

AMENDED
MT. BACHELOR VILLAGE CHARTER

A statement of the Mt. Bachelor Village Charter for the development of portions of Mt. Bachelor Village, containing among other things provisions which will subject portions thereof to certain easements, restrictions, assessments, penalties and liens.

OBJECTIVES

Mt. Bachelor Village is a development located in Deschutes County, Oregon. Mt. Bachelor Village is owned by Brooks Resources Corporation, an Oregon corporation, the "Developer."

The Developer hopes to create at Mt. Bachelor Village a carefully designed community which will provide an attractive environment for permanent and vacation residences organized under this declaration.

The Developer expects to provide common areas and recreational and service facilities, some of which will be available for use by all the residents of Mt. Bachelor Village through provisions for shared costs of these facilities.

The Developer will provide leadership in organizing and administering the Mt. Bachelor Village sections during the development period, but expects residents in Mt. Bachelor Village to accept responsibility for community administration by the time the development is complete.

Funds for the maintenance and development of common areas, private ways and certain other areas generally will be provided through assessments against those who acquire an interest in specific sections, and there will be a system designed to assure that each person acquiring such an interest will pay his share of the necessary moneys.

By adoption of the Mt. Bachelor Village Charter, the Developer is not committing itself to take any action for which definite provision is not made below. One who acquires any interest in Mt. Bachelor Village shall not have any legal right to insist that there be development except as provided in the instrument creating the section in which he acquires his interest and except as otherwise provided in this Charter and in instruments which hereafter may be filed subjecting areas in Mt. Bachelor Village to this Charter.

The following is the Amended Mt. Bachelor Village Charter which supercedes the Mt. Bachelor Village Charter recorded in Book 205, Page 976, Deed Records of Deschutes County, Oregon.

SECTION 1. Definitions. When used herein the following terms shall have the following meanings:

1.1 "Architecture Review Committee" or "Architectural Committee" shall mean the committee appointed pursuant to the provisions of Section 8 herein.

1.2 "Mt. Bachelor Village" shall mean the real property described in Exhibit A attached hereto, together with any additional area which hereafter may be owned or leased by the Developer any portion of which shall lie within one and one half miles of any portion of the property described on Exhibit A and with respect to which the Developer has filed a declaration in the records of deed of Deschutes County, Oregon providing that such property shall be part of Mt. Bachelor Village.

1.3 "The Mt. Bachelor Village Association" shall mean the association to be organized by the Developer pursuant to the provisions of Section 10 herein.

1.4 "Mt. Bachelor Village Declaration" shall mean any instrument provided for in Section 2 for the subjection of an area within Mt. Bachelor Village to the Charter.

1.5 "Mt. Bachelor Village Charter" and "Charter" shall mean this instrument, together with any amendments or supplements thereto.

1.6 "The Mt. Bachelor Village Rules and Regulations" shall mean the rules and regulations adopted as provided in Section 6 herein.

1.7 "Board of Directors" shall mean the Board of Directors of the Mt. Bachelor Village Association.

1.8 "Common Area" shall mean any area which is designated as such in a Mt. Bachelor Village Declaration or in the plat of a section.

1.9 "Condominium" shall mean any property submitted to unit ownership in the manner provided by ORS 91.500 through 91.671 as such statutes may be amended.

1.10 "Developer" shall mean Brooks Resources Corporation, its successors or assigns.

1.11 "Guest" shall mean any person who is in Mt. Bachelor Village at the invitation of a resident of Mt. Bachelor Village and who, to the extent required by the Mt. Bachelor Village Rules and Regulations, either is accompanied by a resident of Mt. Bachelor Village or has in his possession an unexpired guest card issued by the Manager of Mt. Bachelor Village.

1.12 "Maintenance Assessment" or "Assessment" shall mean any assessment imposed in accordance with the provisions of Section 7 herein.

1.13 "Maintenance Fund" shall mean the fund to be established pursuant to Section 7 herein.

1.14 "Manager of Mt. Bachelor Village" and "Manager" shall mean Developer until such time as Developer has delegated and assigned to the Mt. Bachelor Village Association all the Developer's powers and responsibilities given to or imposed upon it hereunder, and has transferred to Mt. Bachelor Village Association all moneys in the maintenance fund, after which the Manager of Mt. Bachelor Village shall be the Mt. Bachelor Village Association. Nothing herein will prevent the Mt. Bachelor Village Association from delegating and assigning its powers and responsibilities as Manager to some other party.

1.15 "Original Unit" shall mean a lot or unit as originally platted.

1.16 "Private Recreational Area" shall mean any portion of a common area which is leased to unit owners for recreational purposes as provided in Section 4.5 herein.

1.18 "Private Way" shall mean any area which is designated as such in a subdivision plat of a section, in a Mt. Bachelor Village Declaration or in a Declaration Submitting a Condominium Section to Oregon Unit Ownership Law.

1.19 "Resident of Mt. Bachelor Village" shall mean any person who is a unit owner or the lessee of a unit, together with members of his immediate family, provided that a person shall be a "resident of Mt. Bachelor Village", only during periods in which he is in possession of his unit.

1.20 "Section" shall mean any area subjected to the Charter in the manner provided in Section 2 which contains private areas for residential use, together with any areas which may be annexed thereto.

1.21 "Section Association" shall mean any association organized by or with the approval of the Manager of Mt. Bachelor Village for a particular section in such manner as to entitle at least one of the unit owners of each unit within the section to membership in the association by virtue of his being a unit owner. "Section Association" shall include but not be limited to any association of unit owners organized pursuant to the provisions of ORS 91.500 to 91.671 for the administration of a condominium subject to the Charter.

1.22 "Semipublic recreational or service area" shall mean any area devoted to a service or recreational facility which is made available for use by the public as well as by residents of Mt. Bachelor Village as provided in Section 4.6 herein.

