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AFTER RECORDING, RETURN TO:  
BUETTNER LAND GROUP, LLC  
P.O. BOX 489  
REDMOND, OREGON 97756

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR

VILLAGE MEADOWS HOMESITES NORTH

THIS DECLARATION (the "Declaration") is made this 5 day of FEB, 2012 by BUETTNER LAND GROUP, LLC, an Oregon limited liability company, ("Declarant"), and the owners of the individual Lots within Village Meadows Homesites North (collectively "Owners").

RECITALS

- A. Village Meadows Homesites North has been developed as a single-family residential development. The plat of Village Meadows has been filed in the plat records of Deschutes County, Oregon and recorded February 5, 2007 in the Official Records for Deschutes County at Book 2007, page 007285 and Plat Cabinet H-243. Village Meadows Homesites North will be a Class II planned community under the Oregon Planned Community Act, ORS 94.550 to 94.783.
- B. Declarant and Owners desire to subject the property described in the attached Exhibit A (the "Property") to the terms of this Declaration for the benefit of such property and its present and subsequent owners.

NOW, THEREFORE, Owners and Declarant hereby declare that the Property shall be held, sold, and conveyed subject to the terms of this Declaration, which will run with such property and shall be binding upon all parties having or acquiring any right, title, or interest in such property or any part thereof and shall inure to the benefit of each owner thereof.

ARTICLE 1

DEFINITIONS

As used in this Declaration, the terms set forth below shall have the following meanings:

1.1 "Assessments" means all assessments and other charges, fines and fees imposed by the Association on an Owner in accordance with this Declaration, including, without limitation, Annual Assessments, Special Assessments, Emergency Assessments, and Individual Assessments as described in Article 10 below.

1.2 "Association" means the nonprofit corporation formed to serve as the owners association and known as "Village Meadows Homesites North Owners Association."

1.3 "Building" shall mean any structure located on a Lot within the Property.

1.4 "Bylaws" means the bylaws of the Association as such bylaws may be amended from time to time.

1.5 "City" shall mean the City of Sisters.

1.6 "Common Areas" means those Lots or tracts, including private street tracts, designated as such on any plat of the Property or in this Declaration including any Improvements thereon, but excluding those areas designated as public streets and right-of-ways.

1.7 "Declarant" shall mean Buettner Land Group, LLC., an Oregon limited liability company, and its successors and assigns if a recorded instrument executed by Declarant assigns to the transferee all of Declarant's rights under this Declaration.

**1.8**     **"Declaration"** shall mean the Declaration of Covenants, Conditions and Restrictions for Village Meadows Homesites North.

**1.9**     **"Design Review Committee"** or the "Committee" shall mean the Committee appointed pursuant to Article 6 herein.

**1.10**    **"Governing Documents"** means the Master Plan, this Declaration, the Articles of Incorporation, the Bylaws, the Design Guidelines, and any Policies and Procedures adopted by the Board.

**1.11**    **"Improvement"** shall mean every temporary or permanent structure of any kind, including, but not limited to any buildings, outbuildings, private roads, driveways, parking areas, walkways, fences and barriers, retaining walls and stairs, decks, hedges, windbreaks, planting, planted trees and shrubs, park strip (if any), signs, storage areas and all other structures or exterior landscaping, vegetation or ground cover of every type and every kind above the land surface.

**1.12**    **"Living Unit"** shall mean any portion of a structure situated upon the Property designed and intended for use and occupancy as a residence by a single family.

**1.13**    **"Lot"** shall mean each platted or legally partitioned Lot within the Property. Lot does not include Common Areas.

**1.14**    **"Master Plan"** shall mean the development approval issued by the City of Sisters for Village Meadows Master Planned Development under File No. "MP-05-02; CU 05-03; 05-04", as the same may hereafter be amended.

**1.15**    **"Mortgage"** means a mortgage or a trust deed: "mortgagee" means a mortgagee or a beneficiary of a trust deed; and "mortgagor" means a mortgagor or a grantor of a trust deed.

**1.16**    **"Owners"** shall mean the record Owner, including Declarant, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession under a land sale contract. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation or a tenant or holder of a leasehold interest. The rights, obligations, and other status of being an Owner commence upon acquisition of the ownership of a Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from obligations incurred prior to termination.

**1.17**    **"Policies and Procedures"** means those policies, procedures, rules and regulations adopted by the Association pursuant to the authority granted in this Declaration, as the same may be amended from time to time.

**1.18**    **"Property"** shall mean the property described on Exhibit A attached hereto.

**1.19**    **"Village Meadows Homesites North"** shall mean all the property described on Exhibit A and made subject to this Declaration.

## **ARTICLE 2**

### **PROPERTY SUBJECT TO THIS DECLARATION**

Owners and Declarant hereby declare that all the real property described on Exhibit A attached hereto, is owned and shall be owned, conveyed, hypothecated, encumbered, used occupied and improved subject to this Declaration.

## **ARTICLE 3**

### **DESCRIPTION OF PROPERTY AND CONSOLIDATION OF LOTS**

**3.1**     **Number of Lots.** The Property contains thirteen (13) Lots.

**3.2 Common Facilities.** Neither Owners nor Declarant agree to build any improvements on the Common Areas other than as shown on any plat of the Property, but may elect, at Declarant's sole option, to build additional improvements.

**3.3 Consolidation of Lots.** Declarant reserves the right to combine any two or more Lots then owned by Declarant upon receipt of any required approvals from the City of Sisters, if applicable, and recording an amendment to this Declaration. For Owners other than Declarant, the Owner of two adjoining Lots, with the approval of Declarant and the Design Review Committee, may elect to consolidate such Lots into one Lot. The consolidation shall be effected by the Owner's recording in the deed records of Deschutes County a declaration stating that the two Lots are consolidated, which declaration shall include a written consent executed on behalf of the Design Review Committee by at least one member of the Committee. Thereafter, the consolidated Lots shall constitute one Lot for all purposes of this Declaration, including voting rights and assessments. Once so consolidated, the consolidated Lot may not thereafter be partitioned nor may the consolidation be revoked.

## ARTICLE 4

### PROPERTY RIGHTS IN COMMON AREAS

**4.1 Owner's Easements of Enjoyment.** Subject to the provisions of this article, every Owner and his invitees shall have a right and easement of enjoyment in and to the Common Areas, which easement shall be appurtenant to and shall pass with the title to every Lot.

**4.2 Title to the Common Areas.** Title to the Common Areas shall be conveyed to and shall be accepted by the Association AS IS, free and clear of monetary liens and encumbrances (except for nondelinquent taxes and assessments), on or before the Turnover Meeting.

**4.3 Extent of Owner's Rights.** The rights and easements of enjoyment in the Common Areas created hereby shall be subject to the following and all other provisions of this Declaration:

- (a) The Governing Documents;
- (b) Any restrictions or limitations contained in any deed or other instrument conveying such property to the Association;
- (c) Easements reserved to Declarant for itself and the Association for underground installation and maintenance of power, gas, electric, water and other utility and communication lines and services installed by or with the consent of Declarant or with the approval of the Board and any such easement shown on any plat of the Property and for construction, maintenance, repair and use of Common Areas and any Improvements thereon;
- (d) Easements granted by Declarant or the Association, or as shown on any plat of the Property, to governmental entities or other companies providing utility and communications services and to police, fire and other public officials and to employees of utility companies and communications companies serving the Property; and
- (e) The Board's right to:
  - (i) adopt Policies and Procedures regulating use and enjoyment of the Common Areas; and
  - (ii) dedicate or transfer all or any part of the Common Areas, subject to such approval requirements as may be set forth in this Declaration.

