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AFTER RECORDING RETURN TO:
HENDRIX BRINICH &
BERTALAN, LLP
716 NW Harriman St
Bend, OR 97701 // 541.382.4980

**DECLARATION OF COVENANTS, CONDITIONS
AND RESTRICTIONS OF
SUNDANCE MEADOWS**

TRIAD HOMES, INC., an Oregon corporation, ("Declarant"), the owner of SUNDANCE MEADOWS, hereby covenants and states to the public as follows:

THIS DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS ("CCRs") is hereby declared on SUNDANCE MEADOWS, a subdivision, in the City of Bend, Deschutes County, Oregon, as recorded and filed in the Official Records of Deschutes County, Oregon; being in the Northeast Quarter of the Northeast Quarter (NE1/4 NE1/4) of Section 3, T18S, R12E, WM, as, and more particularly described as four parcels of Land:

1. Parcel 2 of Partition Plat No. 2004-22;
2. Parcel 2, Partition Plat No. 2006-01,
3. That parcel of land described as Parcel 1 in Statutory Warranty Deed recorded September 14, 2005, in Vol. 2005-61818; and
4. That Parcel of land described in Statutory Warranty Deed recorded June 5, 2006, in Vol. 2006-39013, all official records of Deschutes County, Oregon;

The following protective covenants are to run with the said land, and hereby bind said parties and all of their future grantees, assigns and successors, to these covenants for their term as follows:

1. "Owner" is the person, persons, entity, or entities together having fee title to any lot covered by these covenants and recognized as a legal lot of record by Deschutes County, Oregon. "Lot" is a platted lot as shown on the recorded plat of SUNDANCE MEADOWS.
2. The area covered by these covenants is the platted subdivision on the Property in Deschutes County, Oregon, including any additions thereto by partition or subdivision. No owner of a lot covered by this Declaration shall partition or subdivide his property except in conformance with the laws of Deschutes County, Oregon.
3. "Association" shall mean and refer to SUNDANCE MEADOWS Homeowners' Association, its successors and assigns. The Association is hereby established.
4. "Board" shall mean the Board of Directors of the Association.
5. "Common Area" shall mean and refer to the "Common Tract A" being adjacent to Lots 1-5, "Common Tract B" being adjacent to Lots 6-11, and "Common Tract C" being adjacent to Lots 12-17 as shown on the plat of SUNDANCE MEADOWS, including any improvements located thereon, which areas and improvements are intended to be devoted to the common

use and enjoyment of the members and which land has been conveyed to the Association.

6. **Common Area.** Declarant reserves the right and power to dedicate and/or convey any portion or all of Tracts A, B, or C to any governmental body or agency. Declarant further reserves the right and power to grant an easement over Tracts A, B, or C to any governmental body or agency or any public or private utility company or provider. Declarant's rights and power under this Section 6 shall expire when Tracts A, B, and C are conveyed to the Association. Thereafter, the Board shall have the same powers reserved to Declarant and may exercise such power upon a two-thirds or greater vote of the Board members at any duly called and held Board meeting. The provisions of this Section 6 shall control over any provisions to the contrary contained in any other Section of the Declaration.
7. **Use of Common Area.** Use of the Common Area is subject to the provisions of the Declaration, Bylaws, Articles, and the Rules and Regulations adopted by the Board. There shall be no obstruction of any part of the Common Area. Nothing shall be stored or kept in the Common Area without the prior written consent of the Board. No alterations or additions to the Common Area shall be permitted without the prior written consent of the Board.
8. **Maintenance of Common Area.** The Association shall be responsible for maintenance, repair, replacement, and upkeep of the Common Area. The Association shall keep the Common Area in good condition and repair, provide for all necessary services, and cause all acts to be done that may be necessary or proper to assure the maintenance of the Common Area.
9. **Improvements in Common Area.** Only the Association shall construct, reconstruct, or alter any improvement located on the Common Area. A proposal for any construction of or alteration, maintenance, or repair to any such improvement may be made at any Board meeting. The Board may adopt a proposal, subject to the limitations contained in the Bylaws, this Declaration; provided, however, no improvements may be made to the Common Area except installation of irrigation necessary for landscaping.
10. **Expenditures.** Expenditures for alterations, maintenance, or repairs to an existing improvement for which a reserve has been collected shall be made from the Reserve Account. As provided herein, the Board may levy a special assessment to fund any construction, alteration, repair, or maintenance of an improvement (or any other portions of the Common Area) for which no reserve has been collected or for which the Reserve Account is insufficient to cover the cost of the proposed improvement.
11. **Landscaping.** All landscaping on the Common Area shall be maintained and cared for in a manner that is consistent with Declarant's original approval of such landscaping. Weeds and diseased or dead lawn, tree, groundcover, or shrubs shall be removed and replaced.
12. **Condemnation of Common Area.** If all or any portion of the Common Area is taken for any public or quasi-public use under any statute, by right of eminent domain, or by purchase in lieu of eminent domain, the Board shall receive and expend the entire award in a manner that,

