

DECLARATION OF HOMES OF VARDON COURT

THIS DECLARATION is made this 18 day of September, 1997, by LYNX LLC, an Oregon limited liability company ("Declarant").

O B J E C T I V E S

Declarant owns property located in Awbrey Glen in Deschutes County, Oregon. Declarant proposes to make available for development the portion of Awbrey Glen described on Exhibit A attached hereto, as a development to be known as Homes of Vardon Court.

Declarant desires to subject the property described on Exhibit A attached hereto, to the covenants, conditions, restrictions, and charges set forth herein for the benefit of such property and its present and subsequent owners.

NOW, THEREFORE, Declarant hereby declares that the property described on Exhibit A attached hereto, shall be held, sold, and conveyed subject to the following easements, covenants, conditions, restrictions, and charges, which shall 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. Declarant has subjected the property described on Exhibit A to the provisions of Declaration of Covenants, Conditions, and Restrictions dated July 8, 1992, recorded in the official records of Deschutes County in Book 272 at Page 1979.

ARTICLE 1

DEFINITIONS

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

1.1 "Architectural Review Committee" means the Architectural Review Committee appointed pursuant to the Master Declaration as defined in Section 1.8.

1.2 "Association" means the nonprofit corporation to be formed to serve as the association of Owners (as hereinafter defined) as provided in Article 7 hereof, and its successors and assigns.

1.3 "Declarant" means any person who succeeds to any special Declarant right and to whom all of the Declarant's ownership interest in Homes of Vardon Court is transferred, or

any person, other than Owners, to whom the Declarant has transferred, for purposes of resale, all of Declarant's ownership interest in Homes of Vardon Court; provided that, such transfer will not affect the status of Brooks Resources Corporation as Declarant under the Master Declaration.

1.4 "Improvement" means every temporary or permanent structure or improvement of any kind, including but not limited to a house, fence, wall, driveway, swimming pool, satellite dishes, or other product of construction efforts on or in respect to any property within Homes of Vardon Court, including landscaping, and every alteration, painting, or reconstruction thereof.

1.5 "Living Unit" means a building located or to be located on a Lot within Homes of Vardon Court and designated for separate residential occupancy (whether or not occupied) or ownership.

1.6 "Lot" means a platted or legally partitioned lot, within Homes of Vardon Court.

1.7 "Master Association" means Awbrey Glen Homeowners Association, Inc., the nonprofit corporation formed pursuant to the Master Declaration.

1.8 "Master Declaration" means the Declaration of Covenants, Conditions, and Restrictions for Awbrey Glen dated July 8, 1992.

1.9 "Mortgage" means a mortgage, trust deed, or land sales contract; "mortgagee" means a mortgagee, beneficiary of a trust deed, or vendor under a land sales contract; and "mortgagor" means a mortgagor, grantor of a trust deed, or vendee under a land sales contract.

1.10 "Owner" means the person or persons, including Declarant, owning any Lot, including any vendee under a recorded land sales contract to whom possession has passed, but does not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Lot, including any vendor under a recorded land sales contract who has given up possession. 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.

1.11 "Homes of Vardon Court" means the property described on Exhibit A attached hereto.

All capitalized terms not otherwise defined herein shall have the meaning given such terms in the Master Declaration.

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

Declarant hereby declares that all of 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

EASEMENTS RESERVED

In addition to any easements shown on the recorded plats or reserved in the Master Declaration, Declarant hereby reserves the following easements for the benefit of Declarant and the Association:

(a) Landscaping Maintenance. The Declarant, the Association, its managers, and contractors shall have the right to enter upon each Lot to the extent reasonably necessary for maintenance and repair of landscaping on the Lots.

(b) Right of Entry. Declarant, the Architectural Review Committee, and any representative of the Association authorized by it may at any reasonable time, and from time to time at reasonable intervals, enter upon any Lot for the purpose of determining whether or not the use of the Lot and/or Improvements on such Lot are then in compliance with this Declaration. No such entry shall be deemed to constitute a trespass or otherwise create any right of action by the Owner of such Lot.

ARTICLE 4

RESTRICTION ON TRANSFER

There shall be no inter vivos transfer, either directly or indirectly, of any interest in a Living Unit which would result in any person owning, either directly or indirectly through a corporation or a partnership, less than a fifty percent (50%) interest in such Living Unit without the prior written consent of Declarant. Tenants by the entireties shall be considered one person for purposes of this Article 4.