**4.4 Use of the Common Areas.** The Common Areas shall not be partitioned or otherwise divided into parcels for residential use. Except as otherwise provided in this Declaration, the Common Areas shall be reserved for the use and enjoyment of all Owners and no private use may be made of the Common Areas.

**4.5 Alienation of the Common Areas.** The Association may not encumber, sell or transfer the Common Areas owned directly or indirectly by the Association for the benefit of the Lots unless such encumbrance, sale or transfer has been approved by at least eighty percent (80%) of the Class voting rights and the Class B Member, if any. Such approvals shall not be required for the granting of easements as otherwise permitted in this Declaration.

**4.6 Delegation of Use.** Any Owner may delegate, in accordance with any applicable provisions of the Bylaws of the Association, the Owner's right of enjoyment of the Common Areas to the members of the Owner's family and tenants or contract purchasers who reside on the Property, whose use of the Common Areas shall be subject to this Declaration and the Policies and Procedures adopted under this Declaration.

## ARTICLE 5

### OWNERSHIP AND EASEMENTS

**5.1 Use and Occupancy.** The Owner of a Lot in the Property shall be entitled to the exclusive use and benefit of such Lot, except as otherwise expressly provided in this Declaration, but the Lot shall be bound by and the Owner shall comply with the restrictions made applicable to such Lot by this Declaration.

**5.2 Easements Granted.** In addition to any easements shown on the recorded plats and as set forth in Article 4, Owners hereby grant, and Declarant hereby reserves or grants, as applicable, the following perpetual easements:

(a) **Adjacent Common Area.** The Owner of any Lot which blends together visually with any Common Area shall, if the Association elects from time to time to so require, permit the Association to enter upon the Lot to perform the maintenance of such Common Area.

(b) **Easement for Maintenance, Emergency, and Enforcement.** Declarant and Owners grant to the Association easements over the Property as necessary to enable the Association to fulfill its maintenance responsibilities. The Association shall also have the right, but not the obligation, to enter upon any Lot to perform maintenance, for emergency, security, and safety reasons, and to enter any portion of the Lot other than the dwelling located thereon to inspect for the purpose of ensuring compliance with and enforce the Governing Documents. Such right may be exercised by any member of the Board, any duly authorized agents and assignees of the Association, or any member or duly authorized representative of the Design Review Committee and all emergency personnel in the performance of their duties. Except in an emergency situation, entry shall only be during reasonable hours and after notice to the Owner. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot.

(c) **Utility Easements.** Easements for installation and maintenance of utilities and drainage facilities are reserved over portions of certain Lots, as shown on or described in the recorded plat or as otherwise reserved in any recorded document. Within the easements, no structure, planting or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction or flow of drainage channels in the easements, or which may obstruct or retard the flow of water through drainage channels in the easements. 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 utility company is responsible.

(d) **Utility Inspection and Repairs.** Each utility service provider and its agents or employees shall have authority to access all Lots, but not Improvements constructed thereon, and the Common Areas, on which communication, power, gas, drainage, sewage or water facilities may be located for the purpose of installing, operating, maintaining, improving or constructing such facilities, reading meters, inspecting the condition of pipes and facilities, and completing repairs. The Owner of any such Lot will be given advance notice if possible. In the case of an emergency, as determined solely by the utility service provider, no prior notice will be required.

## ARTICLE 6

### DESIGN REVIEW

**6.1 Approval Required; Review Fee.** No Improvement, as defined in Section 1.11 above, shall be erected, placed, altered, maintained, or permitted to remain on any Lot subject to this Declaration, except Lots owned by Declarant, until final plans and specifications have been submitted to and approved in writing by the Design Review Committee. It is the intent and purpose of this Declaration to assure quality of workmanship and materials, to assure harmony of external design with the existing Improvements and as to location with respect to topography and finished grade elevation, and to avoid plan repetition. The procedure and specific requirements for review and approval of residential construction may be set forth in Design Guidelines adopted from time to time by the Design Review Committee. The Committee may charge a reasonable fee to cover the cost of processing the application. In all cases which the Design Review Committee consent is required by this Declaration, the provisions of this Article shall apply.

**6.2 Required Documents.** Any Owner proposing to utilize, improve and/or develop real property within the Property shall submit a completed application form and related documents as the Committee may require from time to time.

**6.3 Review.** All plans and drawings identified in paragraph 6.2 above shall be submitted to the Design Review Committee for review prior to the performance of any proposed work. Such plans and drawings shall be accompanied by a check in the amount of the application fee payable to the order of Declarant or the Design Review Committee as designated by the Design Review Committee from time to time. No plans shall be reviewed until the design review fee is paid in full and all items specified in this section and the Design Guidelines are submitted. No work may be performed relating to any Improvement unless and until all aspects of all plans required under paragraph 6.2 above have been approved by the Design Review Committee. The Committee shall render its decision with respect to the construction application within thirty (30) working days after it has received all material and fees required by it with respect to the application.

**6.4 Design Guidelines.** The development concept for the Property shall be determined by the Design Review Committee. Design Guidelines setting forth various aspects of the development concept, in addition to this Declaration, shall be published from time to time by the Design Review Committee. The Design Review Committee shall have the right to alter, rescind or amend any published Design Guidelines without prior notice to any party; provided, however, that once approval has been given pursuant to Section 6.3 above, work may proceed in accordance with the approved plans and drawings notwithstanding any changes in the development concept.

**6.5 Inspection.** All work related to any building, structure or Improvement or any landscaping, vegetation, ground cover or other improvements within the Property shall be performed in strict conformity with the plans and drawings approved under paragraph 6.2 above. The Design Review Committee shall have the right to inspect any such work to determine its conformity with the approved plans and drawings and reserves the right to order a stop to all work if, in good faith, it believes that any such work is nonconforming. In the event that it is determined by the Committee that certain work is nonconforming, a stop work notice may be issued, without necessity of court order, which shall require the Owner to correct all non-conforming work specified in the notice before the remainder of the proposed work may be completed. Continued work without correction of any such non-conforming items shall be deemed a breach of this Declaration. Neither Declarant nor the Design Review Committee nor any officer, director, employee, agent, member, or servant of Declarant or the Design Review Committee shall be responsible for any damages, loss, delay, cost, or legal expense occasioned through a stop work notice given in good faith, even if it is ultimately determined that such work was in conformity with the approved plans and drawings.

**6.6 Waiver.** Any condition or provision of paragraph 6.2 through 6.5 above may be waived by the Design Review Committee in its exclusive discretion. Any waiver shall be in general conformity with the development concept and development standards for the Property. The granting of a waiver as to one Owner shall not automatically entitle any other Owner to the waiver of the same or similar conditions or provisions. No waiver shall be valid unless it is in writing, signed by an authorized representative of the Design Review Committee and delivered by certified mail to the party claiming the benefit of such waiver.

**6.7 Design Review Committee.** The Design Review Committee shall consist of as many persons, but not less than three, as the Declarant may from time to time appoint. As long as Declarant owns any Lot, the members of the Design Review Committee shall be appointed by Declarant. Declarant may at any time delegate to the Board of Directors of the Association the right to appoint or remove members of the Design Review Committee. Thereafter, or in the event Declarant fails to appoint a Design Review Committee, the Board of Directors shall assume responsibility for appointment and removal of members of the Design Review Committee or, if it fails to do so, the Board of Directors shall serve as the Design Review Committee.