in the Board's discretion, is in the best interest of the Association and the Owners. The Association shall represent the interest of all Owners in any negotiations, suit, action, or settlement in connection with such matters.

- 13. Damage or Destruction of Common Area.** If all or any portion of the Common Area is damaged or destroyed by an Owner or any of Owner's guests, Occupants, tenants, licensees, agents, or members of Owner's family in a manner that would subject such Owner to liability for such damage under Oregon law, such Owner hereby authorizes the Association to repair such damage. The Association shall repair the damage and restore the area in workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association in the discretion of the Board. Reasonable costs incurred in connection with effecting such repairs shall become a special assessment on the Lot and against the Owner who caused or is responsible for such damage.

14. Restriction on Use of Property.

4.1 *Occupancy.* No Owner shall occupy, use or permit his lot or any part thereof to be used for any purpose other than an allowed residential use for one single family residence as provided by the applicable ordinances of the City of Bend or any other state, county or municipal code, or except as provided in these CCRs. No property shall be rented or leased for periods of less than twenty-eight (28) days.

14.2 *Improvements.* Each lot within SUNDANCE MEADOWS shall be maintained in a clean and attractive condition, in good repair and in such a fashion as not to create a fire hazard.

14.3 *Appearance.* All garbage, trash, cuttings, refuse, garbage and refuse containers, and other service facilities located on the lot shall be screened from view in a manner approved by Declarant or by the Association.

14.4 *Offensive Activity.* No offensive activity shall be carried on nor shall anything be done which may be or become an annoyance or nuisance to the other Owners.

14.5 *Signs.* No sign of any kind shall be displayed to public view on or from any lot except that not more than one "For Sale" or "For Rent" sign placed by the Owner, the Declarant or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, may temporarily displayed on any lot. This restriction shall not prohibit the temporary placement of political signs on any lot by the Owner.

14.6 *Exterior Lighting or Noise Making Device.* No exterior lighting or noise making device shall be placed on a lot or any portion thereof without the Declarant's or the Association's prior written consent.

14.7 *Antennas.* No television antenna, radio antenna, satellite antenna, or other receiving or transmitting device shall be placed on any lot without the Declarant's or the Association's prior written consent. Satellite antennas shall be screened from view and may not be placed on roofs or in front yards except as allowed by Declarant or by the Association. Reasonable efforts shall be made to render the antenna nonobtrusive by using small size or screening the antenna.

14.8 *Limitation on Transfer.* No Owner shall transfer either by conveyance, contract of sale or

lease any interest in the Owner's lot which would result in ownership of such lot being held by more than ten persons.

14.9 *Manufactured, Modular and Mobile Homes.* No manufactured dwelling, modular home, house trailer, mobile home, tent, shack,, barn or any outbuilding or structure, whether permanent or temporary, shall be erected or placed on any lot.

14.10 *Utilities.* No above-ground utilities, pipes or wires shall be used to connect improvements with supplying facilities without prior written consent of Declarant or the Association.