1.23 "Unit" shall mean each lot described in any subdivision plat of a section which is designated as a private area, any condominium unit and its leasehold interest within a section, any leasehold interest designated as a unit on the instrument creating a section and any single family dwelling unit contained within a section. Developer may specify additional areas which shall constitute "units" in any instrument subjecting property within Mt. Bachelor Village to this Charter. If in any case a unit owner shall have consolidated a lot or portion thereof with another lot in the manner set forth in Section 5 herein, then the area consolidated shall be considered one unit. Lots may be classified into two parts, the "buildable area" and the "open area." "Unit" means both the buildable area and open area of any lot which otherwise constitutes a unit.

1.24 "Unit Owner" shall mean the person or persons who hold legal title to any unit unless provision is made in the instrument creating a section that a lessee or other person entitled to possession of a unit shall be the unit owner, in which case the person so designated shall be the unit owner.

SECTION 2. Subjection of Property to the Charter. Property within Mt. Bachelor Village may be subjected to the Charter by either of the following methods:

2.1 Filing of Declaration. The Developer may file a declaration in the records of deeds of Deschutes County, Oregon, providing that a particular area shall be subject to the Charter, or,

2.2 Statement in Lease. The Developer may state in any lease that an area described in the lease shall be subject to the Charter.

2.3 Excluded Property. The Developer may, by instrument recorded in the Official Records of Deschutes County, Oregon, relinquish its right to subject to the Charter any of the now dedicated or platted property described on Exhibit A attached hereto.

SECTION 3: Withdrawal of Property from the Charter.

3.1 Method of Withdrawal. An area which has been subjected to the Charter may be withdrawn therefrom by any of the following methods:

(a) The owners of all the property in an entire area subject to the Charter pursuant to a declaration as provided in Section 2.1 hereof may file a declaration stating that the area is withdrawn from the Charter.

(b) Property subjected to the Charter pursuant to a lease as provided in Section 2.2 may at the Developer's option be withdrawn from the Charter automatically upon termination or expiration of the lease pursuant to which the property was subjected to the Charter except to the extent that provision to the contrary is made in such lease.

(c) If any leasehold interests are held in an area subjected to the Charter pursuant to a declaration as provided in Section 2.1 hereof, then only with the Developer's written consent may the holders of all the interests in such a section file a declaration stating that the area is withdrawn from the Charter.

3.2 Effect of Withdrawal. Withdrawal of an area from the Charter shall have the following effects:

(a) Persons who do not own property within the area which is withdrawn shall not be entitled to use any of the common areas within the area withdrawn.

(b) Unit owners within the area which has been withdrawn shall no longer be entitled by virtue of ownership of their units and of the provisions of the Charter to use any common areas or semi-public recreational or service areas or the Developer's areas in any area which remains subject to the Charter.

(c) Following withdrawal of an area from the Charter, the Manager of Mt. Bachelor Village shall no longer expend moneys from the maintenance fund for any purpose within the area which is withdrawn except for the maintenance of any private ways referred to in subparagraph (e) of this Section 3.2, even though some part of such fund was contributed by unit owners within the area which has been withdrawn.

(d) Unit owners within the area which has been withdrawn shall no longer be subject to maintenance assessments. They shall, however, remain liable for all maintenance assessments due prior to the time of withdrawal and withdrawal shall not effect the right of the Manager of Mt. Bachelor Village to enforce assessments made prior to the time of withdrawal by imposition of a lien or otherwise. They shall also enter into road maintenance agreements providing for contribution to the cost of maintenance of the main entrance to Mt. Bachelor Village and roadways and related improvements which are subject to easements granted by the manager.

(e) The Manager of Mt. Bachelor Village may vacate any private ways within the area which is withdrawn which are not necessary for the purpose of providing access to a unit by a unit owner whose unit remains subject to the Charter. Within such limits the Manager may vacate a private way by filing a declaration to that effect in the records of deeds of Deschutes County, Oregon setting forth with particularity the private ways which are vacated. Following the vacation the manager shall not expend moneys from the maintenance fund for the maintenance of the private ways which were vacated.

SECTION 4. Land Classifications and Uses within Mt. Bachelor Village.

4.1 Classifications Presently Contemplated. Land classifications presently contemplated within areas to be subjected to the Charter are private areas, common areas, private ways, public roads and streets, private recreational areas, semipublic recreational or service areas, and the Developer's areas. The Developer reserves the right to create and make provision for additional land classifications in any Mt. Bachelor Village Declaration. The Developer of Mt. Bachelor Village will hold and retain title to common areas, private ways, private recreational areas, and semipublic recreational or service areas, subject, however, to the right of residents of Mt. Bachelor Village and others to use such areas as herein provided; subject to the provisions of Section 9.4 and subject to the right of the Developer to convey, assign or lease such areas to the Manager.

4.2 Private Areas. Restrictions on rules and regulations governing the use of private areas within a particular section shall be set forth in the Mt. Bachelor Village Declaration used to create the section. By accepting a deed or lease to a private area within a section, the grantee will be deemed to have covenanted that he will use and permit the use of the property only in accordance with, and that he will abide by and cause all those who come upon his premises to abide by, the restrictions, covenants and conditions contained in the Charter and in the Mt. Bachelor Village Declaration creating the section and in the rules and regulations promulgated thereunder; that he will pay to the Manager of Mt. Bachelor Village all amounts provided for in the Charter and such Mt. Bachelor Village Declaration; and that his property will be subject to a lien or liens as provided in such instruments. For the protection of all residents of Mt. Bachelor Village, the Manager of Mt. Bachelor Village will be generally responsible for the enforcement of such restrictions, covenants, conditions, rules and regulations.

