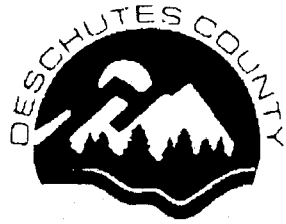




DESCHUTES COUNTY CLERK

CERTIFICATE PAGE



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**BY-LAWS AND RESTRICTIVE COVENANTS OF
TETHEROW CROSSING PROPERTY OWNERS ASSOCIATION, INC.**

PART ONE:

BY-LAWS OF ASSOCIATION

Article 1. Name and Purpose

Section 1.01 Name

§(a) This Association shall be called Tetherow Crossing Property Owners Association, Inc.

Section 1.02 Purpose

§(a) The primary purpose of this Association shall be to provide for operation, maintenance, repair, rebuilding or rehabilitation of roads, streets and public ways of Tetherow Crossing Development, in Deschutes County, Oregon. A secondary purpose is to assist the members of the Association in the enforcement of these By-Laws and Reservations and Restrictive Covenants.

Article 2. Membership

Section 2.01 Membership Entitlement

§(a) Purchase of any parcel within the Tetherow Crossing Development under an agreement of sale and/or land sales contract automatically entitles and assigns the owner or joint owners one (1) membership.

Article 3. Fees and Dues

Section 3.01 Dues

§(a) Dues shall be in the sum of \$150.00 per year per parcel.

Section 3.02 Due Date

§(a) Dues shall be payable on or before September 1st of each year, for the fiscal year beginning September 1st of that year.

§(b) Invoices for dues and fees are to be mailed by August 1; due date on the invoice to remain at September 1; terms on invoice shall be stated as "Net 30 Days".

Return To: T.C.P.O.A.
P.O. Box 405
Redmond, OR 97756

Section 3.03 Non-Payment of Dues

§(a) In the event of non-payment of dues or any assessment, the Board of Directors may direct the Association's Treasurer to file in the office of Deschutes County, Clerk, within 90 days after such delinquency, a claim of lien setting forth the amount of the delinquent assessment together with interest, reasonable attorney's fees, and the cost of filling the lien.

The Treasurer will be instructed to apply a rate of 9% per annum accruing from the date the assessment became delinquent and continuing until final payment of the assessment. Such lien shall continue until paid or foreclosed. This lien shall be of the same kind and may be enforced so far as possible as provided in the Oregon Unit Ownership Law.

Article 4. Annual Meetings, Special Meetings, and Voting Requirements

Section 4.01 Annual Meetings

§(a) The annual meeting shall be held the third Sunday in April of each year.

Section 4.02 Special Meetings

§(a) Special membership meetings may be called by the Secretary upon resolution of the Board, or upon petition of five (5%) percent of the voting members. The petition shall state the purpose of the special meeting and may fix a period of two weeks during which the meeting may be held; provided however, that the petition be delivered to the Secretary not less than two weeks before the designated period.

Section 4.03 Quorums

§(a) A Quorum at any regular or special meeting shall consist of ten percent (10%) of the membership. If a quorum is not present, the meeting may be adjourned, to be reconvened 7 to 14 days later. Notice of the adjourned meeting must be given to the membership and the date and time it will reconvene. At the reconvened meeting, a quorum will consist of five percent (5%) of the membership.

Section 4.04 Powers of Meetings

§(a) At a membership meeting, declarative resolutions may be adopted, and instructions may be issued to the Board, provided they do not abridge powers specially granted to the Board by these By Laws.

§(b) At a special meeting, no business may be transacted other than the stated purpose of the meeting. Other items may be discussed with the unanimous consent of all members present.

Section 4.05 Voting Rights

- §(a) Each member is entitled to one (1) vote only, regardless of the number of parcels owned. A co-owned or jointly owned parcel is only one (1) membership, therefore only allowed one (1) vote.
- §(b) Voting by proxy is acceptable, as long as it is documented by the Secretary prior to the day of the meeting.
- §(c) Voting rights will be denied to members who are past due in paying Association dues. A member may keep his/her voting rights by making a minimum of monthly payments (1/12 yearly dues minimum per month), consistently. This option must be prearranged, in writing, with the Secretary or bookkeeper.

Article 5, Directors

Section 5.01 Board of Directors

- §(a) The management of this Association shall be vested in a Board of Directors consisting of five (5) persons elected by the membership.
- §(b) The members elected, will be elected as follows to achieve staggered terms:
- I. Directors will be elected for two (2) year terms.
 - II. A minimum of two (2) will be elected in each even numbered year.
 - III. A minimum of three (3) will be elected in each odd numbered year.
- §(c) Quorum at Board meetings: three (3) Directors constitutes a quorum at any regular, or executive session, meeting of the Board.