14.11 *Parking.* Camping trailers, trucks, boats, and boat trailers or similar vehicles or trailers may not be parked or placed on any lot for any extended period over three days outside of an enclosed garage or other permitted screened enclosure. Motorhomes and campers shall not be parked or placed outside a screened enclosure for more than seven days in a calendar year.

14.12 *Open Burning.* No open burning of any type shall be allowed.

14.13 *Construction Standards.* No structure shall be erected, altered, placed or permitted to remain on any lot which, in the opinion of Declarant or the Association, does not comply with the following standards:

14.13.1 *Minimum Size.* No residence of less than 1400 square feet of living space, exclusive of garage, porches and breezeways, shall be permitted to be erected on any lot. Any multi-family dwelling shall be at least 1200 square feet per dwelling unit.

14.13.2 *Roofs.* All roofs shall have not less than a 6 in 12 pitch and be covered with composition shingles (Arc-80 or better) or earth tone concrete or clay tiles.

14.13.3 *Height.* No building shall be higher than 30 feet.

14.13.4 *Garage.* Each residence shall have at least one private garage for no less than two automobiles. No Owner shall have more than three vehicles for the use of the occupants of Owner's lot parked outside of the garage, outside of a permitted screened enclosure, as part of the Owner's or occupant's regular practice.

14.13.5 *Completion of Construction.* The construction of any building on any lot, including private lot drainage, painting, and all exterior finish, shall be completed within four (4) months from the beginning of construction so as to present a finished appearance when viewed from any angle. Within thirty (30) days of occupancy, all Owners shall install drapes or blinds in the windows of the residence which are visible from the street. Sheets and other temporary methods are not allowed. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Declarant or the association.

14.13.6 *Landscape Completion.* All landscaping must be completed within ninety (90) days after the date the exterior of the residence is completed. The front yards shall be complete with grass and planting beds. Rear and side yards must be planted with grass, barkdusted, or fenced. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Declarant or the Association.

14.13.7 *Fences.* The maximum height of a fence on any lot shall be six (6) feet, or less if determined by Declarant or the Association in order to maintain the harmony of the development. No fence shall be placed forward of the front setback line for the residence. All fences shall be of wood or chain link with wood slats. No fence, hedge, or shrub that obstructs sight lines at elevations between two and six feet above the roadway shall be placed or permitted to remain on any corner lot within the triangular area formed by the street, property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines. No fence, site obscuring hedge or shrub or wall shall be erected without prior written approval of the Declarant or the Association.

14.13.8 *Exterior Materials and Finish.* The exterior finish of all construction on any lot shall be designed, built, and maintained in such a manner as to blend in with the existing structures, and landscaping with SUNDANCE MEADOWS. Exterior trim, fences, doors, railings, decks, eaves, gutters, and the exterior finish of garages and other accessory buildings shall be designed, built and maintained to be compatible with the exterior of the structures they adjoin.

14.14 *Animals.* No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that of a reasonable number (not to exceed any combination of three) of dogs, cats, or other household pets may be kept provided that they are not kept, bred or maintained for commercial purposes and are reasonably controlled so as not to be a nuisance.

14.15 *Commercial or Business Use.* No trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any lot, nor shall any goods, equipment, vehicles, materials, or supplies used in connection with any trade, service, or business be kept or stored on any lot, excepting the right of any homebuilder and Declarant to construct residences on any lot, to store construction equipment and materials on said lots in the normal course of said construction and for Declarant to use any single family residence as a sales office or model home for purposes of sales in SUNDANCE MEADOWS. This provision, however, shall not be construed so as to prevent or prohibit an Owner from maintaining a personal professional library, keeping their personal business or professional records or accounts, handling their personal business or professional telephone calls, or conferring with business or professional associates, clients or customers, in the Owner's home. This provision shall not be construed so as to prohibit the rental or leasing of any residence unit for periods of more than 28 days. This provision shall not be construed so as to prohibit an Owner from parking one vehicle used in the Owner's business in Owner's garage or other permitted screened enclosure.