**6.8 Majority Action.** Except as otherwise provided herein, a majority of the members of the Design Review Committee shall have the power to act on behalf of the Design Review Committee, without the necessity of a meeting and without the necessity of consulting or notifying the remaining members of the Design Review Committee. The Design Review Committee may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

**6.9 Liability.** The scope of the Design Review Committee's review is not intended to include any review or analysis of structural, geophysical, engineering, building or zoning code compliance or other similar considerations. Neither the Design Review Committee nor any member thereof shall be liable to any Owner, tenant, occupant, invitee, builder, or developer for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Design Review Committee or a member thereof, provided only that the Design Review Committee has, or the member has, in accordance with the actual knowledge possessed by the Design Review Committee or by such member, acted in good faith.

**6.10 Appeal.** At any time after Declarant has delegated appointment of the members of the Design Review Committee to the Association pursuant to Section 6.7, any Owner adversely affected by action of the Design Review Committee may appeal such action to the Board of Directors of the Association. Appeals shall be made in writing within ten (10) days of the Committee's action and shall contain specific objections or mitigating circumstances justifying the appeal. A final, conclusive decision shall be made by the Board of Directors of the Association within fifteen (15) working days after receipt of such notification.

**6.11 Effective Period of Consent.** The Design Review Committee's consent to any proposed Improvement shall automatically be revoked one year after issuance unless construction of the Improvement has been commenced or the Owner has applied for and received an extension of time from the Committee.

## ARTICLE 7

### RESTRICTIONS ON USE OF RESIDENTIAL LOTS

**7.1 Structures Permitted.** No structures shall be erected or permitted to remain on any Lot except structures containing Living Units and structures normally accessory thereto the location of which is in conformity with the applicable governmental regulations, is compatible in design and decoration with the dwelling structure constructed on such Lot, and has been approved by the Design Review Committee.

**7.2 Residential Use.** All Lots shall be used for single-family residential purposes only. No retail or industrial use shall be allowed on any Lot. Commercial use in a residence may be allowed provided only normal residential activities would be observable outside the Living Unit and that the activities would not be in violation of applicable governmental ordinances.

**7.3 Access to Property.** Except as shown on the plat or by recorded easement, no other Lots or private properties may be used for access or parking without that Owner's written permission.

**7.4 Antennas.** Only standard TV antennas and satellite dishes shall be permitted on a Lot. All over-the-air reception devices shall comply with the Design Guidelines and any other applicable restrictions adopted by the Design Review Committee or the Association, pertaining to the size, means, method and location of TV antenna and satellite dish installation.

**7.5 Appearance.** All garbage, trash, cuttings, refuse, garbage and refuse containers, machinery and equipment, including but not limited to, heat pumps, air conditioners, and other service facilities located on the Lot shall be screened from view of neighboring lots and streets in a manner approved by the Design Review Committee.

**7.6 Building Height Limitation.** Subject to the provisions of Section 7.1, no structure shall be erected, altered, placed or permitted to remain on any Lot other than one detached single-family Living Unit, and no such structure shall exceed thirty (30) feet in height.

**7.7 Completion of Construction.** Home building must be completed, including painting and all exterior finish, within one (1) year from the start of construction. "Complete" means obtaining certificate of final inspection from the City of Sisters. In the event of undue hardship due to weather conditions or other causes beyond the reasonable control of the Owner, this time period may be extended for a reasonable length of time upon written approval from the Design Review Committee.

**7.8 Driveways and Walkways.** Allowed materials for driveways and walkways include concrete, asphalt and masonry. All driveways shall be finished prior to occupancy. Exceptions may be allowed with Design Review Committee approval. Owners are responsible for repair of all driveway cuts, concrete breakage of curbs, sidewalks or sidewalk aprons. The Design Review Committee representative will monitor and provide written documentation to the offending Owner. All repairs must be completed within a reasonable period of time from receipt of written notification from the Design Review Committee representative.

**7.9 Exterior Colors and Materials.** All exterior colors and materials including those for trim, windows and doors are subject to approval by the Design Review Committee. Pursuant to the Master Plan, Living Units shall be constructed to the standards recommended in the "Oregon Forestland-Urban Interface Fire Act of 1997." Clearly indicate on submitted plans the locations of all proposed exterior colors. Samples may be standard manufacturer's paint chip samples or such larger samples as may be required by the Committee.

**7.10 Exterior Lighting.** No exterior lighting shall be placed on a Lot or any portion thereof without approval by the Design Review Committee. All exterior lighting contemplated shall meet all requirements of the City of Sisters "Dark Skies" lighting ordinance. Seasonal holiday lighting and decorations are permissible if consistent with any applicable Policies and Procedures and if removed within thirty (30) days after the celebrated holiday.

**7.11 Fences.** No perimeter fences shall be permitted within Village Meadows Homesites North on open spaces and Lots, as required by the Master Plan.

**7.12 Grades, Slopes and Drainage.** Each Owner of a Lot shall accept the burden of, and shall not in any manner alter, modify or interfere with, the established drainage pattern and grades, slopes and courses related thereto over any Lot or Common Area without the express written permission of the Design Review Committee, and then only to the extent and in the manner specifically approved. No structure, plantings or other materials shall be placed or permitted to remain on or within any grades, slopes, or courses, nor shall any other activities be undertaken which may damage or interfere with established slope ratios, create erosion or sliding problems, or which may change the direction of flow, or obstruct or retard the flow of water through drainage channels.

**7.13 Landscaping Completion and Protection.** Landscaping plans for each Lot shall be submitted to the Design Review Committee and shall be in compliance with guidelines as may be established by the Committee from time to time. Landscaping on Lots shall use "fire resistant plants" as described in the "Oregon Forestland-Urban Interface Fire Act of 1997." Each Owner shall attempt to preserve as many trees on each Lot as possible. Installation of underground sprinkler systems for all front lot landscaping of each home is mandatory on all Lots, and for rear lawns on certain Lots as will be determined by the Design Review Committee. The approved landscaping must be completed not later than ninety (90) days from completion of the home. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval of the Design Review Committee. Significant pruning of trees shall be subject to review and approval by the Design Review Committee. "Significant pruning" shall be considered such when any limb greater than 4" in diameter is removed.

"Significant trees" identified in Exhibit O-1 to the Master Plan shall be protected during construction. If any significant tree is determined to need to be removed due to construction, the health of the tree shall be evaluated by a certified arborist. In the event a healthy tree must be removed to accommodate development, then said tree shall be replaced with a comparably-sized tree of a similar specie on a 'one to one' basis. Any significant tree that does not survive must be replaced on a one-to-one basis with a species and location subject to review and approval by the City and the Association.

**7.14 Livestock, Poultry and Pets.** No animals, livestock or poultry of any kind shall be raised, bred or kept on any Lot except that dogs, cats or other common household pets may be kept, provided that they are not kept, bred or maintained for any commercial purposes and do not constitute a nuisance.

The Property is within the City limits of Sisters and resident animals are subject to the City of Sisters leash laws. Animal nuisance ordinances are also in effect for barking and trash strewn dogs. If an animal is off the Owner's Lot, it must be on a leash. Contact the City of Sisters Police Department to report violations. The City of Sisters is best equipped to deal with these problems and can enforce stringent fines.

**7.15 Minimum Square Footage and Maximum Floor Area.** Any single-family residence shall be a minimum of 1,400 square feet in size, not including any enclosed garage. The maximum permissible interior floor area shall be limited only by constraint of the building site area and other reasonable limitations as may be established by the Design Review Committee. Garages must be of sufficient size to accommodate a minimum of two cars.