Section 5.02 Forfeiture of Directorship

- §(a) Any Director of this Association that fails to attend three (3), consecutive or non-consecutive regular Board meetings, shall, at the discretion, and based on a majority vote of the other Board members, be dismissed from the Board, at which time the position shall become vacant.

Those vacancies may be filled by appointment of the Board, if the Board deems it necessary.

Section 5.03 Duties of Directors

- §(a) The Board shall retain a permanent record of all financial transactions. Financial reports, income and distribution, is to be compiled for each quarter and one for the fiscal year. These reports are to be available to members upon written request. These reports may be posted on a website, if, or as long as the Association retains a website.
- §(b) An impartial review of the books may be requested once per year, when requested by a majority of members in good standing, with dues fully paid. Any costs associated with having the books reviewed will be borne by all members as a special fee, assessed equally to each property, when the review is complete.
- §(c) All reviews must be performed by a licensed CPA chosen by a bidding process. All bidders are to be pre-qualified prior to receiving a request for quote. The Board is to conduct the request for quote and select from the lowest, qualified bidder.
- §(d) However, if a licensed CPA/firm cannot perform a full review; questions of review- type information may be submitted to the Board. If review-type information is asked for, the Board retains the option, for clarity, of responding only through an authorized CPA/firm, or as advised by legal counsel. Costs associated with deriving the information, in this manner, are subject to the special assessment fee procedure as stated in §(b)
- §(e) The Board may create advisory, or ad-hoc committees, or hire services as deemed necessary to fulfill their duties for the Association.
- §(f) The Directors shall have the power to disburse money to maintain roads, streets, and public right-of-ways belonging to the Association members, for the benefit of Association members.
- §(g) The Directors are to provide information for the members to assist in the enforcement of these By-Laws and Restrictions, and to provide such additional services to the members as they, in their exclusive discretion, determine to be advisable.

Section 5.04 Officers

§(a) The officers shall be: President, Vice-President, Secretary, Treasurer, and such others as the Board may deem necessary. The President, Vice-President, and Secretary shall be appointed by the Board of Directors from their number at the first regular Board meeting following the annual election. All officers shall hold office at the discretion of the Board. If the Treasurer is not a member of the Board, that person may have a voice, but no vote, at the Board meeting.

Section 5.05 Discretionary Funds and Funding for Committee Chair Persons and Officers

§(a) The Board may authorize a properly appointed committee chair person, or a properly appointed officer of the Board, limited discretionary spending authority for conducting Association business, which comes up outside the course of regular meetings.

§(b) The amount authorized for an individual, as described in §(a), must be voted on by the Board, and may not exceed \$800.00 per year, per individual, nor exceed, in total, for all such individuals, \$2,400.00 per year.

§(c) The individual(s), so authorized, is required to maintain accurate records of all expenditures incurred, and present verifiable documentation to the Treasurer, and/or Board.

Article 6. Mail Vote

Section 6.01 Mail Vote Requirements

§(a) Whenever in the judgment of the Board of Directors any question shall arise which it considers should be put to a vote of the membership, and when it deems it inexpedient to call a special meeting for that purpose, it may submit the matter to the membership in writing by mail for vote and decision.

And the question thus presented shall be determined according to a majority (over 50%) of the votes received by mail within two weeks after such submission to the membership; provided that in each case, vote of at least twenty-five percent (25%) of the members are received.

Actions taken in this manner shall be as effective as action taken at a duly called meeting.

Article 7. Liabilities

Section 7.01 Liabilities

§(a) Nothing herein shall constitute members of the Association as partners for any purpose. No member, officer, agent, or employee shall be liable for the acts or failure to act of any other member, officer, agent, or employee of the Association. Nor shall any member, officer, agent, or employee be liable for his acts or failure to act under these By-laws, except only acts of omissions arising out of his willful misfeasance.

§(b) The Board is required to obtain, fund, and keep in force, general liability insurance for the Association and D&O (Director and Officers) insurance for the Board.

Section 7.02 Volunteerism

§(a) It is understood that the use of volunteer labor may create a potential legal liability to the Association. Therefore, members are not to organize and/or perform volunteer labor unless such activity is covered by the Association's insurance as provided in Section 7.01. Legal counsel on such matters is to be directed through the Board.

Article 8. Amendments

Section 8.01 Amendment Requirements

§(3) These By-laws of Association may be amended, repealed, or altered in whole or in part by a majority (over 50%) of members attending at a duly organized meeting of the Association, or by an authorized mail vote conducted per Article 6 and Section 4.03, §(a).

PART TWO:

RESERVATIONS AND RESTRICTIVE COVENANTS

Tetherow Crossing Properly Owners Association, Inc., makes the following declaration:

To the Public: Declarations of restrictions upon real property situated in Deschutes County, Oregon, more particularly described in "Exhibit A", which is attached, and by this reference made a part hereof. It is the intent and purpose of these reservations and restrictive covenants to protect the rights and investments of all property owners within this development so they can be assured enjoyment from the use and habitation thereof, at the same time preserving the natural beauty and environment.