4.3 Private Ways. Each unit owner and each resident of Mt. Bachelor Village is hereby granted a non-exclusive easement to use private ways for the purpose of walking thereon or traveling thereon by appropriate means. Each resident of Mt. Bachelor Village may permit his guests and invitees to use the private ways for such purposes. The easement herein granted shall be appurtenant to and assignable with the unit with respect to which it is granted but shall not otherwise be assignable. Use of private ways shall be subject to the Mt. Bachelor Village Rules and Regulations. The Developer of Mt. Bachelor Village, in its discretion, and at Developer's expense, may dedicate private ways to the public. The Manager may grant free access on private ways to police, fire and other public officials, to employees of utility companies servicing Mt. Bachelor Village and to such other person to whom the Manager believes access should be given for the benefit of residents of Mt. Bachelor Village. The Developer may use the private ways for its own purposes and for the purpose of location of utilities thereon. By granting the right to residents of Mt. Bachelor Village and others to use private ways the Developer does not intend to dedicate private ways to the public, but rather intends to preserve the private character of such ways. The Developer shall be deemed to have dedicated such ways to the public only if it shall file in the Records of Deschutes County, Oregon, an instrument clearly evidencing its intention to dedicate such ways to the public.

4.4 Common Areas. Each resident of Mt. Bachelor Village is hereby granted a nonexclusive easement to use common areas for such recreational purposes as may be permitted by the Mt. Bachelor Village Rules and Regulations and in the manner

permitted therein. Each resident of Mt. Bachelor Village may permit his guest to use common areas for such purposes and in such manner. Common areas shall not be platted or otherwise divided into parcels for residential use. The Manager of Mt. Bachelor Village with the consent of the Developer may develop special recreational or service facilities on portions of the common areas for the general use and benefit of all residents of Mt. Bachelor Village and their guests after consultation with the Board of Directors. The Manager may from time to time permit residents of Mt. Bachelor Village to use designated portions of common areas for recreational or service uses of benefit to such residents only (as, for example, maintaining a volleyball or badminton court), provided that such permission shall be revocable at any time. The easement and rights herein granted shall be appurtenant and assignable with the unit in respect of which it is granted, but shall not otherwise be assignable. The Developer may dedicate common areas to the public for park purposes after consulting with the Board of Directors, and may use common areas for the purpose of location of utilities thereon. The Manager may bar any unit owner, members of his family and his guests from using common areas during periods in which the unit owner's maintenance assessments are delinquent.

4.5 Private Recreational Areas. It may be that a group of unit owners will wish to use a portion of the common areas to develop a facility such as a swimming pool or tennis court for their private use. The Developer of Mt. Bachelor Village may lease a portion of the common areas to a group of not less than five unit owners who wish to develop the same for their private recreational use subject to the following conditions:

- (a) The rentals received pursuant to the lease must be added to the maintenance fund.
- (b) Not more than 10 percent of the common area in any section may be so leased at any one time.
- (c) The lease shall provide that the lessees shall use the leased area solely for the development of a recreational facility thereon.
- (d) The lease shall preclude the lessees from operating a private recreational facility on the leased premises for profit or from permitting anyone other than residents of Mt. Bachelor Village and their guests from using the facility.
- (e) The lease shall provide that the lessees will erect or construct a designated recreational facility on the leased premises within a specified time in accordance with standards to be fixed by the

Architecture Review Committee and they shall maintain the improvement at their expense in accordance with standards which shall be fixed by the said Committee.

(f) The lease shall provide that ad valorem taxes assessed against any improvement constructed on a private recreational area shall be borne by the lessees.

(g) No person shall be excused from paying any part of the maintenance assessment by virtue of his use of a private recreational area in lieu of a facility available to all residents of Mt. Bachelor Village.

4.6 Semipublic Recreational or Service Areas. The Developer believes that it will be possible to make certain kinds of recreational and service facilities available to the residents of Mt. Bachelor Village on an economical basis only if the general public is allowed to use the facilities along with the residents of Mt. Bachelor Village on a fee basis. Therefore, the Developer may subject areas to the Charter which will constitute "semipublic recreational or service areas" if each of the following conditions is met:

(a) Provision must be made for the use of the facility by the residents of Mt. Bachelor Village and their guests in the manner permitted by the Mt. Bachelor Village Rules and Regulations.

(b) Fees charged residents of Mt. Bachelor Village and their guests for the use of the facility may be no higher than those charged members of the public for an equivalent use or service.

(c) Income from the operation of a recreational or service facility is the property of the Developer, its successors or assignee.

(d) The Developer shall be free to convert any semipublic recreational or service area into a common area on either a permanent or temporary basis at any time it deems this desirable.

4.7 Developer's Areas. The Developer will own certain areas not designated above, including but not limited to, any commercial areas and property designated as remaining the property of the Developer in a subdivision plat of a section, in a Mt. Bachelor Village Declaration or in a Declaration Submitting a Condominium Section to Oregon Unit Ownership Law. Such areas will be known as the Developer's Areas unless designated otherwise in the aforementioned plats and subdivisions.

4.8 General Restrictions. No activity will be permitted on common areas, private ways or private recreational areas which will be injurious to land or vegetation unless the Manager consents. There shall be no discharge of firearms within the boundaries of Mt. Bachelor Village unless the Manager consents. The operation of snowmobiles, trail bikes, motorcycles and other motorized nontransportation or off-road vehicles is prohibited within the boundaries of Mt. Bachelor Village unless the Manager consents. The Manager, with the consent of the Developer, or the Board of Directors if the Developer has transferred management responsibility as set forth in 9.2 and 9.4 herein, and the approval of the Architectural Review Committee, will be the only person who can authorize the erection of any improvement on common areas.

SECTION 5. Consolidation of Lots Within Private Areas.

Whenever a person shall own all of a lot restricted to single family residence use within a private area (the "basic lot"), together with one or more contiguous lots or contiguous portions thereof also restricted to single family residential use (the "additional lot" or "additional portion") and shall wish to consolidate the basic lot and the additional lot or additional portion, he may do so. The consolidation shall be effected by the owner's filing in the records of deeds of Deschutes County, Oregon, a declaration stating that the two areas are consolidated.

The consolidation provided for in this section shall have the following effects:

(a) The consolidated areas shall constitute one unit for all purposes under the Charter and under the Section Declaration for the Section on which the consolidated areas are located, except for the payment of assessments and voting.