**7.16 Model/Offices.** Models with sales offices are allowed for any builder with multiple homes for sale with Declarant's approval, subject to acceptance by the City of Sisters.

**7.17 Outside Equipment and Accessory Structures.** No recreational equipment, including but not limited to, basketball hoops or play structures, are allowed in any street. Other accessory structures or equipment, including but not limited to, tool and/or storage sheds, play equipment and dog houses are allowed only in the backyard and must be approved by the Design Review Committee.

**7.18 Outside Storage.** Woodpiles, storage areas, machinery and equipment shall be prohibited upon any Lot, unless obscured from view of neighboring property and streets by an appropriate screen approved by the Design Review Committee. Colored tops and covers shall be of a color approved by the Committee. Trash cans and other moveable rubbish

containers shall be allowed to be visible from the street or adjacent Lots within the Property only during the days on which rubbish is collected and after sundown of the preceding evening.

**7.19 Parking, Prohibited Vehicles, and Lot Appearance.** An enclosed garage, of a size appropriate for a minimum of two cars, is required for any dwelling on a Lot. No parking on any street shall be allowed of any commercial or recreational vehicles, including but not limited to horse trailer, travel trailer, commercial 18-wheel tractor, boat trailer, camper or incapacitated motor vehicle. Boats, trailers, buses, motor homes, commercial vehicles, flat bed pick-up trucks, recreational vehicles, (including campers), disabled vehicles or other similar vehicles shall not be parked or stored on any Lot other than inside an enclosed garage, screened from view in a manner approved by the Design Review Committee, or on a temporary basis as allowed in the Association Policies and Procedures which may be amended from time to time.

"No Parking" signage shall be posted on the interior side of the circle that terminates Village Meadows Road and such signage shall be maintained by the Association. Enforcement of the "no parking" restriction is the responsibility of the Association. Any vehicle found in violation of this restriction is subject to towing by the Association at the Owner's expense, which cost may be assessed as an Individual Assessment as provided in Article 10. This parking prohibition and the responsibilities of the Association cannot be amended or discontinued without the written consent of the City.

**7.20 Signs.** No sign of any kind shall be displayed to public view on or from any Lot without the Design Review Committee's prior written consent; provided, however, that an Owner may display not more than one (1) "for sale" sign or one (1) "for rent" sign per Lot. Said signs shall be limited in size to not more than four (4) square feet.

**7.21 Utilities.** No above ground utilities, pipes or wires shall be used to connect Improvements with supplying facilities.

**7.22 Water and Sewer Supply.** Owners are required to hook into City water and sewer systems. No individual water supply system or sewage disposal system shall be permitted on any Lot.

## **ARTICLE 8**

### **ASSOCIATION**

Declarant shall organize an association of all of the Owners within Village Meadows Homesites North. Such association, its successors and assigns, shall be organized under the name "Village Meadows Homesites North Owners Association" or such similar name as Declarant shall designate, and shall have such property, powers and obligations as are set forth in this Declaration for the benefit of the Property and all Owners of property located therein.

**8.1 Organization.** Declarant shall organize the Association as a nonprofit corporation under the general nonprofit corporation laws of the State of Oregon. The Articles of Incorporation of the Association shall provide for its perpetual existence, but in the event the Association is at any time dissolved, whether inadvertently or deliberately, it shall automatically be succeeded by an unincorporated association of the same name. In that event all of the property, powers and obligations of the incorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association, and such vesting shall thereafter be conferred as evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any successor unincorporated association shall be governed by the Articles of Incorporation and Bylaws of the Association as if they had been made to constitute the governing documents of the unincorporated association.

**8.2 Membership.** Every Owner of one or more Lots within the Property shall, immediately upon creation of the Association and thereafter during the entire period of such Owner's membership of one or more Lots within the Property, be a member of the Association. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

**8.3 Voting Rights.** Voting rights within the Association shall be allocated as follows:

(a) **Lots.** Lots shall be allocated one Voting Unit per Lot. A single-family Lot shall be allocated one vote regardless whether the Living Unit has been constructed on such Lot.



- (b) **Classes of Voting Membership.** The Association shall have two classes of voting membership:

**Class A.** Class A members shall be all Owners with the exception of the Class B member and shall be entitled to Voting Units for each Lot owned computed in accordance with Section 8.3(a) above. When more than one person holds an interest in any Lot, all such persons shall be members and the vote for such Lot shall be exercised as they among themselves determine. In no event, however, shall more Voting Units be cast with respect to any Lot than as set forth in Section 8.3(a) above.

**Class B.** The Class B member shall be the Declarant and shall be entitled to three times the Voting Units computed under Section 8.3(a) for each Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

- (i) Declarant no longer owns any Lot within the Property; or
- (ii) At such earlier time as Declarant may elect in writing to terminate Class B membership.

**8.4 General Powers and Obligations.** The Association shall have, exercise and perform all of the following powers, duties and obligations:

- (a) The powers, duties and obligations granted to the Association by this Declaration.
- (b) The powers and obligations of a nonprofit corporation pursuant to the general nonprofit corporation laws of the State of Oregon.
- (c) The powers, duties and obligations of a homeowners association pursuant to the Oregon Planned Community Act, whether or not such Act is applicable to the Association.
- (d) Any additional or different powers, duties and obligations necessary or desirable for the purpose of carrying out the functions of the Association pursuant to this Declaration or otherwise promoting the general benefit of the Owners within the Property.

The powers and obligations of the Association may from time to time be amended, repealed, enlarged or restricted by changes in this Declaration made in accordance with the provisions herein, accompanied by changes in the Articles of Incorporation or Bylaws of the Association made in accordance with such instruments and with the nonprofit corporation laws of the State of Oregon.

**8.5 Specific Powers and Duties.** The powers and duties of the Association shall include, without limitation, the following:

- (a) **Maintenance and Services.** The Association shall provide maintenance and services for the Property as provided in Article 9 and other provisions of this Declaration.
- (b) **Insurance.** The Association shall obtain and maintain in force policies of insurance as provided in this Declaration or the Bylaws of the Association.
- (c) **Rulemaking.** The Association, through the Board of Directors, shall have the right to make, establish, promulgate, amend and repeal Policies and Procedures governing the conduct of persons and the operation and use of Lots and the Common Areas as it may deem necessary or appropriate in order to assure the peaceful and orderly use and enjoyment of the Property. A copy of the Policies and Procedures, upon adoption, and a copy of each amendment or modification shall be furnished to each Owner and shall be binding upon all Owners and occupant of all Lots upon the date of delivery.
- (d) **Assessments.** The Association shall adopt budgets and impose and collect Assessments as provided in Article 10 of this Declaration.
- (e) **Enforcement.** Subject to the provisions of Article 11, the Association shall perform such acts, whether or not expressly authorized by this Declaration, as may be reasonably necessary to enforce the provisions of this

Declaration and the Policies and Procedures adopted by the Association, including without limitation, enforcement of the decisions of the Design Review Committee. Nothing in this Declaration shall be construed as requiring the Association to take any specific action to enforce violations.

(f) **Employment of Agents, Advisers and Contractors.** The Association, through its Board of Directors, may employ the services of any person or corporation as managers, hire employees to manage, conduct and perform the business, obligations and duties of the Association, employ professional counsel and obtain advice from such persons or firms or corporations such as, but not limited to, landscape architects, architects, planners, attorneys and accountants, and contract for or otherwise provide for all services necessary or convenient for the management, maintenance and operation of the Property.

