

MAIL TO:

NORTH COURSE OWNERS
P.O. BOX 3591
SUNRISE, OR 97707

98-27618

AMENDED AND RESTATED

BYLAWS
OF
NORTH COURSE ESTATES OWNERS ASSOCIATION, INC.

500 - 0434

By affirmative vote of the majority and in accordance with the provisions hereof, the North Course Estates Owners Association hereby amends and restates as follows those Bylaws dated March 21, 1989, and recorded as Exhibit "B" to the Amended Declaration in Deschutes County Deed Records in Book 182, Page 0509, Series # 89-08294:

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, Amendment No. 1 to the Declaration recorded Book 182, Page 0509, No. 89-08294 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) "Common Property." Any area which is designated as such on the North Course Estates Subdivision Plat No. 679 along with any improvements constructed thereon.

(e) "Lot." Each lot described on the North Course Estates Subdivision Plat No. 679 which is designated as a private area together with any single family dwelling or other improvements constructed thereon.

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

2.2 Voting Rights. The Association members shall be all those owners as defined in Section 2.1. 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.

Voting may occur either in person or by written proxy at any meeting of the members for which a quorum has been established in accordance with the procedures set forth herein. Voting may also occur by written ballot without a meeting in accordance with applicable Oregon law.

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 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 to as "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**

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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 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.

3.4 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) first mortgage or first trust deed of record.

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 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 and to acquire, hold lease, mortgage, or convey the Lot. 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 the suit in the order of their coming due, and then to any unpaid installments of the annual assessment or special assessments which are the subject matter of the 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 asset, 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 January 1st of each and

every year and shall be due and payable in a manner and on a schedule as the Board of Directors may provide.

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 fourth Saturday of June. 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 at least four of the members who have a right to vote.

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 Quorum. At any meeting of the Association, the owners of a majority of the Lots, present in person or by proxy, shall constitute a quorum. When a quorum is once present to organize a meeting, it cannot be broken by the subsequent withdrawal of a unit owner or owners.

ARTICLE V
BOARD OF DIRECTORS: NUMBER, POWERS, MEETINGS

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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 Number of Directors and Term. The number of directors in the Association shall be not less than three nor more than five, as the Board of Directors may from time to time determine by resolution. All Board members shall be elected for a term of two years.

5.3 Nomination of Directors. Nominations for election to the Board of Directors shall be made at the annual meeting by any member wishing to make a nomination.

5.4 Removal of Directors. At any regular or special meeting of the Association duly called, any one or more of the 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.

5.5 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.

5.6 Voting Procedure for Directors. 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 Bylaws. The person receiving the largest number of votes shall be elected. Voting for directors shall be by secret written ballot at the annual meeting.

5.7 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.

5.8 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.

5.9 Special Meeting. 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.

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

5.11 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 the 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.

5.12 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.

5.13 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 record of all transactions and proceedings occurring at such meetings.

5.14 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.

5.15 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.

5.16 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.

5.17 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.

(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;

(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 Properties 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.

6.2 Any member may delegate his rights of enjoyment in the Common Properties and facilities to the members of his family or guests 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. The offices of Secretary and Treasurer may be held by the same person.

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.

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 a 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 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, the NORTH COURSE ESTATES OWNERS ASSOCIATION, INC., in accordance with the provisions hereof has caused these Amended and Restated Bylaws to be executed this 25th day of June, 1998.

NORTH COURSE ESTATES OWNERS ASSOCIATION, INC.

By: _____

Teri Lynn Baron

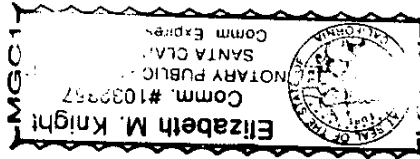
Board of Directors, North Course Estates Owners Association, Inc.

State of California)
County of Santa Clara)

On June 25, 1998, before me, the undersigned, a Notary Public for said state, personally appeared Teri Lynn Baron personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that she executed the same in her authorized capacity and that by her signature on the instrument, the person or the entity upon behalf of which the person acted, executed the same.

Witness my hand and official seal

Signature _____



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:

98 JUN 26 PM 2:56

MARY SUE PENHOLLOW
COUNTY CLERK

BY: _____ DEPUTY
98-27618
NO. _____ FEE 60-
DESCHUTES COUNTY OFFICIAL RECORDS