(b) The entire consolidated area may be used for the construction of only one residence thereon.

(c) No residence or other structure may be placed upon the remainder of a lot, a portion of which was consolidated with another lot but which remainder has not been consolidated with another lot, unless the area of such remainder constitutes at least 95 percent of the original area of the lot.

(d) Areas which have once been consolidated may at no time in the future be partitioned.

SECTION 6. Mt. Bachelor Village Rules and Regulations.

In the exercise of its powers and in the performance of its obligations pursuant to the Charter and of any Mt. Bachelor Village Declaration, the Manager of Mt. Bachelor

Village may adopt, amend or repeal rules and regulations to be known as the Mt. Bachelor Village Rules and Regulations to provide for the manner in which common areas (including special recreational facilities established thereon), private ways, semipublic recreational or service areas, and any other areas which all residents of Mt. Bachelor Village are entitled to use, shall be used. A petition signed by 25 percent of the unit owners proposing amendment, adoption or repeal of existing rules applying to the above areas shall be submitted to a vote of all unit owners in the same manner as proposed amendments to the Charter. To the extent provided in a Mt. Bachelor Village Declaration, the Mt. Bachelor Village Rules and Regulations may provide for the manner in which private areas may be used. Amendment, adoption and repeal procedures for such private area rules and regulations, if any, will be set out in such Mt. Bachelor Village Declaration.

Mt. Bachelor Village Rules and Regulations may, among other things, provide for any of the following:

(a) For speed and other traffic controls, safety patrols, parking controls and restrictions upon the type of vehicles which may use private ways.

(b) As to the spaces within common areas which may be used for particular recreational or service purposes and as to the time and manner in which such spaces may be used.

(c) For the control of noise, for litter control and trash disposal and for the personal conduct of residents of Mt. Bachelor Village and their guests while in the common areas, private ways and semipublic recreational or service areas.

(d) For the conditions upon which guests of residents of Mt. Bachelor Village will be entitled to use common areas, private ways and semipublic recreational or service areas and for the terms and conditions upon which cards will be issued.

(e) For the control of pets.

All rules and regulation must be applicable on a nondiscriminatory basis. However, provisions uniformly applicable to a class of persons such as children of particular ages, will not be deemed discriminatory. A current copy of the Mt. Bachelor Village Rules and Regulations shall be kept on file at the principal office of the Manager of Mt. Bachelor Village at all times. Such Rules and Regulations shall have the same force and effect as if set forth herein as part of the Charter. Each unit owner will be given a copy of such rules and regulations and copies of any changes thereto when made.

SECTION 7. Maintenance and Development Fund.

7.1 Imposition of Regular Assessments. The Manager of Mt. Bachelor Village shall have the right to impose an assessment against each unit owner within Mt. Bachelor Village. Such assessments shall be applied uniformly to all original units, except that the Developer shall not be assessed with respect to a unit owned by it upon which no dwelling house has been erected and no assessment shall be imposed with respect to a condominium unit which has never been sold or rented. On or before December 1 of each year, the Manager shall fix the amount of the assessment to be imposed during the ensuing calendar year and shall notify each person who is then a unit owner of the amount of the assessment to be imposed for such year. Provided however, the Manager may impose interim assessments with the approval of the majority of the Board of Directors. Assessments shall be paid on or before the first day of the month with respect to which they are imposed. In the event that a person shall acquire a unit or his unit shall first become subject to assessment during the course of a calendar year, his first assessment shall come due on the first day of the month following the month during which he has acquired his unit or during which the unit first became subject to assessment.

7.2 Maximum Assessment. Such Assessment referred to in 7.1 above shall not exceed \$20.00 per month per unit except that such amount may at the discretion of the manager be increased in accordance with the percentage increase since January 1, 1974 in the Consumer Price Index as published by the United States, Department of Labor, Bureau of Labor Statistics, All Items, United States City average or the successor of such index.

7.3 Special Purpose Assessments. In the event that the Manager of Mt. Bachelor Village deems it to be the advantage of the residents of Mt. Bachelor Village to impose a special purpose assessment to provide funds for the development of a particular recreational facility it may impose such a special assessment, provided that the amount of the assessment and the terms upon which it will be imposed have been approved by the unit owners, other than the Developer owning at least 50 percent of the units which will be subject to the assessment. All special assessments shall be applied uniformly to all units including the Developer's. In the event that such an assessment is imposed, the Manager shall add the moneys derived therefrom to the maintenance fund, but shall keep the same in a special account and shall use the same only for the purposes set forth in the instrument by which the unit owners consented to the special assessment.

7.4 Maintenance Fund. The Manager shall keep all

moneys which it may collect from assessments, together with all other moneys which it is required to add to the maintenance fund pursuant to the provisions hereof or of any Mt. Bachelor Village Declaration in a separate fund to be called the "maintenance fund" and shall use the moneys in the maintenance fund only for the following purposes:

(a) Payment of the cost of maintaining and developing private ways (including street lights, entrance and other signs) common areas, semi-public recreational or service areas, and special recreational and other facilities on common areas or semi-public recreational or service areas available for use by all the residents of Mt. Bachelor Village.

(b) Payment of taxes and assessments levied against private ways, common areas, semi-public recreational or service areas, leased scenic areas and the improvements thereon.

(c) Payment of the cost of providing patrol and fire prevention and control service, garbage and trash disposal, if provided.

(d) Payment of the cost of insurance, including insurance protecting the Manager of Mt. Bachelor Village, the Architectural Committee, the Mt. Bachelor Village Association and any section association against liability arising out of their function and activities in the administration of the Charter.

(e) Payment of the cost of enforcing the provisions contained in the Charter, the Mt. Bachelor Village Rules and Regulations and the covenants and provisions contained in any Mt. Bachelor Village Declaration.

(f) Payment to the Mt. Bachelor Village Association or a section association of costs incurred in the performance of any obligation of the Manager of Mt. Bachelor Village which has been delegated to the Mt. Bachelor Village Association or to the section association.