14.16 *Vehicles in Disrepair.* No Owner shall permit any vehicle which is in an unreasonable state of disrepair to remain parked or to be abandoned upon any lot for a period in excess of forty-eight (48) hours. A vehicle shall be deemed to be in an "unreasonable state of disrepair" when due to its continued inoperability or significant damage, reasonably offends the occupants of SUNDANCE MEADOWS, the Declarant or the Association. This provision shall not be construed as to prohibit Owner from storing a vehicle in an unreasonable state of disrepair inside Owner's garage.

14.17 *Utility and Drainage Easements.* Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on the recorded subdivision plat. Within these easements no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with installation and maintenance of utilities or drainage of the real property. The easement area of each lot and all improvements in it shall be maintained continuously by the owner of the lot except for those improvements for which a public authority or public utility company is responsible.

15. **Amendment of CCRs.** Declarant or its Successor reserve the right to amend these CCRs as allowed by law. After turnover as provided herein, the owners of two-thirds of lots on the property may amend these Covenants. No amendment is valid which enlarges or diminishes the obligations, rights or responsibilities of the Declarant without the Declarant's written approval. Amendments become effective when recorded in the Official Records of Deschutes County, Oregon, and being signed and notarized by either the Declarant or owners of two-thirds of the lots in the subdivision. Declarant may amend this Declaration as required by governmental statute, rule or regulation or if such amendment is required by an institutional or governmental lender or purchaser of mortgaged loans to enable such lender or purchaser to make or purchase mortgage loans provided, however, any such amendment shall not adversely affect the title to any owner's lot unless such owner shall consent thereto in writing.

16. **Membership in Association.** Each Owner shall be a member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot shall automatically transfer membership in the Association. Without any other act or acknowledgment, Occupants and Owners shall be governed and controlled by this Declaration, the Articles, Bylaws, and the Rules and Regulations of the Association and any amendments thereof.

17. **Proxy.** Each Owner may cast such Owner's vote in person, by written ballot, or pursuant to a proxy executed by such Owner. An Owner may not revoke a proxy given pursuant to this Section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one year after its date, unless the proxy specifies a shorter term.

18. **Voting Rights.** The Association shall have two classes of voting members:

18.1 **Class A.** Class A members shall be all Owners of Lots other than Declarant, and each Class A member shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote.

18.2 **Class B.** The Class B member shall be Declarant, its successors, and its assigns. The Class B member shall have three votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the earlier of the following dates (the "Termination Date"):

- (a) The date on which 75% of the total number of Lots in SUNDANCE MEADOWS have been sold and conveyed to Owners other than Declarant; or
- (b) The date on which Declarant elects in writing to terminate Class B membership.

After the Termination Date, each Owner, including Declarant, shall be entitled to one vote for each Lot owned with respect to all matters on which Owners are entitled to vote, and the total number of votes shall be equal to the total number of Lots subject to this Declaration,

initially or through annexation.

When more than one person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event shall fractional voting be allowed. Fractional or split votes shall be disregarded, except for purposes of determining a quorum.

19. Procedure. All meetings of the Association and the Board shall be conducted with such rules of order as may from time to time be adopted by the Board. Notwithstanding which rule of order is adopted, the President shall be entitled to vote on all matters, not merely to break a tie vote. A tie vote does not constitute a majority or approval of any motion or resolution.

20. DECLARANT CONTROL

20.1 Interim Board and Officers. Declarant hereby reserves administrative control of the Association. Declarant, in its sole discretion, shall have the right to appoint and remove members of an interim board (the "Interim Board"), which shall manage the affairs of the Association and be invested with all powers and rights of the Board until the Turnover Meeting (as hereinafter defined). The Interim Board shall consist of from one to three members. Notwithstanding the provision of this Section, at the Turnover Meeting, at least one Director shall be elected by Owners other than Declarant, even if Declarant otherwise has voting power to elect all three Directors.

