which is subject by covenants of record to assessment by the Association shall be a member of the Association, provided that any such person or entity who holds such interest merely

1. BYLAWS

Exhibit "B"



as a security for the performance of an obligation shall not be a member.

2.2 Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A members shall be all those owners as defined in Section 2.1 with the exception of the Developer. Class A members shall be entitled to one vote for each Lot in which they hold the interest required for membership by Section 2.1. When more than one person holds such interest or interests in any Lot all such persons shall be members, and the vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any such Lot.

Class B. Class B members shall be the Developer or its designated successor. The Class B member shall be entitled to two votes for each Lot in which it holds the interest required for membership by Section 2.1, provided that the Class B membership shall cease and become converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equal the total votes outstanding in the Class B membership; or

(b) on January 1, 1994.

From and after the happening of these events, whichever occurs earlier, the Class B member shall be deemed to be a Class A member entitled to one vote for each Lot in which it holds the interests required for membership under Section 2.1.

2.3 Rights and Privileges of Members. No member shall have the right, without the prior approval of the Board, to exercise any of the powers or to perform any of the acts delegated to the Board by these Bylaws, or the Declaration. Each member shall have all the rights and privileges including, but not limited to, property rights and rights of access over, and use and enjoyment of the common property situated in the Subdivision ("Common Property") granted to the members by these Bylaws and the Declaration, subject to such limitations as may be imposed in accordance therewith.

2.4 Association Policies and Procedures. The Board may establish such rules and regulations and prerequisite

## 2. BYLAWS

Exhibit "B"

conditions to the use of the Common Property and facilities thereon as it, in its sole discretion, deems appropriate. All rules, policies and regulations adopted pursuant to this Section 2.4 and pursuant to the Declaration shall thereafter be referred as to "Association Rules and Regulations."

2.5 Suspension of Voting Rights and Other Membership Rights. The Board shall have the right to suspend the voting rights of any member or members for the period during which any assessment owed by such member remains unpaid and delinquent.

### ARTICLE III ASSESSMENTS AND LIEN RIGHTS

3.1 Purpose of Assessment. The assessments provided for herein shall be used for the general purposes of promoting the recreation, health, safety, welfare, common benefit, and enjoyment of the Members and occupants of Lots, including the maintenance of real and personal property, all as may be more specifically authorized from time to time by the Board of Directors.

3.2 Creation of Assessments. Each Owner of any Lot, by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, covenants and agrees to pay to the Association; (a) annual assessments or charges; and (b) special assessments, such assessments to be established and collected as hereinafter provided. All such assessments, together with late charges, interest, not to exceed the maximum legal rate, costs, and reasonable attorney's fees actually incurred, shall be a charge on the land and shall be a continuing lien upon the Lot against which each assessment is made.

3.3 Computation of Assessment. It shall be the duty of the Board to prepare a budget covering the estimated costs of operating the Association during the coming year, which shall include a capital contribution or reserve in accordance with a capital budget separately prepared. The Board shall cause the budget and the assessments to be levied against each Lot for the following year to be delivered to each member at least 30 days prior to the end of the current fiscal year. The budget and the assessment shall become effective unless disapproved at a meeting by a majority vote of the members. Notwithstanding the foregoing, however, in the event the membership disapproved the proposed budget for the succeeding year, then and until such time as a budget shall have been determined, as provided herein, the budget in effect for the then current year shall continue for the succeeding year.

### 3. BYLAWS

Exhibit "B"

3.4 Special Assessments. In addition to the other assessments authorized herein, the Association may levy special assessments in any year. So long as the total amount of special assessments allocable to each Lot does not exceed 15% of the then current regular assessment in any one fiscal year, the Board may impose the special assessment. Any special assessment which would cause the amount of special assessments allocable to any Lot to exceed this limitation shall be effective only if approved by a majority vote of the members. Special assessments shall be paid as determined by the Board, and the Board may permit special assessments to be paid in installments extending beyond the fiscal year in which the special assessment is imposed.