(g) Payment of the reasonable expenses and fees of the Architectural Review Committee.

(h) Payment for other services which the Manager deems to be of general benefit to residents of Mt. Bachelor Village.

(i) Payment of costs incurred in collecting maintenance assessments.

(j) Payment of expenses incurred in organizing the Mt. Bachelor Village Association or any section association and in maintaining the same as corporations.

(k) Payment of any expense reasonably incurred by the Manager in carrying out any function for which it has been given responsibility hereunder.

(l) Payment of the Manager of Mt. Bachelor Village of a portion of its overhead reasonably attributable to the performance of the functions set forth in (a) through (k) above.

(m) Payment to the Developer of reasonable costs for the maintenance and operation of its facilities which are made available to all residents of Mt. Bachelor Village.

Included among the moneys which are to be paid into the maintenance fund are all maintenance assessments, penalties, fees for use of recreational or service facilities located in common areas or semipublic recreational or service areas, Architecture Review Committee fees, rentals from leases of private recreational areas or leased scenic areas, interest on amounts payable into the maintenance fund and payments to reimburse the Manager for moneys expended from the maintenance fund. Except as stated above, no part of the maintenance fund will inure to the benefit of the Developer.

7.5 Annual Accounting. Each calendar year the Manager shall render to each unit owner an accounting which shall set forth the amount and source of all income received in the maintenance fund and all disbursements from the fund during the previous calendar year, together with a statement of the assets of and liabilities of the maintenance fund at the close of the last calendar year. The Manager of Mt. Bachelor Village shall maintain records of all amounts received into the maintenance fund and of all disbursements therefrom, which records shall be open to inspection by any unit owner or by the officer of any section association or the Mt. Bachelor Village Association at any reasonable time during normal business hours.

7.6 Joint and Several Liability. If a unit owner comprises more than one person each shall be jointly and severally liable for any assessment or charge.

SECTION 8. Architecture Review Committee.

8.1 Function of Architecture Review Committee. The Architecture Review Committee shall exercise the functions for which it is given responsibility in any Mt. Bachelor Village Declaration and in the Charter. Generally, this Committee will be responsible for the approval of the design plans, the development of private areas and for the promulgation and enforcement of its rules and regulations thereof.

8.2 Members: Term and Removal. The ARC shall consist of two persons appointed by the Board of Directors and three persons appointed by the Manager. Members may be removed and replaced at any time by their appointors. The Manager shall keep on file at its principal office a list of the names and addresses of the members of the Architecture Review Committee.

8.3 Action. Except as otherwise provided herein, any three members of the Architecture Review Committee acting together shall have power to act on behalf of the Committee without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may render its decisions only by written instrument setting forth the action taken by the members consenting thereto. In the event of a tie vote, the Manager shall have one extra vote.

8.4 Failure to Act. If at any time the Architecture Review Committee shall for any reason fail to function, the Board of Directors shall have complete authority to serve as a pro tem Architecture Review Committee.

8.5 Duties and Rules. The Architecture Review Committee shall consider and act upon all matter properly submitted to it pursuant to the Charter or in any section declaration. In furtherance of this function, the Architecture Review Committee may, by unanimous vote, from time to time and in its sole discretion adopt, amend and repeal rules and regulations to be known as the "Architecture Review Committee Rules" establishing its operating procedures and interpreting, detailing and implementing the provisions of the instruments pursuant to which it is charged with responsibility. The Architecture Review Committee may establish a reasonable fee to be paid to it to cover its costs incurred in considering and acting upon matters submitted to it. Such fees shall be paid into the maintenance fund. A current copy of the Architecture Review Committee Rules shall be kept on file at the principal office of the Manager of Mt. Bachelor Village at all times. Such rules shall have the same force and effect as if set forth herein as part of the Charter.

8.6 Nonwaiver. Consent by the Architecture Review Committee to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

8.7 Estoppel Certificate. Within 30 days after written demand therefore by a unit owner, the Architecture Review Committee shall execute and deliver to the unit owner requesting the same an estoppel certificate certifying with respect to the unit of such unit owner that, as of the date of

the certificate, either (a) all improvements and other work within said unit comply with the Charter and with all restrictions, rules and regulations adopted in or pursuant to any Mt. Bachelor Village Declaration, or (b) that such improvements and work do not so comply for reasons specified in the certificate. Any purchaser or mortgagee of a unit may rely on such certificate with respect to the matters set forth therein, such matters being conclusive against the Manager of Mt. Bachelor Village and all unit owners in Mt. Bachelor Village.

8.8 Liabilities. Neither the Architecture Review Committee nor any member thereof shall be liable to any unit owner or the Manager of Mt. Bachelor Village for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Committee or a member thereof, provided that only the member, in accordance with actual knowledge possessed by him, has acted in good faith.

SECTION 9. Manager of Mt. Bachelor Village

9.1 Powers of the Manager. In addition to such other powers as shall be given to or imposed upon it by this Charter and by any Mt. Bachelor Village Declaration, the Manager of Mt. Bachelor Village shall have the following powers:

(a) Maintaining all private ways, common areas, semipublic recreational or service areas, and the improvements thereon.

(b) After the consent of the Developer, the construction of such improvements on the private ways, common areas, leased scenic areas and semipublic recreational or service areas as it deems will be of benefit to the residents of Mt. Bachelor Village and their guests in accordance with the Mt. Bachelor Village Rules and Regulations.

(c) Enforcement of all covenants and restrictions contained in the Charter and in any Mt. Bachelor Village Declaration.

(d) The promulgation and enforcement of the Mt. Bachelor Village Rules and Regulations and the enforcement of the Architecture Review Committee Rules and decisions of the Architecture Review Committee.

(e) Payment of all ad valorem taxes and assessments imposed on any of the common areas, private ways, or semipublic recreational or service

areas within Mt. Bachelor Village when the Manager either owns, possesses a leasehold interest in, or is the assignee of any such interest.