(g) **Borrow Money, Hold Title and Make Conveyances.** The Association may borrow and repay moneys for the purpose of maintaining and improving the Common Areas and, subject to Section 4.4 above, encumber the Common Areas as security for the repayment of such borrowed money. The Association may acquire, hold title to and convey, with or without consideration, real and personal property and interests therein, including but not limited to easements across all or any portion of the Common Area, and shall accept any real or personal property, leasehold or other property interest within the Property conveyed to the Association by Owners or Declarant.

(h) **Transfer, Dedication and Encumbrance of Common Area.** Except as otherwise provided in Section 4.4 above, the Association may sell, transfer or encumber all or any portion of the Common Area to a person, firm or entity, whether public or private, and dedicate or transfer all or any portion of the Common Area to any public agency, authority, or utility for public purposes.

**8.6** **Liability.** Neither a member of the Board of Directors nor an officer of the Association or member of the Design Review Committee or any other committee established by the Board of Directors, shall be liable to the Association, any member of the Association or any third party for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his or her duties, so long as the individual acted in good faith, believed that the conduct was in the best interests of the Association, or at least was not opposed to its best interests, and in the case of criminal proceedings, had no reason to believe the conduct was unlawful. In the event any member of the Board of Directors or any officer or committee member of the Association is threatened with or made a party to any proceeding because the individual is or was a director, officer or committee member of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

**8.7** **Interim Board.** Declarant shall have the right to appoint an interim board of three directors, who shall serve as the Board of Directors of the Association until replaced by Declarant or until their successors take office at the next annual meeting following termination of Class B membership. At such meeting, the interim directors shall resign and be replaced by their successors, all of whom shall be elected by Owners. The method of election, terms of office and method of removal and filling of vacancies shall be governed by the Bylaws.

**8.8** **Turnover Meeting.** Declarant shall call a meeting of the Association for the purpose of turning over administrative responsibility for the Property to the Association not later than ninety (90) days after the termination of Class B membership as provided in Section 8.3(b) above. If the Declarant fails to call the turnover meeting as required by this section, any Owner or mortgagee of a Lot may call the meeting by giving notice as provided in the Bylaws.

## ARTICLE 9

### **MAINTENANCE, UTILITIES AND SERVICES**

**9.1** **Maintenance of Lots and Living Units.** Each Owner shall maintain the Owner's Lot and Improvements thereon in a clean and attractive condition, in good repair and in such a fashion as not to create a fire or other hazard. Such maintenance shall include, without limitation, painting or staining, repair, replacement and care for roofs, gutters, downspouts, exterior building surfaces, walks and other exterior improvements and glass surfaces. All repainting or restaining and exterior remodeling shall be subject to prior review and approval by the Design Review Committee. Subject to the landscaping requirements in Section 7.13 herein, each Owner shall keep all shrubs, trees, grass and plantings of every kind on the Owner's Lot neatly trimmed, properly cultivated and free of trash, weeds and other unsightly material. Damage caused by fire, flood, storm, earthquake, riot, vandalism, or other causes shall likewise be the responsibility of each Owner and shall be restored within a reasonable period of time.

**9.2 Maintenance and Lighting of Common Areas.** The Association shall be responsible for exterior lighting for and perform all maintenance upon the Common Areas and landscaping within dedicated rights of way, including but not limited to grass, trees, entrance signs, street lighting and signs, parking areas, walkways and trails, unless the maintenance thereof is assumed by a public body. Such areas shall be maintained in a good and workmanlike manner such as to carry out the purpose for which such areas are intended and as required by the Master Plan. Any exterior lighting must meet the requirements of the City of Sisters "Dark Skies" lighting ordinance.

**9.3 Maintenance of Utilities.** The Association shall perform or contract to perform maintenance of all private utilities within Common Areas, such as sanitary sewer service lines, domestic water service lines and storm drainage lines, except to the extent such maintenance is performed by the utilities furnishing such services. Each Owner shall be responsible for maintaining utility lines within his Lot.

**9.4 Corrective Maintenance.** The Association may assume the maintenance responsibilities set out in this Declaration for any Owner, after giving the responsible Owner reasonable notice and an opportunity to correct its deficient maintenance. In such event, all costs of such maintenance shall be assessed only against those Owners to which the services are provided and shall be Individual Assessments as determined by the Board. The assumption of this responsibility may take place either by contract or because, in the opinion of the Board, the level and quality of service then being provided is not consistent with the requirements of this Declaration.

**9.5 Damage Liability.** Any damage to any Common Area caused by Owners, their children, agents, visitors, friends, relatives, tenants, occupants or service personnel shall be repaired by the Owner within fifteen (15) days following the due date on which notice is mailed by the Association informing the Owner of such violation. If the damage has not been repaired within such time, then the Association shall perform such repair and the cost shall be assessed to the Owner as an Individual Assessment.

## **ARTICLE 10**

### **ASSESSMENTS**

**10.1 Purpose of Assessments.** The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of the Property and for the improvement, operation and maintenance of the Common Areas.

**10.2 Types of Assessments.** The Association may levy Annual Assessments, Special Assessments, Emergency Assessments and Individual Assessments, all as more particularly described below.

**10.3 Apportionment of Assessments.** All Lots shall pay a pro rata share of the Annual Assessments, Special Assessments and Emergency Assessments commencing upon the date such Lots are made subject to this Declaration. The pro rata share shall be based upon the total amount of each such Assessment divided by the total number of Lots subject to Assessment. A Lot shall be obligated to pay such Assessments regardless of whether the Living Unit has been constructed on the Lot.

**10.4 Annual Assessments.** The Board of Directors of the Association shall from time to time and at least annually prepare an operating budget for the Association, taking into account the current costs of maintenance and services and future needs of the Association, any previous overassessment and any common profits of the Association. The budget shall provide for such reserve or contingency funds as the Board deems necessary or as may be required by law. Annual Assessments for such operating expenses and reserves, if any, ("Annual Assessments") shall then be apportioned among the Lots as provided in Section 10.3 above. The method of adoption of the budget and the manner of billing and collection of Assessments shall be as provided in the Bylaws.

**10.5 Special Assessments.** In addition to the Annual Assessment authorized above, the Board of Directors may levy during any fiscal year a Special Assessment ("Special Assessment"), applicable to that year only, for the purpose of deferring all or any part of the cost of any construction or reconstruction, unexpected repair, or acquisition or replacement of a described capital improvement, or for any other one-time expenditure not to be paid for out of Annual Assessments. Special Assessments which in the aggregate in any fiscal year exceed an amount equal to twenty percent (20%) of the budgeted gross expenses of the Association for the fiscal year may be levied only if approved by a majority of the Voting Units, together with the written consent of the Class B Member, if any. Prior to the Turnover Meeting, any Special Assessment for acquisition or construction of new capital improvements or additions must be approved by not less than fifty percent (50%) of the Class A

voting rights voting in person or by proxy, together with the written consent of the Class B Member. Special Assessments shall be apportioned as provided in Section 10.3 above and may be payable in lump sum or in installments, with or without interest or discount, as determined by the Board of Directors.

**10.6 Emergency Assessments.** If the Annual Assessments levied at any time are, or will become, inadequate to meet all expenses incurred under this Declaration for any reason, including nonpayment of any Owner's Assessments on a current basis, the Board of Directors of the Association shall immediately determine the approximate amount of such inadequacy and issue a supplemental budget, noting the reason therefor, and levy an Emergency Assessment for the amount required to meet all such expenses on a current basis ("Emergency Assessment"). Emergency Assessments shall be apportioned as set forth in Section 10.3 above and payable as determined by the Board of Directors.