3.5 Lien for Assessments. All sums assessed against any Lot pursuant to this Declaration, together with late charges, interest, costs, and reasonable attorney's fees actually incurred, as provided herein, shall be secured by a lien on such Lot in favor of the Association. Such lien shall be superior to all other liens and encumbrances on such Lot, except for (a) liens for ad valorem taxes; or (b) liens for all sums unpaid on a first Mortgage or on any Mortgage or Agreement of Sale to which developer is a party duly recorded in the land records of Deschutes County, Oregon, and all amounts advanced pursuant to such Mortgage or Agreement of Sale and secured thereby in accordance with the terms of such instrument.

All other persons acquiring liens or encumbrances on any Lot after these Bylaws shall have been recorded in such records shall be deemed to consent that such liens or encumbrances shall be inferior to future liens for assessments, as provided herein, whether or not prior consent is specifically set forth in the instruments creating such liens or encumbrances.

3.6 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. Any assessment delinquent for a period of more than 10 days shall incur a late charge in an amount as the Board may from time to time determine. The Association shall cause a notice of delinquency to be given to any member who has not paid within 10 days following the due date. If the assessment is not paid within 30 days, a lien, as herein provided, shall attach, and, in addition, the lien shall include the late charge, interest (not to exceed the maximum legal rate, on the principal amount due), and all late charges from the date first due and payable, all costs of collection, reasonable attorney's fees actually incurred, and any other amounts provided or permitted by law. In the event that the assessment remains unpaid after 60 days, the

#### 4. BYLAWS

Exhibit "B"

Association may, as the Board shall determine, institute suit to collect such amounts and to foreclose its lien as permitted by law. Each member, by acceptance of a deed or as a party to any other type of conveyance, vests in the Association or its agents the right and power to bring all actions against him or her, personally, for the collection of such charges as a debt or to foreclose the aforesaid lien in the same manner as other liens for the improvement of real property. The lien provided for in this Article shall be in favor of the Association and shall be for the benefit of all other members. The Association, acting on behalf of the members, shall have the power to bid on the Lot at any foreclosure sale or to acquire, hold lease, mortgage, or convey the unit. No member may waive or otherwise except liability for the assessments provided for herein, including, by way of illustration, but not limitation, abandonment of the Lot.

All payments shall be applied first to costs and attorneys' fees, then to late charges, then to interest, then to delinquent assessments, then to any unpaid installments of the annual assessment or special assessments which are not the subject matter of suit in the order of the coming due, and then to any unpaid installments of the annual assessment or special assessments which are the subject matter of suit in the order of their coming due.

3.7 Capital Budget and Contribution. The Board of Directors shall annually prepare a capital budget which shall take into account the number and nature of replaceable assets, the expected life of each assets, and the expected repair or contribution, if any, in an amount sufficient to permit meeting the projected capital needs of the Association, as shown on the capital budget, with respect to both amount and timing by annual assessments over the period of the budget. The capital contribution required shall be fixed by the Board and included within the budget and assessments and shall be distributed to each member as provided in Section 3.3.

3.8 Date of Commencement of Annual Assessments. The annual assessments provided for herein shall commence as to all Lots then existing and subject to assessment on the first day of the month following the conveyance of the first Lot by the Developer to a Class A member and shall be due and payable in a manner and on a schedule as the Board of Directors may provide. The first annual assessment shall be adjusted according to the number of months then remaining in that fiscal year.

## 5. BYLAWS

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### 3.9 Assessments of Developer.

(a) After the commencement of assessment payments as to any Lot, Developer covenants and agrees to pay the full amount of the annual assessments for each Lot that it owns; provided, however, that the Developer shall be required to pay only 50 percent of the annual assessment for unoccupied Lots that it owns.

(b) Notwithstanding anything to the contrary herein, the Developer may contribute assessments due from it in services or materials or a combination of services and materials, rather than in money (herein collectively called in-kind contribution). The amount by which monetary assessments shall be decreased as a result of any in-kind contribution shall be the fair market value of the contribution. If the Developer and the Association agree as to the value of any contribution, the value shall be as agreed. If the Association and the Developer cannot agree as to the value of any contribution, the Developer shall supply the Association with a detailed explanation of the service performed and material furnished, and the Association shall obtain bids for performing like services and furnishing like materials from three independent contractors approved by the Developer who are in the business of providing such services and materials. If the Association and the Developer are still unable to agree on the value of the contribution, the value shall be deemed to be the average of the bids received from the independent contractors.

## ARTICLE IV MEETINGS OF MEMBERS

4.1 Place of Meeting. All meetings of the members shall be held within the Subdivision or as close thereto as may be practical.