(f) Provision of such services to the residents of Mt. Bachelor Village as it shall deem to be of benefit to them.

(g) Procuring and maintaining insurance on all improvements constructed on the common areas, leased scenic areas or semipublic recreational or service areas.

(h) Collection of assessments and penalties.

(i) Fixing of fees for use of recreational and service facilities within the common areas and in the semipublic recreational or service areas and for the collection thereof. All such fees shall be paid into the maintenance fund.

(j) The Manager may organize a section association at any time that it deems it desirable.

(k) Borrowing money with consent of the Board on behalf of The Mt. Bachelor Village Association and in connection therewith, the granting of mortgages, trust deeds or other security interests with respect to improvements and related land.

(l) Granting easements along roadways of Mt. Bachelor Village to owners, occupants and invitees of office, commercial and lodging facilities constructed on land within Mt. Bachelor Village which is not subject to the Charter and entering into road maintenance agreements providing for contribution to the cost of maintenance of the main entrance to Mt. Bachelor Village and roadways and related improvements which are subject to easements granted by the Manager.

9.2 Delegation of Functions. The Manager of Mt. Bachelor Village may at any time delegate to The Mt. Bachelor Village Association or to any section association responsibility for the performance of any duty or function of the Manager of Mt. Bachelor Village and The Mt. Bachelor Village Association or section association shall accept such responsibility, provided that the Manager shall arrange to pay to The Mt. Bachelor Village Association or section association the expenses which it shall reasonably incur in the performance of such duty or function.

9.3 Limitation of Liability. The Manager of Mt. Bachelor Village shall not be liable for failure to carry out any power enumerated in Section 9.1 herein or elsewhere in the Charter in cases in which there are not sufficient moneys in the maintenance fund to enable it to carry out its power. The Manager shall have sole power to determine for which authorized purposes moneys in the maintenance fund shall be spent including the power to determine how much shall be held in reserve. Neither the Manager or any officer or director thereof shall be liable to any unit owner, to any resident of Mt. Bachelor Village, to The Mt. Bachelor Village Association nor to any section association on account of any action or failure to act of the Manager, provided only that, in accordance with actual knowledge possessed by it, it has acted in good faith.

9.4 Required Transfer of Functions. At such times as the Developer deems it desirable or in any event when the development of Mt. Bachelor Village is substantially completed, the Developer will delegate and assign to The Mt. Bachelor Village Association all its powers and responsibilities given to or imposed upon it by the Charter or by any Mt. Bachelor Village Declaration and will transfer over to The Mt. Bachelor Village Association all moneys then in the maintenance fund and The Mt. Bachelor Village Association shall accept the same.

SECTION 10. The Mt. Bachelor Village Association.

The Developer expects to delegate from time to time to an association representing all unit owners within Mt. Bachelor Village responsibilities which the Developer has assumed pursuant to this Charter; and as provided in Section 9.4, eventually will delegate to such association all its responsibilities to the end that the association shall become the Manager of Mt. Bachelor Village. In order to facilitate the accomplishment of such purposes, the Developer shall organize an association to represent all unit owners within Mt. Bachelor Village. The Developer shall have the right to organize the association on such basis as shall appear to the Developer to be most advantageous to the unit owners of Mt. Bachelor Village at the time of the organization, subject, however, to the following conditions:

(a) The association shall be incorporated as a nonprofit corporation under the general nonprofit corporation laws of the state of Oregon.

(b) The articles of incorporation of the association shall provide for its perpetual existence, but in the event the association shall at any time be dissolved, whether inadvertently or deliberately, it shall immediately be succeeded by

an unincorporated association of the same name. In that event, all the powers and obligations of the incorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, which vesting shall thereafter be confirmed and evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible any such successor unincorporated association shall be governed by the articles of incorporation and bylaws of the incorporated association as if they had been made to constitute the governing documents of the unincorporated association.

(c) The articles of incorporation of the association shall provide for the representation of each unit owner in Mt. Bachelor Village on one of the following basis:

(i) The articles may provide that each unit owner shall be a member of the association with one vote for each original unit owned by him;

(ii) The articles may provide that each section association will be a member with one vote for each original unit within the section which the section association represents; or

(iii) The articles may provide that, with respect to designated sections, the owners of each unit within the designated section shall be a member of the association with one vote for each original unit owned by him and that, with respect to other designated sections, the section association representing such designated section will be a member with one vote for each original unit contained within the section.

The articles shall provide that representation of each unit owner through membership in the association in one of the provisions set forth above shall commence, exist and continue simply by virtue of ownership of a unit, shall expire automatically upon termination of such ownership and need not be confirmed or evidenced by any certificate or acceptance of membership.

(d) The articles of incorporation shall provide that the association will at any time and from time to time accept any responsibilities of the Manager contained in the Charter which the Developer may delegate to the association, provided that Manager shall provide funds from the maintenance fund to the association necessary to enable it to carry out the responsibilities which it assumes. Also, the articles of incorporation shall provide that the association will accept title to the private ways, common areas, leased scenic areas and semipublic recreational or service areas within Mt. Bachelor Village at such time as the Developer may elect to convey the same to the association.

(e) The articles of incorporation of the association shall provide that the association shall exercise and perform all the following powers and obligations:

(i) The powers and obligations delegated, conveyed or otherwise assigned to the association by the Manager;

(ii) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the state of Oregon; and

(iii) Any additional or different powers and obligations necessary or desirable for the purpose of carrying out the functions of the association pursuant to the Charter or otherwise promoting the general benefit of unit owners within Mt. Bachelor Village.

(f) The articles of incorporation of the association shall be subject to amendment as provided in the Oregon Nonprofit Corporation Law and the bylaws of the association shall be subject to amendment by the Board of Directors of the association.

Neither the association nor any officer or director thereof shall be liable to any unit owner, to the Developer or to any section association for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the association, provided only that the association, in accordance with actual knowledge possessed by it, has acted in good faith.

SECTION 11. Enforcement.