**10.7 Individual Assessments.** Any common expense or any part of a common expense benefiting fewer than all of the Lots may be assessed exclusively against the Lots benefited ("Individual Assessment"). Individual Assessments include, without limitation, charges for services provided under Sections 9.4 and 9.5 relating to maintenance and repair and Section 7.19 relating to parking violations. Individual Assessments shall also include default assessments levied against any Lot to reimburse the Association for costs incurred in bringing such Lot or its Owner into compliance with the provisions of this Declaration or the Policies and Procedures of the Association and for fines or other charges imposed pursuant to this Declaration for violation thereof. Unless otherwise provided by the Board of Directors, Individual Assessments shall be due 30 days after the Board of Directors has given written notice thereof to the Owners subject to Individual Assessments.

**10.8 Operations Fund.** The Association shall keep all funds received by it as Assessments in an account to be known as the "Operations Fund." The Association shall use such fund exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents within the Property and in particular for the improvement and maintenance of properties, services and facilities devoted to this purpose and related to the use and enjoyment of the Common Areas and of the Lots situated on the Property, including but not limited to:

- (a) Payment of the cost of maintenance, utilities and services as described in Article 9.
- (b) Payment of the cost of insurance as described in the Bylaws of the Association.
- (c) Payment of taxes assessed against the Common Areas and any improvements thereon.
- (d) Payment of the cost of other services which the Association deems to be of general benefit to the Owners, including but not limited to accounting, legal and administrative services.

**10.9 Reserve Fund.** Pursuant to the Oregon Planned Community Act ORS 94.750(2) regarding a Class II planned community, there is no requirement to comply with OS 94.595 to establish a reserve fund.

**10.10 Creation of Lien and Personal Obligation of Assessments.** Declarant and Owners hereby covenant, and each Owner of any Lot by acceptance of a conveyance thereof, whether or not so expressed in any such conveyance, shall be deemed to covenant to pay to the Association all Assessments or other charges as may be fixed, established and collected from time to time in the manner provided in this Declaration or the Association Bylaws. Such Assessments and charges, together with any interest, expenses or attorneys' fees imposed pursuant to Section 11.7, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment or charge is made. Such Assessments, charges and other costs shall also be the personal obligation of the person who was the Owner of such Lot at the time when the Assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Article 11 below.

## **ARTICLE 11**

### **ENFORCEMENT**

**11.1 Nonqualifying Improvements and Violation of General Protective Covenants.** In the event any Owner constructs or permits to be constructed on his Lot an Improvement contrary to the provisions of this Declaration, or causes or permits any Improvement, activity, condition or nuisance contrary to the provisions of this Declaration to remain uncorrected or unabated on the Owner's Lot, then the Association acting through its Board of Directors shall notify the Owner in writing of any

such specific violations of this Declaration and shall require the Owner to remedy or abate the same in order to bring his Lot, the Improvements thereon and the use thereof, into conformance with this Declaration. If the Owner is unable, unwilling or refuses to comply with the Association's specific directives for remedy or abatement, or the Owner and the Association cannot agree to a mutually acceptable solution within the framework and intent of this Declaration, after notice and opportunity to be heard and within thirty (30) days of written notice to the Owner, then the Association acting through its Board of Directors, shall have the right to do any or all of the following.

(a) Assess reasonable fines against such Owner based upon a resolution adopted by the Board of Directors that is delivered to each Lot, mailed to the mailing address of each Lot or mailed to the mailing address designated by the Owner of each Lot in writing, which fines shall constitute Individual Assessments for purposes of this Declaration;

(b) Enter the offending Lot and remove the cause of such violation, or alter, repair or change the item which is in violation of this Declaration in such a manner as to make it conform thereto, in which case the Association may assess such Owner for the entire cost of the work done including administrative costs as determined by the Board of Directors, which amount shall be payable to the Operations Fund as an Individual Assessment, provided that no items of construction shall be altered or demolished in the absence of judicial proceedings,

(c) Cause any vehicle parked in violation of this Declaration or the Policies and Procedures to be towed and impounded at the Owner's expense;

(d) Suspend the voting rights and any utility services paid for out of Assessments for the period that the violations remain unabated; and

(e) Bring suit or action against the Owner on behalf of the Association and other Owners to enforce this Declaration.

**11.2 Default in Payment of Assessments; Enforcement of Lien.** If an Assessment or other charge levied under this Declaration is not paid within thirty (30) days of its due date, such Assessment or charge shall become delinquent and shall bear interest from the due date at the rate set forth below. In such event, the Association may exercise any or all of the following remedies:

(a) The Association may suspend such Owner's voting rights and right to use the Common Areas until such amounts, plus other charges under this Declaration, are paid in full and may declare all remaining periodic installments of any Annual Assessment immediately due and payable. In no event, however, shall the Association deprive any Owner of access to and from the Owner's Lot.

(b) The Association shall have a lien in accordance with ORS 94.709 against each Lot for any Assessment levied against the Lot, including any fines or other charges imposed under this Declaration or the Bylaws against the Owner of the Lot and may foreclose such lien in the manner provided in ORS 94.709.

(c) The Association may bring an action to recover a money judgment for unpaid Assessments under this Declaration without foreclosing or waiving the lien described in paragraph (b) above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

(d) The Association shall have any other remedy available to it by law or in equity.

**11.3 Notification of First Mortgagee.** If a first mortgagee has requested such notice in writing from the Association, the Board of Directors shall notify such mortgagee of any individual Lot of any default in performance of this Declaration by the Owner which is not cured within sixty (60) days after notice of default to the Owner.

**11.4 Subordination of Lien to Mortgages.** The lien of the Assessments or charges provided for in this Declaration shall be subordinate to the lien of any Mortgage on such Lot which was made in good faith and for value and which was recorded prior to the recordation of the notice of lien. Sale or transfer of any Lot shall not affect the Assessment lien, but the sale or transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a decree of foreclosure or nonjudicial sale thereunder shall extinguish any lien of an Assessment notice of which was recorded after the recording of the Mortgage. Such sale or transfer, however, shall not release the Lot from liability for any Assessments or charges thereafter becoming due or from the lien of such Assessments or charges.

**11.5 Interest, Expenses and Attorneys' Fees.** Any amount not paid to the Association when due in accordance with this Declaration shall bear interest from the due date until paid at a rate that is the greater of eighteen percent (18%) per annum or three percentage points per annum above the prevailing Portland, Oregon prime rate as of the due date, or such other rate as may be established by the Board of Directors, but not to exceed the lawful rate of interest under the laws of the State of Oregon. A late charge may be charged for each delinquent Assessment in an amount established from time to time by resolution of the Board of Directors, which resolution is delivered to each Lot, mailed to the mailing address of each Lot or mailed to the mailing address designated by the Owner in writing, together with all expenses incurred by the Association in collecting such unpaid assessments, including attorneys' fees (whether or not suit is instituted). In the event the Association shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice, and a fee for preparing the notice of lien established from time to time by resolution of the Board of Directors. In the event the Association shall bring any suit or action to enforce this Declaration, or to collect any money due under this Declaration or to foreclose a lien, the Owner-defendant shall pay to the Association all costs and expenses incurred by it in connection with such suit or action, including a foreclosure title report, and the prevailing party in such suit or action shall recover such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof or in connection with any bankruptcy proceedings or special bankruptcy remedies.