ARTICLE 5

RESTRICTIONS ON USE OF LIVING UNITS

5.1 Occupancy. No Owner shall occupy, use, or permit his Lot or Living Unit, or any part thereof, to be used in any manner that would violate the terms of the Master Declaration.

5.2 Master Declaration. Each Owner shall at all times comply with all applicable provisions of the Master Declaration including, without limitation, the restriction on rentals for less than 30 days.

ARTICLE 6

ARCHITECTURAL REVIEW

6.1 Approval Required. No Improvement, as defined in Section 1.4 above, shall be erected, placed, altered, maintained, or permitted to remain on any land subject to this Declaration until final plans and specifications have been submitted to and approved in writing by the Architectural Review Committee.

6.2 Procedure. Any Owner proposing to construct any Improvements within Homes of Vardon Court (including any exterior alteration, addition, destruction, or modification to any such Improvements) shall follow the procedures and shall be subject to the approvals required by the Master Declaration. Failure to follow such procedures or obtain such approvals shall be deemed a breach of this Declaration.

6.3 Construction by Declarant or Affiliates. Improvements constructed by Declarant on any property owned by Declarant or any affiliate of Declarant, are not subject to the requirements of this Article 6.

ARTICLE 7

ASSOCIATION

Declarant shall organize an Association of all of the Owners within Homes of Vardon Court. Such Association shall be organized under the name "Homes of Vardon Court Homeowners Association, Inc.," 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 Homes of Vardon Court and all Owners of property located therein.

7.1 Organization. Declarant shall, before the first Living Unit is conveyed to an Owner, organize the Association as a nonprofit mutual benefit corporation under the Oregon Nonprofit Corporation Act.

7.2 Membership. Every Owner of one or more Lots shall, immediately upon creation of the Association and thereafter during the entire period of such Owner's ownership of one or more Lots, 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.

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

(a) Living Units. Except as provided in Section 7.3(b) with respect to the Class B member, Living Units shall be allocated one vote per Living Unit.

(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 Declarant (except that beginning on the date on which the Class B membership is converted to Class A membership, and thereafter, Class A members shall be all Owners including the Declarant). Class A members shall be entitled to voting rights for each Living Unit owned computed in accordance with Section 7.3(a) above. When more than one person holds an interest in any Living Unit, all such persons shall be members. The vote for such Living Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Living Unit.

Class B. The Class B member shall be Declarant and shall be entitled to three times the voting rights computed under Section 7.3(a) for each Living Unit or unimproved Lot owned by Declarant. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(i) When Living Units on seventy-five percent (75%) of the Lots have been sold and conveyed to Owners other than Declarant; or

(ii) At such earlier time as Declarant may elect in writing to terminate Class B membership.

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

(a) Declaration. The powers, duties, and obligations granted to the Association by this Declaration.

(b) Statutory Powers. The powers, duties, and obligations of a mutual benefit nonprofit corporation pursuant to the Oregon Nonprofit Corporation Act as it may be amended from time to time.

(c) General. 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.

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 Oregon Nonprofit Corporation Act.

7.5 Liability. Neither the Association nor any officer or member of its Board of Directors shall be liable to any Owner for any damage, loss or prejudice suffered or claimed on account of any action or failure to act by the Association, any of its officers or any member of its Board of Directors, provided only that the officer or Board member has acted in good faith in accordance with the actual knowledge possessed by him.

7.6 Declarant Control. Declarant shall have the right, as Class B member, to elect a majority of the Board of Directors of the Association with the balance of the Board of Directors elected by the Class A members. After termination of Class B membership, all directors shall be elected by the Class A members.

7.7 Manager. The Board of Directors of the Association shall have the power to engage a manager and to pay the manager's reasonable compensation and expenses to perform any of the duties of the Association.

ARTICLE 8

MAINTENANCE OF LANDSCAPING

Maintenance of the landscaping on the Lots and maintenance of the monument sign at the entrance to Homes of Vardon Court shall be the responsibility of the Association except as hereinafter provided. Owners shall also be responsible for the cost of any landscaping repairs necessitated by the negligence or intentional misconduct of such Owner or such Owner's guests or invitees. No Owner shall make any modifications in the landscaping on such Owner's Lot without the prior written consent of the Association. Each Owner shall be

responsible for maintaining landscaping installed by such Owner which requires an unusual amount of maintenance.