20.2 Turnover Meeting. Declarant shall call a meeting for the purposes of turning over administrative control of the Association from Declarant to the Class A members within 60 days of the earlier of the following dates:

20.2.1 Earliest Date. The date on which Lots representing 75% of the total number of votes of all Lots in SUNDANCE MEADOWS have been sold and conveyed to persons other than Declarant;

20.2.2 Optional Turnover. The date on which Declarant has elected in writing to terminate Class B membership.

Declarant shall give notice of the Turnover Meeting to each Owner as provided in the Bylaws. If Declarant does not call the Turnover Meeting required under this Section the transitional advisory committee or any Owner may do so.

21. FUNDS AND ASSESSMENTS

21.1 Purpose of Assessments; Expenses. The assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, aesthetics, and welfare of the Owners and Occupants of SUNDANCE MEADOWS for the improvement, operation, and maintenance of the Common Area and for property and liability insurance.

21.2 Covenants to Pay. Declarant and each Owner covenant and agree to pay the

Association the assessments and any additional charges levied pursuant to this Declaration or the Bylaws. All assessments for operating expenses, repairs and replacement, and reserves shall be allocated among the Lots and their Owners as set forth herein.

21.2.1 Funds Held in Trust. The assessments collected by the Association shall be held by the Association for and on behalf of each Owner and shall be used solely as set forth in herein. On the sale or transfer of any Lot, the Owner's interest in such funds shall be deemed automatically transferred to the successor in interest to such Owner.

21.2.2 Offsets. No offsets against any assessment shall be permitted for any reason, including, without limitation, any claim that the Association is not properly discharging its duties.

21.3 Basis of Assessment; Commencement of Assessments. Declarant shall pay all common expenses of the Association until the Lots are assessed for common expenses. The amount and date of commencement of the initial annual assessment to Owners other than Declarant shall be determined by Declarant. In the sole and unfettered discretion of Declarant, Declarant may defer payment of reserves for a Lot until the Lot is conveyed to a third party. However, Declarant may not defer payment of accrued reserves beyond the date of the Turnover Meeting.

21.4 Annual Assessments. Annual assessments for each fiscal year shall be established when the Board approves the budget for that fiscal year. The initial annual assessment shall be determined by Declarant and shall be prorated on a monthly basis at the time of the closing of the first sale from Declarant. For proration purposes, any portion of a month shall count as a full month. Annual assessments shall be payable on a periodic bases, not more frequently than monthly, as determined by the Board. The fiscal year shall be the calendar year unless another year is adopted by vote of the Association members.

21.4.1 Budgeting. Each year the Board shall prepare, approve, and make available to each Member a pro forma operating statement (budget) containing (a) estimated revenue and expenses on an accrual basis; (b) the amount of the total cash reserves of the Association currently available for replacement or major repair of the Common Area and Commonly Maintained Property and for contingencies; (c) an itemized estimate for the remaining life of, and the methods of funding to defray repair, replacement, or additions to major components of such improvements as provided herein; and (d) a general statement setting forth the procedures used by the Board in the calculation and establishment of reserves to defray the costs of repair, replacement, or additions to major components of the Common Area and the Commonly Maintained Property. Notwithstanding that budgeting shall be done on an accrual basis, the Association's books shall be kept on a cash basis and the Association shall be a cash basis taxpayer, unless applicable governmental regulations require otherwise. For the first fiscal year, the budget shall be approved by the Board no later than the date on which annual assessments are scheduled to commence. Thereafter, the Board shall annually prepare and approve the budget and distribute a copy or summary thereof to each

Member, together with written notice of the amount of the annual assessments to be levied against the Owner's Lot, within 30 days after adoption of such budget.

21.4.2 Allocation of Assessments. The total amount in the budget shall be charged against all Lots equally.

21.4.3 Nonwaiver of Assessments. If before the expiration of any fiscal year the Association fails to fix annual assessments for the next fiscal year, the annual assessments established for the preceding year shall continue until a new annual assessment is fixed.