**11.6 Assignment of Rents.** As security for the payment of all liens arising pursuant to this Article 11, each Owner hereby gives to and confers upon the Association the right, power and authority, during the continuance of such ownership, to collect the rents, issues and profits, of the Owner's Lot, reserving unto the Owner the right, prior to any default by such Owner in performance of that Owner's obligation under this Declaration or the Bylaws to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, the Association may, at any time after ten (10) days written notice to such Owner, either in person, by agent or by a receiver to be appointed by a court of competent jurisdiction, and without regard to the adequacy of any security for such indebtedness, enter upon and take possession of such Owner's Lot or any part thereof, in its own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including reasonable attorneys' fees, in payment of any indebtedness to the Association or in performance of any agreement hereunder, and in such order as the Association may determine. Such action shall not cure nor waive any default hereunder or invalidate any act done pursuant to this Declaration. The assignment of rents and powers described in the foregoing paragraph shall not affect, and shall in all respects be subordinate to, the rights and powers of the holder of any first or second mortgage on any Lot, or any part thereof, to do the same or similar acts.

**11.7 Nonexclusiveness and Accumulation of Remedies.** An election by the Association to pursue any remedy provided for violation of this Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted under this Declaration. The remedies provided in this Declaration are not exclusive but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to the Association. In addition, any aggrieved Owner may bring an action against another Owner or the Association to recover damages or to enjoin, abate or remedy any violation of this Declaration by appropriate legal proceedings.

## **ARTICLE 12**

### **DISPUTE RESOLUTION**

#### **12.1 Mediation.**

(a) Except as otherwise provided in this section, before initiating litigation or an administrative proceeding in which the Association and an Owner have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to use any dispute resolution program available within Deschutes County, Oregon, that is in substantial compliance with the standards and guidelines adopted under ORS 36.175. The written offer must be hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party.

(b) If the party receiving the offer does not accept the offer within ten (10) days after receipt of the offer, such acceptance to be made by written notice, hand-delivered or mailed by certified mail, return receipt requested, to the address, contained in the records of the Association, for the other party, the initiating party may commence the litigation or administrative proceeding. The notice of acceptance of the offer to participate in the program must contain the name, address and telephone number of the body administering the dispute resolution program.

(c) If a qualified dispute resolution program exists within Deschutes County, Oregon and an offer to use the program is not made as required under paragraph (a) of this section, then litigation or an administrative proceeding may

be stayed for thirty (30) days upon a motion of the noninitiating party. If the litigation or administrative action is stayed under this paragraph, both parties shall participate in the dispute resolution process.

(d) Unless a stay has been granted under paragraph (c) of this section, if the dispute resolution process is not completed within thirty (30) days after receipt of the initial offer, the initiating party may commence litigation or an administrative proceeding without regard to whether the dispute resolution is completed.

(e) Once made, the decision of the court or administrative body arising from litigation or an administrative proceeding may not be set aside on the grounds that an offer to use a dispute resolution program was not made.

(f) The requirements of this section do not apply to circumstances in which irreparable harm to a party will occur due to delay or to litigation or an administrative proceeding initiated to collect Assessments, other than Assessments attributable to fines.

**12.2 Costs and Attorneys' Fees.** The fees of any mediator and the costs of mediation shall be divided and paid equally by the parties. Each party shall pay its own attorneys' fees and costs in connection with any mediation.

**12.3 Survival.** The mediation agreement set forth in this section shall survive the transfer by any party of its interest or involvement in the Property and any Lot or Living Unit therein and the termination of this Declaration.

## ARTICLE 13

### DECLARANT'S IMMUNITY

Declarant has a non-exclusive right and power to enforce the covenants, conditions, and restrictions contained in this Declaration, but Declarant does not have the legal obligation to enforce or attempt to enforce the provisions hereof. In the event Declarant refuses, neglects, fails or is negligent in enforcing or attempting to enforce the Declaration, there shall not exist or be created any cause of action or claim against Declarant, and each Owner or any person or entity claiming by, through or from said Owner hereby releases Declarant from and against any claim arising in connection with the development of the Property or related to Declarant's acts or omissions in preparing, filing or enforcing this Declaration and shall be stopped from making or enforcing any such claim.

## ARTICLE 14

### MORTGAGEES

The following provisions are for the benefit of institutional holders, insurers and guarantors of first Mortgages on Lots. The provisions of this Article apply to both this Declaration and to the Bylaws, notwithstanding any other provisions contained therein.

**14.1 Reimbursement of First Mortgagees.** First mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Area. First mortgagees making such payments shall be owed immediate reimbursement therefore from the Association.

**14.2 Right of First Mortgagees Relating to Maintenance.** At any time that the Common Areas are not maintained or repaired by the Association to the extent reasonably necessary to protect and preserve the value of the Property for security purposes, then the record mortgagee, upon giving written notice as provided in this section, shall be entitled to exercise the rights of the Owner of the Lot as a member of the Association to vote at all regular and special meetings of the members of the Association.

**14.3 Notice to Association.** Upon request, each Owner shall be obligated to furnish to the Association the name and address of the holder of any Mortgage encumbering such Owner's Lot.

## ARTICLE 15

### MISCELLANEOUS PROVISIONS

**15.1 Duration.** This Declaration shall run with the land and shall be and remain in full force and effect at all times with respect to all property included in the Property and the Owners thereof for an initial period of thirty (30) years commencing with the date on which this document is recorded. Thereafter, this Declaration shall continue to run with the land and be and remain in full force and effect at all times with respect to all Property and the Owners thereof for successive additional periods of ten (10) years each. The continuation from the initial or any additional period into the next subsequent period shall be automatic and without the necessity of any notice, consent, or other action whatsoever; provided, however, that this Declaration may be terminated at the end of the initial or any additional period by an affirmative vote or written consent not less than six (6) months prior to the intended termination date of Owners owning not less than seventy-five percent (75%) of the Lots in the Property.

**15.2 Amendment.** This Declaration or any provision thereof may be terminated, extended, modified or amended, as to the whole of said Property or any part thereof with written consent of the Owners of at least seventy-five percent (75%) of the Lots in the Property; provided, however, that as long as Declarant owns any of the Lots, no such termination, extension, modification, or amendment shall be effective without the written approval of Declarant. In no event shall an amendment under this section create, limit or diminish special Declarant rights without Declarant's written consent, or change the boundaries of any Lot or any uses to which any Lot is restricted under this Declaration or change the method of determining liability for common expenses, the method of determining the right to common profits or the method of determining voting rights of any Lot unless the Owners of the affected Lots unanimously consent to the amendment. Further, in no event shall an amendment under this section limit, revise or diminish requirements within the Master Plan without the written consent of the City, which consent may be withheld in its sole discretion. Declarant may not amend this Declaration to increase the scope of special Declarant rights reserved in this Declaration after the sale of the first Lot unless Owners representing seventy-five percent (75%) of the total vote, other than Declarant, agree to the amendment.

**15.3 Recordation.** Any such approved amendment or repeal shall become effective only upon recordation in the Deed Records of Deschutes County, Oregon of a certificate of the president and secretary of the Association setting forth in full the amendment, amendments or repeal so approved and certifying that such amendment, amendments or repeal have been approved in the manner required by this Declaration and ORS 94.590, and acknowledged in the manner provided for acknowledgment of deeds.