ARTICLE 9

ASSESSMENTS

9.1 Annual Operating Budgets. The Association Board of Directors shall on or before December 1 of each year prepare an operating budget for the Association for the ensuing year. The budget shall provide for such reserve or contingency funds as the Board deems necessary or desirable or as may be required by law.

9.2 Operating Assessments. All Living Units shall be assessed equally for operating costs. The amount of the assessment per Living Unit shall be determined by dividing the annual budget by the total number of Living Units.

9.3 Payment of Assessments. The Association shall, on or about the 1st day of each month provide notice to the Owner of each Living Unit of the amount of the assessments for such Living Unit for that month. Assessments shall be due and payable on or before a date set forth in the notice which shall be not less than 10 days from the date the notice is mailed or at such other time or times set in accordance with this Declaration or the Bylaws as the Association may specify in the notice. The Board shall have the right to give discounts for advance payment of assessments.

9.4 Creation of Lien; and Personal Obligation of Assessments. Declarant, for each Living Unit owned by it within Homes of Vardon Court does hereby covenant, and each Owner of any Living Unit 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. Such assessments and charges, together with any interest, expenses or attorney fees imposed pursuant to Section 10.6, shall be a charge on the land and a continuing lien upon the Living Unit 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 Living Unit 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 10 below.

9.5 Financial Records. The Association Board of Directors shall maintain records of all amounts received into the maintenance fund and of all disbursements therefrom, which

records shall be open to inspection by any Owner at any reasonable time during the normal business hours.

ARTICLE 10

ENFORCEMENT

10.1 Remedies. In the event any Owner or the invitee of any Owner shall violate any provision of this Declaration, then the Association, acting through its Board of Directors, may notify the Owner in writing that the violations exist and that such Owner is responsible for them, and may, after reasonable notice and opportunity to be heard, do any or all of the following: (a) suspend the Owner's voting rights (i) for the period that the violations remain unabated, or (ii) for any period not to exceed sixty (60) days for any infraction of its rules and regulations, whichever is longer, or (b) bring suit or action against such Owner to enforce this Declaration. Nothing in this section, however, shall give the Association the right to deprive any Owner of access to and from such Owner's Living Unit.

10.2 Nonqualifying Improvements and Violation of General Protective Covenants. In the event any Owner constructs or permits to be constructed on such Owner's Lot an Improvement contrary to the provisions of this Declaration, or the Master Declaration, or causes or permits any Improvement, activity, condition or nuisance contrary to the provisions of this Declaration to remain uncorrected or unabated on such Owner's Lot, including, without limitation, the failure to maintain all improvements in a clean and attractive condition, then the Association acting through its Board of Directors may notify the Owner in writing of any such specific violations of this Declaration and may require the Owner to remedy or abate the same in order to bring the Owner's Lot, the Improvements thereon, and the Owner's use thereof, into conformance with this Declaration. If the Owner is unable, unwilling, or refuses to comply with the Association's specific directives or 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 sixty (60) days of written notice to the Owner, then the Association acting through its Board of Directors, shall have, in addition to any other rights or remedies provided in this Declaration, at law or in equity, the right to do any or all of the following:

(a) Remove Cause of Violation. Enter onto the offending Lot, without being subject to any trespass, conversion or any other claim for damages, and remove the cause of such violation, or alter, repair or change the item which is in violation of the 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.

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

10.3 Default in Payment of Assessments; Enforcement of Lien. If an assessment, fine, 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 until paid at the legal rate of interest and, in addition, the Association may exercise any or all of the following remedies:

(a) Suspension of Rights; Acceleration. The Association may suspend such Owner's voting rights until such amounts, plus other charges under this Declaration, are paid in full and may declare all remaining periodic installments of any annual assessment or any other amounts owed by such Owner to the Association immediately due and payable. In no event, however, shall the Association deprive any Owner of access to and from such Owner's Lot.