11.1 General Provisions. The manager, The Mt. Bachelor Village Association or any unit owner shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of the Charter or any Mt. Bachelor Village Declaration. Failure by any such person to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

11.2 Violation of Mt. Bachelor Village Declaration by Nonqualifying Improvement. In the event any unit owner constructs or permits to be constructed on his unit an improvement contrary to the provisions of a Mt. Bachelor Village Declaration or in the event that a unit owner maintains or permits any improvement, condition or thing on his unit contrary to the provisions of a Mt. Bachelor Village Declaration, the Manager may, no sooner than 60 days after delivery to such unit owner of written notice of the violation, enter upon the offending unit and remove the cause of such violation, or alter, repair or change the item which is in violation of such declaration in such manner as to make it conform thereto. The Manager may charge such unit owner for the entire cost of the work done by it pursuant to this section. Such amounts shall become payable upon delivery by the Manager to the unit owner notice of the amount due, and shall be paid into the maintenance fund to the extent that the costs being reimbursed were paid out of the maintenance fund.

11.3 Default in Payment of Maintenance Assessments and Charges. Each maintenance assessment or charge levied or imposed pursuant to the Charter or any Mt. Bachelor Village Declaration, together with interest thereon, shall be a separate, distinct and personal debt an obligation of the unit owner or resident of Mt. Bachelor Village against whom the maintenance assessment, or charge is levied or imposed or from whom the amount is due. If the unit owner fails to pay any such assessment or charge or any installment thereof when due the unit owner shall be in default and the assessment or charge not paid, together with interest, costs and attorneys' fees as elsewhere provided for herein, shall become a lien upon the unit or units owned by the person from whom the assessment or charge is due upon the filing by the Manager in the records of mortgages of Deschutes County, Oregon, a notice of lien setting forth the amount due and a description of the units against which the lien is imposed. Such lien shall not take effect until notice thereof has been so filed. Such lien shall be subordinate to any lien of any mortgage upon any unit which is accepted in good faith and for value and which was recorded prior to the filing of the notice of lien. The Manager may

commence proceedings to foreclose any such lien in the same manner as is provided for foreclosure of statutory liens under Chapter 87 of Oregon Revised Statutes at any time within three years following the date of such filing.

11.4 Right of Entry. The Manager or any member of the Architecture Review Committee authorized by the Manager may at any reasonable time, and from time to time at reasonable intervals, enter upon any unit within Mt. Bachelor Village for the purpose of determining whether or not the use of such unit or any improvement thereon is then in compliance with the Charter or any Mt. Bachelor Village Declaration. No such entry shall be deemed to constitute a trespass or otherwise to create any right of action in the unit owner or occupant of such parcel.

11.5 Interest. Any amount not paid to the Manager, as the agent of the Mt. Bachelor Village Association, when due in accordance with the Charter or in any Mt. Bachelor Village Declaration shall bear interest from the date due until paid at a rate of interest set by the Manager, but not to exceed the maximum legal rate for such debts in the State of Oregon.

11.6 Expenses and Attorneys' Fees. In the event that the Manager shall bring any suit or action to enforce any provision contained in the Charter or in the Mt. Bachelor Village Declaration to collect any money due to it thereunder or to foreclose a lien, the defendant in such suit or action shall pay to the Manager all costs and expenses which the Manager shall incur in connection with such suit or action, including a foreclosure title report, and such amount as the court may determine to be reasonable as attorneys' fees therein, including attorneys' fees incurred in connection with any appeal from a decision of the trial court or an intermediate appellate court.

11.7 Nonexclusiveness and Accumulation of Remedies. Election by the Manager to pursue any remedy provided for the violation of any provision of the Charter or Mt. Bachelor Village Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted thereunder or which is permitted by law. The remedies provided in the Charter and in any Mt. Bachelor Village Declaration are not intended to be exclusive, but shall be in addition to all other remedies, including actions for damages or suits for injunctions or for specific performance available under applicable law.

SECTION 12. Miscellaneous Provisions.

12.1 Amendment and Repeal. Any provision of this Charter may at any time be amended or repealed or provisions may be added by either of the following methods:

(a) If Developer is Manager as of the date of amendment or repeal, upon written consent of Owners owning at least 75 percent of the undeveloped land area within Mt. Bachelor Village and written consent of at least 50 percent of the members of the Mt. Bachelor Village Association, or

(b) If Developer is not Manager, upon written consent of not less than two-thirds of the members of the Mt. Bachelor Village Association.

No amendment which enlarges or diminishes the powers and responsibilities of the Manager shall be effective without the written consent of the Manager. Any amendment or repeal of a provision of the Charter or additional provision shall become effective only upon the filing in the records of deeds of Deschutes County, Oregon, of a certificate of the secretary or assistant secretary of the Manager setting forth in full the amendment, amendments, additional provision or repeal approved as provided in this section and certifying that said amendment, amendments, additional provision or repeal have been approved in the manner required therefor herein.

12.2 Joint Owners. In any case in which two or more persons share the ownership of any unit, regardless of the form of ownership, the responsibility of such persons to comply with the provisions of the Charter and the Mt. Bachelor Village Declarations shall be a joint and several responsibility. The act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Manager of the Mt. Bachelor Village Association, as the case may be, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter.

12.3 Construction; Severability; Number; Captions. The Charter shall be construed as an entire document to accomplish the purposes stated in the introductory paragraphs of the Charter. Nevertheless, each provision of the Charter shall be deemed independent and severable, and the invalidity

or partial invalidity of any provision shall not effect the validity or enforceability of the remaining part of that or any other provision. As used herein the singular shall include the plural, and the plural the singular. The masculine and neuter shall each 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 the Charter.

12.5 Notices. Any notice permitted or required by the Charter or any Mt. Bachelor Village Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed to have been accomplished 72 hours after the notice has been deposited as certified or registered mail in the United States mail, with postage prepaid.