4.2 Annual Meeting of Members. The annual meeting of the members shall be held each year on the first Saturday of July. At all annual meetings as required, the members shall elect a Board of Directors by secret written ballot in accordance with the requirements of these Bylaws. The members may also transact such other business of the Association as may properly come before them at such Annual Meeting.

4.3 Special Meetings. Special meetings of the members for any purpose may be called at any time by the President, the Vice President, the Secretary or the Treasurer, or by any two or more members of the Board of Directors, or upon written request of the members who have a right to vote

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one-fourth of all of the votes of the entire membership or who have a right to vote one-fourth of the votes of the Class A membership.

4.4 Notice. Notice of any meetings shall be given to the members by the Secretary. Notice may be given to the member either personally, or by sending a copy of the notice through the mail, postage thereon fully prepaid to his address appearing on the books of the corporation. Each member shall register his address with the Secretary, and notices of meetings shall be mailed to him at such address. Notice of any special meeting shall be mailed at least six days in advance of the meeting and shall set forth in general the nature of the business to be transacted. Notice of the annual meeting shall be mailed no less than 7 or more than 50 days prior to the date set for the meeting.

4.5 Presence. The presence at the meeting of members entitled to cast, or of proxies entitled to cast one-tenth of the votes of each class of membership, shall constitute a quorum for any action governed by these Bylaws.

#### ARTICLE V

#### BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

##### A. COMPOSITION AND SELECTION:

5.1 Governing Body: Composition. The affairs of the Association shall be governed by a Board of Directors. Except as provided in 5.2 of this Article, the directors shall be members or spouses of such members; provided, however, no person and his or her spouse may serve on the board at the same time.

5.2 Directors During Developer Control. The directors shall be selected by the Developer acting in its sole discretion and shall serve at the pleasure of the Developer so long as the Class B membership exists, as set forth in Section 2.2, unless the Developer shall earlier surrender this right to select directors. The directors selected by the Developer need not be owners or residents in the subdivision. After the period of Developer appointment, all directors must be members of the Association.

5.3 Number of Directors and Term. The number of directors in the Association shall be not less than one nor more than three, as the Board of Directors may from time to time determine by resolution. The initial Board shall consist of one member. All Board members shall each serve a term of two years.

#### 7. BYLAWS

Exhibit "B"

5.4 Nomination of Directors. Except with respect to directors selected by the Developer, nominations for election to the Board of Directors shall be made by a Nominating Committee. 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 not less than 30 days prior to each annual meeting of the members to serve from the close of such annual meeting until the close of the next annual meeting, and such appointment shall be announced at each such 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 in no event less than the number of vacancies or terms to be filled. Nominations shall be permitted from the floor. All candidates shall have a reasonable opportunity to communicate their qualifications to the members and to solicit votes.

5.5 Removal of Directors. Upon the termination of the Class B membership, at any regular or special meeting of the Association duly called, any one or more of the members of the Board of Directors may be removed, with or without cause, by a majority vote of the members, and a successor may then and there be elected to fill the vacancy thus created. A director whose removal has been proposed by the members shall be given at least 10 days' notice of the calling of the meeting and the purpose thereof and shall be given an opportunity to be heard at the meeting. Additionally, any director who has three consecutive unexcused absences from Board meetings or who is delinquent in the payment of an assessment for more than 20 days may be removed by a majority vote of the directors at a meeting, a quorum being present.

In the event of death or resignation of a director, his or her successor shall be selected by a majority of the remaining members of the Board and shall serve for the unexpired term of the predecessor.

5.6 Vacancies. Vacancies in the Board of Directors caused by any reason, excluding the removal of a director by vote of the members, shall be filled by a vote of the majority of the remaining directors, even though less than a quorum, at any meeting of the Board. Each person so elected shall serve the unexpired portion of the vacated term.

5.7 Voting Procedure for Directors. The first election of the Board shall be conducted at the first meeting of the Association. At such election, the members or their proxies may cast, with respect to each vacancy, as many votes as they are entitled to exercise under the provisions of these

## 8. BYLAWS

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Bylaws. The persons receiving the largest number of votes shall be elected. Voting for directors shall be by secret written ballot.