(b) Lien. The Association shall have a lien against each Lot and Living Unit for any assessment levied against the Lot and Living Unit or other charges imposed under this Declaration or the Bylaws against the Owner of the Living Unit from the date on which the assessment, fine or charge is due. The provisions regarding the attachment, notice, recordation, and duration of liens established on real property under ORS 94.704 to 94.716 shall apply to the Association's lien. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens under ORS Chapter 88. The Association, through its duly authorized agents, may bid on the Lot and Living Unit at such foreclosure sale, and may acquire and hold, lease, mortgage, and convey the Lot and Living Unit. If any assessment is payable in installments, the full amount of the assessment is a lien from the date the first installment of the assessment becomes due.

(c) Suit or Action. The Association may bring an action to recover a money judgment for unpaid assessments and charges under this Declaration without foreclosing or waiving the lien described in paragraph 10.3(b) above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

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

10.4 Notification of First Mortgagee. The Board of Directors may notify any first mortgagee of any Living Unit of any default in performance of this Declaration by the Living Unit Owner which is not cured within sixty (60) days.

10.5 Subordination of Lien to First Mortgages. The lien of the assessments or charges provided for in this Declaration shall be subordinate to the lien of any first mortgage on such Lot and Living Unit 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 and Living Unit shall not affect the assessment lien, provided however, that if a first mortgagee acquires a Lot and Living Unit by foreclosure or deed in lieu of foreclosure, such mortgagee and a subsequent purchaser (other than the Owner liable for payment of the assessment covered by the lien) shall not be liable for any of the common expenses chargeable to the Lot and Living Unit which became due before the mortgagee or purchaser acquired title to the Lot and Living Unit by foreclosure or deed in lieu of foreclosure. Such sale or transfer, however, shall not release the Lot and Living Unit from liability for any assessments or charges thereafter becoming due or from the lien of such assessments or charges.

10.6 Late Charge, Expenses, and Attorney Fees. 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 of the Association not to exceed 10 percent of such assessment. 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 of the Association. In the event the Association shall bring any suit or action to enforce this Declaration, or to collect any money due hereunder 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 attorney fees at trial and upon any appeal or petition for review thereof or in any bankruptcy proceeding.

10.7 Master Association. The rights of the Association to enforce this Declaration are in addition to the rights of the Master Association to enforce the terms of the Master Declaration.

10.8 Nonexclusiveness 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 hereunder.

ARTICLE 11

MISCELLANEOUS PROVISIONS

11.1 Amendment and Repeal. This Declaration, or any provision hereof, may be amended or repealed by the vote or written consent of Owners holding not less than seventy-five percent (75%) of all votes, together with the written consent of the Class B member, if such membership has not been terminated as provided herein. Any such amendment or repeal shall become effective only upon recordation in the Deed Records of Deschutes County, Oregon, of a certificate of the president or 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. 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 unless the Owners of the affected Lots unanimously consent to the amendment.

11.2 Regulatory Amendments. Notwithstanding the provisions of Section 11.1 above, until termination of the Class B membership, 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 Veterans Administration, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage 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 which insures, guarantees or provides financing for a planned community or lots in a planned community.

11.3 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 Homes of Vardon Court 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 in Homes of Vardon Court 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 resolution approved not less than six (6) months prior to the intended termination date by the vote or written consent

of Owners owning not less than seventy-five percent (75%) of the Class A votes and the vote or written consent of the Class B member, if any, and the written approval of the holders of mortgages on Living Units in the project to the extent required by Section 11.4. Any such termination shall become effective only if prior to the intended termination date a certificate of the president or secretary of the Association, certifying that termination as of a specified termination date has been approved in the manner required herein, is duly acknowledged and recorded in the Deed Records of Deschutes County, Oregon. Such termination shall not have the effect of denying any Owner access to such Owner's Lot unless such Owner and any mortgagee of such Lot have consented in writing to the termination.

11.4 Joint Owners. In any case in which two or more persons share the ownership of any Living Unit, 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.

11.5 Lessees and Other Invitees. Lessees, invitees, contractors, family members, and other persons entering Homes of Vardon Court 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 such Owner's Lot, Living Unit, and other areas within Homes of Vardon Court. 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 the Owner.

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

11.7 Construction; Severability. This Declaration shall be liberally construed as one document to accomplish the purposes 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.

11.8 Notices and Other Documents. All notices and other communications under this Declaration shall be in writing and shall be deemed to have been given on the day of delivery when delivered by personal service and to have been given three business days after delivery to the United States mails certified or registered mail, return receipt requested, addressed to the party to which such notice is directed at its address determined as provided in this Section 11.8.