12.6 Previous Declarations. This Charter supercedes any previous declaration or filings concerning Mt. Bachelor Village, including but not limited to, a preliminary Brooks Resources Corporation Declaration establishing the Mt. Bachelor Condominiums recorded January 26, 1973, Volume 192, page 145, Deed Records, Deschutes County, Oregon, and Mt. Bachelor Village Charter recorded in Volume 205, Page 976, Deed Records, Deschutes County, Oregon.

If to the Developer, the Architecture Review Committee, or the Manager of Mt. Bachelor Village:

Brooks Resources Corporation
416 Northeast Greenwood Avenue
Bend, Oregon 97701

or to such other address as the Manager may designate in the Rules and Regulations of Mt. Bachelor Village.

If to a unit owner, at the address given by him at the time of his purchase of a unit or at the address of his unit within Mt. Bachelor Village.

The address of any person may be changed by him at any time by notice in writing delivered as provided herein:

The undersigned, being the secretary of Brooks Resources Corporation, manager of Mt. Bachelor Village, does hereby certify that the foregoing instrument sets forth in full the amended Mt. Bachelor Village Charter and does further certify that such amended Mt. Bachelor Village Charter has been approved in writing by unit owners owning not less than

75 percent of the units within Mt. Bachelor Village in the manner required therefor in the Mt. Bachelor Village Charter.

BROOKS RESOURCES CORPORATION

By

Linda A. Balding
Secretary

STATE OF OREGON, County of Deschutes, ss:
The foregoing instrument was acknowledged before me this 12 day of 1981 by Linda A. Balding, Secretary of Brooks Resources Corporation, an Oregon corporation on behalf of the corporation.



Paul H. Buchanan
Notary Public for Oregon
My Commission Expires: 1-22-93

EXHIBIT A

That portion of Section 7, Township 18 South, Range 12 East of the Willamette Meridian, Deschutes County, Oregon, lying East of the East right of way line of the Cascade Lakes State Highway and West of the Deschutes River.

EXCEPT that portion of the Northeast Quarter of the Northwest Quarter of Section Seven (7), Township Eighteen (18) South, Range Twelve (12), East of the Willamette Meridian, Deschutes County, Oregon, described as follows:

Beginning at the Northeast corner of the NW1/4 of said section, thence South 473 feet, thence West to the East right of way line of the Cascade Lakes State Highway, thence along said right of way line to North line of Section 7, Township 18, Range 12, E.W.M., thence East to point of beginning.

ALSO EXCEPT that portion described as follows:

Beginning at the most northerly corner of Ski House II Condominium Section, Mt. Bachelor Village, being a recorded plat in Deschutes County, from which a 1/2" iron rod marking the northwest corner of said Section 7 bears North 75° 48' 10" West a distance of 2572.52 feet and from which a 1" drill steel marking the North 1/4 corner of said Section 7 bears North 10° 32' 22" East a distance of 628.27 feet; thence following the boundary of said plat South 53° 48' 15" West (South 53° 50' 24" West record per plat) a distance of 100.00 feet; thence North 69° 53' 10" West a distance of 144.22 feet; thence North 35° 23' 16" East a distance of 291.46 feet; thence North 19° 06' 40" East a distance of 294.48 feet; thence North 56° 38' 45" East a distance of 279.65 feet; thence South 48° 50' 01" East a distance of 182.22 feet; thence South 17° 32' 28" West a distance of 329.58 feet; thence following the arc of a 189.48 foot radius curve left a distance of 111.84 feet (chord bears South 00° 37' 56" West 110.22 feet); thence South 16° 16' 36" East a distance of 137.61 feet; thence following the arc of a 106.54 foot radius curve right a distance of 77.40 feet (chord bears South 04° 32' 07" West 75.71 feet); thence following the arc of a 293.39 foot radius curve right a distance of 81.66 feet (chord bears South 33° 19' 14" West 81.39 feet); thence South 41° 17' 37" West a distance of 234.58 feet; thence following the arc of a 373.42 foot radius curve right a distance of 85.88 feet (chord bears South 47° 52' 55" West 85.69 feet) thence following the arc of a 30.00 foot radius curve left a distance of 27.30 feet (chord bears North 28° 23' 49" East 26.37 feet); thence North 02° 19' 25" East a distance

of 116.28 feet; thence following the arc of a 159.29 foot radius curve left a distance of 84.40 feet (chord bears North 12° 51' 21" West 83.42 feet); thence North 28° 02' 07" West a distance of 108.92 feet; thence following the arc of a 180.97 foot radius curve right a distance of 80.83 feet (chord bears North 15° 14' 20" West a distance of 80.16 feet); thence South 87° 33' 27" West a distance of 15.24 feet to the Point of Beginning, the terminus of this description.

ALSO EXCEPT that portion described as follows:

Beginning at a point of intersection of the Southeasterly right of way line of the Cascade Lakes Highway (Century Drive State Highway) and the West line of said Section 7, said point being North 00° 44' 02" East along said West line of said Section 7; thence leaving said West line of said section 2477.96 feet from the Southwest corner of said Section 7; thence leaving said West line of said section Northeasterly along said right of way line 331 feet more or less to a point on the North line of Government Lot Three; thence leaving said right of way line South 89° 52' 20" East along the North line of Government Lot Three 232.82 feet; thence leaving said line South 18° 03' 28" East 1398.08 feet to a point on the North line of Government Lot Four; thence leaving said line South 17° 30' 00" East 753 feet more or less to a point on the centerline of the Deschutes River as it now exists, thence Southwesterly along said centerline 1305 feet more or less to point on the West line of said Section 7; thence leaving said centerline, of said river, North 00° 44' 02" East along said West line of said Section 2168 feet more or less to the point of beginning and terminus of this description.

28095

STATE OF OREGON

County of Deschutes

I hereby certify that the within instrument of writing was received for Record

on the 27 day of May A.D. 1981

at 2:02 o'clock P.M. and recorded

in Book 391 on Page 559

of

ROSEMARY PATTERSON

County Clerk

By *Shirley C. Sullivan* Deputy