**15.4 Regulatory Amendments.** Notwithstanding the provisions of Section 15.2 above, until the Turnover Meeting has occurred, Declarant shall have the right to amend this Declaration or the Bylaws of the Association in order to comply with the requirements of any applicable statute, ordinance or regulation or of the Federal Housing Administration; the United States Department of Veterans Affairs; the Farmers Home Administration of the United States; the Federal National Mortgage Association; the Government National Mortgage Association; the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon; or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for a planned community or lots in a planned community. After the Turnover Meeting, any such amendment shall require the approval of a majority of the voting rights of the Association voting in person, by proxy or by ballot at a meeting or ballot meeting of the Association at which a quorum is represented.

**15.5 Right to Transfer or Assign Declarant's Rights** Any or all of Declarant's rights and related obligations under this Declaration may be transferred in whole or in part to other persons or entities; provided, the transfer shall not reduce an obligation nor enlarge a right beyond that which Declarant then has under this Declaration. No such transfer or assignment shall be effective unless it is in a written instrument signed by Declarant and recorded in the deed records of Deschutes County, Oregon.

**15.6 Joint Owners.** Unless otherwise provided in this Declaration, in any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with this Declaration shall be a joint and several responsibility and 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 Association, 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.

**15.7 Lessees and Other Invitees.** Lessees, licensees, invitees, contractors, family members, guests, and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration



restricting or regulating the Owner's use, improvement or enjoyment of his or her Lot and other areas within the Property. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by such Owner.

**15.8 Notice of Sale or Transfer of Title.** Any Owner selling or otherwise transferring title to his or her Lot shall give the Association written notice within seven (7) days after such transfer of the name and address of the purchaser or transferee, the date of such transfer of title, and such other information as the Association may reasonably require. The transferor shall continue to be jointly and severally responsible with the Transferee for all obligations of the Owner of the Lot, including assessment obligations, until the date upon which such notice is received by the Association, notwithstanding the transfer of title.

**15.9 Nonwaiver.** Failure by the Declarant, the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed, a waiver of the right to do so thereafter.

**15.10 Construction: Severability; Number; Captions; Statutory References.** This Declaration shall be liberally construed as an entire document to accomplish the purposes thereof as stated in the introductory paragraphs hereof. Nevertheless, each provision of this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision.

As used in this Declaration, the singular shall include the plural and the plural the singular, and 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 this Declaration. Any reference to a specific section of the Oregon Revised Statutes shall mean such section as it is constituted at the time of execution of this Declaration and as it may hereafter be amended, added to or otherwise changed, and it shall also include any applicable successor provision or any other provision of similar purpose which may hereafter become applicable.

**15.11 Notices and Other Documents.** Any notice or other document permitted or required by this Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed made twenty-four (24) hours after having been deposited in the United States mail as certified or registered mail, with postage prepaid, addressed as follows: If to Declarant or the Association, P.O. Box 489, Redmond, Oregon 97756; if to an Owner, at the address given by the Owner at the time of purchase of a Lot, or at the Lot. The address of a party may be changed at any time by notice in writing delivered as provided in this section.

DECLARANT:

BUETTNER LAND GROUP, LLC

By: [Signature]  
Steve Buettner

Its: MEMBER

STATE OF OREGON                     )  
   ) ss.  
County of Deschutes                 )

This instrument was acknowledged before me this 16<sup>th</sup> day of April, by Steve Buettner  
member of Buettner Land Group, LLC, a limited liability corporation, on its behalf.

Miranda S. Dickson  
Notary Public for Oregon  
My commission expires: 9-15-13



OWNER – LOTS 23, 24, 28, 29, 30:

BUETTNER LAND GROUP, LLC

By: [Signature]  
Steve Buettner

Its: MEMBER

STATE OF OREGON                    )  
  ) ss.  
County of Deschutes                )

This instrument was acknowledged before me this 15<sup>th</sup> day of February, by Steve Buettner  
MEMBER of Buettner Land Group, LLC, a limited liability corporation, on its behalf.

Miranda S Dickson  
Notary Public for Oregon  
My commission expires: 9-15-13



OWNER – LOTS 21, 26, 27:

JILL A. JARKESY REVOCABLE TRUST 1997 dated march 26, 1997 and amended October 7, 2008

By: Jill A. Jarkesy, trustee

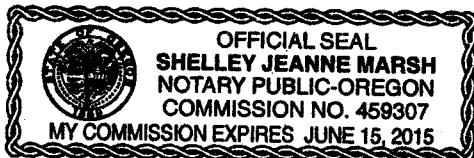
Print Name: Jill A. Jarkesy

Its: Trustee



STATE OF Oregon )  
County of Deschutes ) ss.

This instrument was acknowledged before me this 21 day of Feb., 2012, by Jill A. Jarkesy, Trustee of Jill A. Jarkesy Revocable Trust of 1997 dated March 26, 1997 and amended October 7, 2008 on its behalf.

Shelley Jeanne Marsh  
Notary Public for Oregon  
My commission expires: 06-15-15

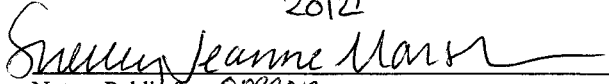


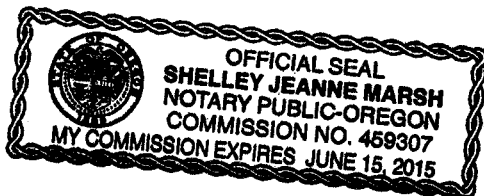
OWNERS – LOT 19, 22:

  
ALISON R. GERATHS  
  
RICHARD L. GERATHS

STATE OF Oregon )  
County of Deschutes ) ss.

This instrument was acknowledged before me this 29 day of February, by Alison R. Geraths and Richard L. Geraths.

  
Notary Public for Oregon  
My commission expires: 06-15-15



OWNER - LOT 20:

Taylor J. Porad  
TAYLOR J. PORAD

STATE OF Oregon )  
County of Deschutes )

) ss.  
)



This instrument was acknowledged before me this 2 day of April 2012, by Taylor J. Porad.

Laurel A. Kelley-Graeve  
Notary Public for state of Oregon  
My commission expires: July 29, 2014

OWNER - LOT 25:

Allison J. Mayea  
ALLISON J. MAYEA

STATE OF OR )

County of Deschutes ) ss.

This instrument was acknowledged before me this 16th day of February, by Allison J. Mayea.

Miranda S. Dickson  
Notary Public for Oregon  
My commission expires: 9-15-13



OWNER - LOT 18:

SISTERS HABITAT FOR HUMANITY, a non-profit 501(c)(3)

By: Jerry W. Hanford

Print Name: Jerry W. Hanford

Its: President

STATE OF OR )  
 ) ss.  
County of Deschutes )

This instrument was acknowledged before me this 16<sup>th</sup> day of February, by  
Jerry W. Hanford, the President of Sisters Habitat for Humanity, a non-profit 501(c)(3),  
on its behalf.

Miranda S. Dickson  
Notary Public for Oregon  
My commission expires: 9-15-13



## EXHIBIT A

Lots 18 – 30, inclusive, and all private roadways and common lot parcels located north of McKinley Butte Road as shown on the plat of Village Meadows filed in plat records of Deschutes County, Oregon and recorded February 5, 2007 in the Official Records for Deschutes County at Book 2007, Page 007285 and Plat Cabinet H-243:

Lots:                      Lots 18 – 30, inclusive

Common Areas:

Private Roadway: Village Meadows Road

Common lot:                      Located north of Lot 19 and adjacent to Village Meadows Road, consisting of 1,943 square feet

Common lot:                      Located inside the Village Meadows Road circle, consisting of 1,385 square feet

Common lot:                      Located north of and adjacent to McKinley Butte Road, consisting of 10,371 square feet