(a) Addresses. All notices and other communications under this Declaration shall be given to the parties hereto at the following addresses:

(i) If to an Owner, then to the last address for such Owner shown in the Association's records.

(ii) If to Declarant or to the Association, then to Declarant or the Association at:

296 S.W. Columbia Street, Suite A
Bend, Oregon 97702

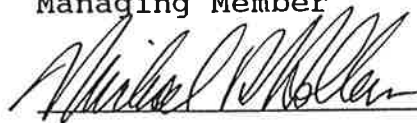
(b) Change of Address. Any party hereto may change the address to which notices shall be directed by giving ten days' written notice of such change delivered as provided herein.

11.9 Conflict. In case of any conflict between the terms of this Declaration and the terms of the Master Declaration, the terms of the Master Declaration shall control.

IN WITNESS WHEREOF, Declarant has executed this Declaration as of the day and year first above written.

LYNX LLC, an Oregon limited liability company

By: BROOKS RESOURCES CORPORATION,
Managing Member



President

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296 S.W. Columbia Street, Suite A
Bend, Oregon 97702

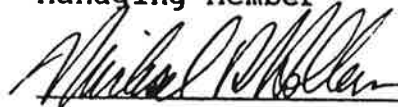
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LYNX LLC, an Oregon limited liability company

By: BROOKS RESOURCES CORPORATION,
Managing Member



President

462 - 2021

STATE OF OREGON)
) SS
COUNTY OF)

This instrument was acknowledged before me on
September 18, 1997, 1997, by Michael P. Hallen as President
of Brooks Resources Corporation, managing member of LYNX LLC.

Kathleen Restivo
Notary Public for Oregon
My commission expires:



EXHIBIT "A" TO DECLARATION

HOMES AT VARDON COURT

LOCATED IN THE SOUTHEAST 1/4 OF SECTION 24,
TOWNSHIP 17 SOUTH, RANGE 11 EAST, WILLAMETTE MERIDIAN
CITY OF BEND, DESCHUTES COUNTY, OREGON
MARCH, 1997

DECLARATION

KNOW ALL PERSONS BY THESE PRESENTS THAT BROOKS RESOURCES CORPORATION, AN OREGON CORPORATION, THE OWNER OF THE LAND SHOWN ON THIS PLAT, HAS CAUSED SAID LAND TO BE SURVEYED AND PLATTED INTO LOTS AND ROADS AS SHOWN ON THIS PLAT, AND HEREBY DEDICATES TO THE USE OF THE PUBLIC FOREVER PUBLIC UTILITY EASEMENTS OVER ALL PRIVATE WAYS, AS SHOWN ON SAID PLAT AND DOES HEREBY SUBMIT FOR APPROVAL AND RECORD SAID PLAT OF "HOMES AT VARDON COURT" HEREOFORTH TO BE SO KNOWN.

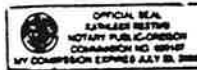
1. *Erik Schueler*
ERIK SCHUELER, TREASURER AND
CHIEF FINANCIAL OFFICER

2. *Natalie Barnes*
NATALIE BARNES, SECRETARY

STATE OF OREGON)
COUNTY OF DESCHUTES)

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME ON March 24 1997
BY ERIK SCHUELER, TREASURER AND CHIEF FINANCIAL OFFICER, AND NATALIE BARNES,
SECRETARY OF BROOKS RESOURCES CORPORATION, AN OREGON CORPORATION, ON BEHALF
OF THE CORPORATION.