21.5 Special Assessments. The Board and/or the Owners shall have the power to levy special assessments against an Owner or all Owners in the following manner for the following purposes: (1) To correct a deficit in the operating budget, by vote of a majority of the Board; (2) To collect amounts due to the Association from an Owner for breach of the Owner's obligations under this Declaration, the Bylaws, or the Rules and Regulations, by vote of a majority of the Board; (3) To collect additional amounts necessary to make repairs or renovations to the Common Area or Commonly Maintained Property if sufficient funds are not available from the operating budget or replacement reserve accounts, by vote of a majority of the Board; or (4) To make capital acquisitions, additions or improvements, by vote of at least 80% of all votes allocated to the Lots.

21.6 Reserve Account. Declarant shall establish a Reserve Account, in the name of the Association, which shall be kept separate from all other funds held by the Association. The Association shall pay out of the Reserve Account only those costs that are attributable to the maintenance, repair, or replacement of Common Area property that normally requires replacement, in whole or in part, within three to 30 years and not for regular or periodic maintenance and expenses. No funds collected for the Reserve Account may be used for ordinary current maintenance and operation purposes.

21.7 Calculation of Reserve Assessment; Reserve Study. The Board of Directors of the Association shall annually conduct a reserve study, or review and update an existing study, of the Common Area and Commonly Maintained Property to determine the reserve account requirements. A reserve account shall be established for those items of the Common Area and Commonly Maintained Property all or part of which will normally require replacement in more than three and less than 30 years, for exterior painting, and for the maintenance, repair, or replacement of other items as may be required under the Declaration or Bylaws or that the Board of Directors, in its discretion, may deem appropriate. The reserve account need not include items that could reasonably be funded from operating assessments. The reserve study shall include:

- (a) identification of all items for which reserves are required to be established;
- (b) the estimated remaining useful life of each item as of the date of the reserve study;
- (c) the estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and
- (d) a 30-year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.

The reserve account assessment shall be allocated to each Lot equally.

21.8 Increase or Reduction, or Elimination of Reserve Account Assessment. At any time after the second year after the Turnover Meeting, future assessment for the Reserve Account may be increased or reduced by the vote of Owners of Lots representing 75% of the votes.

21.9 Default in Payment of Assessments, Enforcement of Liens. All assessments properly imposed under this Declaration or the Bylaws shall be the joint and several personal obligation of all Owners of the Lot to which such assessment pertains. In a voluntary conveyance (i.e., one other than through foreclosure or a deed in lieu of foreclosure), the grantees shall be jointly and severally liable with the grantors for all Association assessments imposed through the recording date of the instrument effecting the conveyance. A suit for a money judgment may be initiated by the Association to recover such assessments without either waiving or foreclosing the Association's lien.

22. ENFORCEMENT:

22.1 The Use Restrictions set forth in Section 14 of this Declaration shall be specifically enforceable by Declarant, the Association or by any Owner of any lot in SUNDANCE MEADOWS. Any breach of this Declaration shall subject the breaching party to any and all legal remedies, including damages or the destruction, removal or the enjoining of any offending improvement or condition.

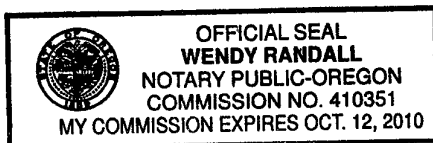
22.2 In the event that legal suit or legal action is instituted for the enforcement of the Use Restrictions set forth in Section 14 of this Declaration or for any remedy for the breach of the Use Restrictions set forth in Section 14 of this Declaration, the prevailing party shall recover from the losing party the prevailing party's reasonable attorney fees incurred in such suit or action (or any appeal therefrom) as adjudged by the trial or appellate court.

Triad Homes, Inc.

By: *Kenneth Brodeck*
KENNETH BRODECK, its
VICE PRESIDENT

STATE OF OREGON)
) ss.
County of Deschutes)

The foregoing instrument was acknowledged before me by KENNETH BRODECK, Vice President of and on behalf of TRIAD HOMES, INC., this 26th day of ~~December 2006~~ January, 2007.



Wendy Randall
Notary Public for Oregon
My Commission Expires:
Oct 12, 2010