5.8 Organization Meetings. The first meeting of the members of the Board of Directors following each annual meeting of the membership shall be held within 10 days thereafter at such time and place as shall be fixed by the Board.

5.9 Regular Meetings. 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 directors. Notice of the time and place of the meeting shall be posted at a prominent place within the Subdivision and shall be communicated to directors not less than three days prior to the meeting; provided, however, notice of a meeting need not be given to any director who has signed a waiver of notice or a written consent to holding of the meeting.

5.10 Special Meetings. Special meetings of the Board of Directors shall be held when called by written notice signed by the President, Vice President, or Secretary of the Association, or by any two directors. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be given to each director by one of the following methods:

- (a) by personal delivery;
- (b) written notice by first class mail, postage prepaid;
- (c) by telephone communication, either directly to the director or to a person at the director's office who would reasonably be expected to communicate such notice promptly to the director; or
- (d) by telegram, charges prepaid.

All such notices shall be given or sent to the director's address or telephone number as shown on the records of the Association. Notices sent by first class mail shall be deposited into a United States mailbox at least three days before the time set for the meeting. Notices given by personal delivery, telephone, or telegraph shall be delivered, telephoned, or given to the telegraph company at least 72 hours before the time set for the meeting.

5.11 Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or

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wherever held, shall be as valid as though taken at a meeting duly held after regular call and notice if (a) a quorum is present, and (b) either before or after the meeting each of the directors not present signs a waiver of notice, a consent to holding the meeting, or an approval of the minutes. The waiver of notice or consent need not specify the purpose of the meeting. Notice of a meeting shall also be deemed given to any director who attends the meeting without protesting before or at its commencement after the lack of adequate notice.

5.12 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. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors if any action taken is approved by at least a majority of the required quorum for that meeting. At 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.

5.13 Compensation. No director shall receive any compensation from the Association for acting as such unless approved by a majority vote of all members entitled to vote at a regular or special meeting of the Association.

5.14 Conduct of Meetings. The President shall preside over all meetings of the Board of Directors, and the Secretary shall keep a minute book of the Board of Directors, recording therein all resolutions adopted by the Board of Directors and a record of all transactions and proceedings occurring at such meetings.

5.15 Open Meetings. All meetings of the Board shall be open to all members, but members other than directors may not participate in any discussion or deliberation unless expressly so authorized by a majority of a quorum of the Board.

5.16 Executive Session. The Board may, with approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote upon personnel matters, litigation in which the Association is or may become involved, and orders of business of a similar nature. The nature of all business to be considered in executive session shall first be announced in open session.

## 10. BYLAWS

Exhibit "B"

5.17 Action Without a Formal Meeting. Any action to be taken at a meeting of the directors or any action that may be taken at a meeting of the directors may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors.

5.18 Powers. The Board of Directors shall be responsible for and shall have all the powers and duties necessary for the administration of the Association's affairs and, as provided by law, may do all acts and things as are not by the Declaration, Articles, or these Bylaws directed to be done and exercised exclusively by the members.

In addition to the duties imposed by these Bylaws or by any resolution of the Association that may be hereafter adopted, the Board of Directors shall have the power to and be responsible for the following, by way of explanation and not limitation:

(a) Preparation and adoption of an annual budget in which there shall be established the contribution of each member to the common expenses;

(b) Making assessments to defray the common expenses, establishing the means and methods of collecting such assessments, and establishing the period of the installment payments of the annual assessment (unless otherwise determined by the Board of Directors, the annual assessment against the proportionate share of the common expenses shall be payable in equal monthly installments, each such installment to be due and payable in advance on the first day of each month for said month);

(c) Providing for the operation, care, upkeep, and maintenance of all of the Common Property;

(d) Designating, hiring, and dismissing the personnel necessary for the maintenance, operation, repair, and replacement of the Common Property and, where appropriate, providing for the compensation of such personnel and for the purchase of equipment, supplies, and material to be used by such personnel in the performance of their duties;

(e) Collecting the assessments, depositing the proceeds thereof in a bank depository which it shall approve, and using the proceeds to administer the Association;

(f) Making and amending Association Rules and Regulations;

# 11. BYLAWS

Exhibit "B"

(g) Opening of bank accounts on behalf of the Association and designating the signatories required;