- A) No residence shall be constructed on any acreage or portion thereof, which contains less than one-thousand (1,000) square feet of living area, exclusive of garages, porches, and outbuildings.
- B) No building shall be constructed on any acreage or portion thereof which does not meet the "set back" codes enforced by the county. For the purpose of these restrictions, eaves, steps, and porches shall be considered part of the building.
- C) No basements, shack, garage, or other outbuilding constructed or placed upon any portion of said acreage shall at any time be used as a temporary or permanent residence. Temporary residences used while a permanent residence is being built, must conform to the standards set by the county for such temporary residences.
- D) All residences, dwellings, and other outbuildings erected shall be placed upon a foundation that must meet county standards.
- E) "Mobile" or 'manufactured" homes used for permanent residence, must meet all current standards imposed by the county for such a residence.
- F) No obnoxious or offensive trade or activity shall be carried out on any acreage or portion thereof. There shall be no activity which may be or may become an annoyance to the neighborhood. No swine or chickens (including roosters) will be allowed.
- G) No acreage shall be used or maintained as a dumping ground for rubbish, trash, garbage, wrecked vehicles, or other waste. Any normal accumulation of garbage or waste shall be kept in sanitary containers at all times.
- H) A private barn and/or stable may be maintained for limited livestock production, provided that such production is not a commercial or feedlot enterprise.

- I) No commercial use or trade shall be carried out upon any parcel without written consent of the Property Owners Association. "In-home offices" are acceptable, as long as there is no outward appearance of a business, such as increased traffic, signs, or any other indicator of commercial use. No commercial type vehicle shall be stored or parked except in a closed garage or in a concealed area.
- J) No parcel shall be drastically altered or changed in terrain without the prior written consent from the Property Owners Association. The elevation of a parcel shall not be changed so as to materially effect surface elevation or grade of the surrounding plats. No rock, gravel, or clay shall be excavated or removed from any property for commercial uses.
- K) The above restrictions and covenants are to run with the land and shall be binding upon all parties and persons owning real property within the Tetherow Crossing subdivision, and their future grantees, assigns, heirs, and successors. Other than granting a variance, which shall be left up to the Directors, a change in restrictions or covenants can only be achieved by a majority vote (more than 50%) of property Owners at a duly organized meeting of the Association or authorized mail vote as described in the by-laws.
- L) If any of the above restrictions or covenants shall be violated, it shall be lawful for any other person owning real property in the Tetherow Crossing subdivision to prosecute any proceeding against the person(s) violating the restrictions. This prosecution may be done to either prevent the violation, or recover damages for such violation, or both.

<u>Tetherow Crossing Subdivision Description of Property</u>
<p>S$\frac{1}{2}$ SW$\frac{1}{4}$. Sec. 24: N$\frac{1}{2}$, N$\frac{1}{2}$S$\frac{1}{4}$, SE$\frac{1}{4}$.SW$\frac{1}{4}$ Sec. 25 That portion lying N of the center of Deschutes River Westerly from Tetherow Bridge and that portion lying Northerly of Deschutes River Rim in SW$\frac{1}{4}$ NE$\frac{1}{4}$.; and that portion lying N of Rim SE$\frac{1}{4}$NE$\frac{1}{4}$ Sec. 36 Township 14 S Range 12 EWM. SW$\frac{1}{4}$ NW$\frac{1}{4}$ W$\frac{1}{2}$ SW$\frac{1}{4}$ Sec. 30 Township S. Range 13 EWM NW$\frac{1}{4}$ NW$\frac{1}{4}$, that portion lying N of Rim SW$\frac{1}{4}$.NW$\frac{1}{4}$ Sec. 31 Township 145 Range 13 EWM.</p> <p>Containing 1080 acres more or less.</p>
<p>Exhibit A:</p>

As of September 19th, 2004, the above By-laws and Reservations and Restrictive Covenants supersede and replace any of those previously recorded with Deschutes County.

Tetherow Crossing Property Owners Association, Inc.

By: Raymond E. Lackey DATE 10/11/2004
President

ATTEST: Wayne E. Bailey
Secretary

STATE OF OREGON)
County of Deschutes)

On this 11th day of October, 2004, personally appeared before me, Ray Lackey, who, being duly sworn, did say that he was the President of TETHEROW CROSSING PROPERTY OWNERS ASSOCIATION, INC. at the time this revision was passed, and that said instrument was signed in behalf of said Association by authority of it's Board of Directors and a majority of the members of an organized meeting held on September 19, 2004, and he acknowledged said instrument to be it's voluntary act and deed.

Sonja L. Morgenthaler Notary Public for Oregon My Commission Expires: 11-09-2005