(h) Making or contracting for the making of repairs, additions, and improvements to or alterations of the Common Property in accordance with the other provisions of the Declaration and these Bylaws after damage or destruction by fire or other casualty;

(i) Enforcing by legal means the provisions of the Declaration, these Bylaws, and the Association Rules and Regulations adopted by it and bringing any proceedings which may be instituted on behalf of or against the members concerning the Association;

(j) Obtaining and carrying insurance against casualties and liabilities and paying the premium cost thereof;

(k) Paying the cost of all services rendered to the Association or its members and not chargeable to members;

(l) Keeping books with detailed accounts of the receipts and expenditures affecting the Association and its administration, specifying the maintenance and repair expenses and any other expenses incurred. Such books and records shall be available for examination by the members and mortgagees, their duly authorized agents, accountants, or attorneys, during general business hours on working days at the time and in a manner that shall be set and announced by the Board of Directors for the general knowledge of the members. All books and records shall be kept in accordance with generally accepted accounting practices;

(m) Make available to any prospective purchaser of a Lot current copies of the Declaration, the Articles of Incorporation, the Bylaws, Association Rules and Regulations, and all other books, records, and financial statements of the Association; and

(n) Permit utility suppliers to use portions of the Common Property reasonably necessary to the ongoing development or operation of the Subdivision.

#### ARTICLE VI PROPERTY RIGHTS AND RIGHTS OF ENJOYMENT OF COMMON PROPERTY

6.1 Each member shall be entitled to the use and enjoyment of the Common Properties and facilities, subject to the Association Rules and Regulations.

#### 12. BYLAWS

Exhibit "B"

6.2 Any member may delegate his rights of enjoyment in the Common Properties and facilities to the members of his family who reside in the Subdivision or to any of his tenants who reside thereon under a leasehold interest for a term of one year or more. Such member shall notify the Secretary in writing of the name of any such person and of the relationship of the member to such person.

#### ARTICLE VII OFFICERS

7.1 The officers shall be a President, a Vice President, a Secretary and a treasurer. The President and the Vice President shall be members of the Board of Directors.

7.2 The officers shall be chosen by a majority vote of the directors.

7.3 All officers shall hold office during the pleasure of the Board of Directors.

7.4 The President shall preside at all meetings of the Board of Directors, shall see that orders and resolutions of the Board of Directors are carried out and sign all notes, checks, leases, mortgages, deeds and all other written instruments.

7.5 The Vice President shall perform all the duties of the President in his absence.

7.6 The Secretary shall be ex officio the secretary of the Board of Directors, shall record the votes and keep the minutes of all proceedings in a book to be kept for that purpose. He shall keep the records of the Association and shall record the names of all members of the Association, together with their addresses as registered by such members.

7.7 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, provided, however, that a resolution of the Board of Directors shall not be necessary for disbursements made in the ordinary course of business conducted within the limits of a budget adopted by the Board.

#### ARTICLE VIII PROXIES

8.1 At all corporate meetings of members, each member may vote in person or by proxy.

#### 13. BYLAWS

Exhibit "B"

8.2 All proxies shall be in writing and filed with the Secretary. No proxy shall extend beyond a period of 11 months, and every proxy shall automatically cease upon the closing of a sale of the member's Lot.

ARTICLE IX  
AMENDMENTS

9.1 These Bylaws may be amended, at a regular or special meeting of the members, by a vote of a majority of a quorum of each class of members present in person or by proxy.

9.2 In the case of any conflict between the Articles of Incorporation and these Bylaws, the Articles shall control. In the case of any conflict between the Declaration and these Bylaws, the Declaration shall control.

IN WITNESS WHEREOF, I, being the sole director of the NORTH COURSE ESTATE OWNERS ASSOCIATION, INC., have hereunto set my hand this 21st day of March, 1989.

  
HENRY F. ROGERS

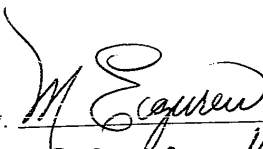
STATE OF OREGON )  
COUNTY OF DESCHUTES ) SS.

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

89 APR 13 PM 3:00

MARY SUE PENHOLLOW  
COUNTY CLERK

14. BYLAWS

BY.  DEPUTY  
NO. 89-08294 FEE 105.00  
DESCHUTES COUNTY OFFICIAL RECORDS