Kathleen Rutter
NOTARY PUBLIC FOR OREGON
My Comm. Expires July 20, 2000



SURVEYORS CERTIFICATE

I, KENNETH A. FISHER, REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF OREGON, DO HEREBY CERTIFY THAT I HAVE CORRECTLY SURVEYED AND MARKED WITH PROPER MONUMENTS, THE LAND SHOWN ON THIS PLAT OF "HOMES AT VARDON COURT", TO THE NORMAL STANDARD OF CARE OF PROFESSIONAL LAND SURVEYORS PRACTICING IN OREGON, SAID LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE INITIAL POINT (MONUMENTED BY A 5/8" REBAR WITH YELLOW PLASTIC CAP MARKED "BEN PACIFIC"), FROM WHICH THE SOUTH ONE-QUARTER OF SECTION 24, TOWNSHIP 17 SOUTH, RANGE 11 EAST, WILLAMETTE MERIDIAN, BEARS SOUTH 43°29'29" WEST, 2090.27 FEET; THENCE NORTH 29°44'58" WEST, 165.43 FEET; THENCE NORTH 05°24'52" EAST, 176.76 FEET; THENCE NORTH 02°17'19" WEST, 108.34 FEET; THENCE NORTH 87°52'04" WEST, 75.77 FEET; THENCE NORTH 37°16'15" EAST, 126.86 FEET TO A POINT ON A NON-TANGENT 220.00 FOOT RADIUS CURVE TO THE LEFT, THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 24°44'31", AN ARC LENGTH OF 85.00 FEET (THE CHORD OF WHICH BEARS SOUTH 89°36'38" WEST, 84.36 FEET); THENCE SOUTH 77°17'10" WEST, 223.92 FEET TO THE EASTLY RIGHT-OF-WAY OF BRAD DRIVE AND THE NORTHWEST CORNER OF LOT 32 OF ARNOLD OLIN HOMESITES, PHASE ONE AS SHOWN ON THAT PLAT ON FILE WITH THE DESCHUTES COUNTY SURVEYOR AS CS 11308; THENCE ALONG SAID RIGHT-OF-WAY, NORTH 11°47'27" WEST, 60.00 FEET; THENCE LEAVING SAID RIGHT-OF-WAY, NORTH 77°17'10" EAST, 222.81 FEET; THENCE NORTH 30°50'10" EAST, 153.04 FEET; THENCE SOUTH 87°44'47" EAST, 240.54 FEET; THENCE NORTH 78°14'30" EAST, 250.30 FEET TO THE WESTLY RIGHT-OF-WAY OF RUTMAN ROAD PER THAT DEDICATION ON FILE WITH THE DESCHUTES COUNTY RECORDER IN VOLUME 263 AT PAGE 277; THENCE ALONG SAID WESTLY RIGHT-OF-WAY, SOUTH 27°52'37" EAST, 113.73 FEET TO THE BEGINNING OF A TANGENT 470.00 FOOT RADIUS CURVE TO THE RIGHT, THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 89°57'17", AN ARC LENGTH OF 462.08 FEET (THE CHORD OF WHICH BEARS SOUTH 07°57'57" WEST, 466.91 FEET); THENCE SOUTH 37°58'40" WEST, 107.76 FEET TO THE BEGINNING OF A TANGENT 200.00 FOOT RADIUS CURVE TO THE RIGHT, THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 41°13'16", AN ARC LENGTH OF 222.32 FEET (THE CHORD OF WHICH BEARS SOUTH 58°33'18" WEST, 217.76 FEET); THENCE SOUTH 77°03'31" WEST, 84.36 FEET TO THE BEGINNING OF A TANGENT 210.00 FOOT RADIUS CURVE TO THE LEFT, THENCE ALONG SAID CURVE THROUGH A CENTRAL ANGLE OF 14°54'08", AN ARC LENGTH OF 70.23 FEET (THE CHORD OF WHICH BEARS SOUTH 71°47'31" WEST, 70.63 FEET) TO THE POINT OF BEGINNING.

NARRATIVE

THIS SUBDIVISION PLAT WAS COMPLETED BY KENNETH A. FISHER, A REGISTERED PROFESSIONAL LAND SURVEYOR IN THE STATE OF OREGON, AND IS NOT CONSIDERED A "PACIFIC" PLAT. THE PARCELS NOT OWNED BY BROOKS RESOURCES CORPORATION (A "PACIFIC" PLAT) FOR ARNOLD OLIN HOMESITES, PHASE ONE, THE BASIS OF RECORDS FOR THIS PLAT IS THE NORTHWESTLY CORNER OF LOT 32 AS SHOWN ON THAT PLAT ON FILE WITH THE DESCHUTES COUNTY SURVEYOR AS CS 11308. THE RIGHT-OF-WAY OF RUTMAN ROAD WAS DERIVED BY DEED NO. 282 PG. 27.

I, KENNETH A. FISHER, CERTIFY THAT THIS INSTRUMENT IS THE REMAINING UNRECORDED COPY, AS COMPLETED ON 28 MARCH 1997.

Kenneth A. Fisher
KENNETH A. FISHER, PLS 2802

RECORD AND CENTERLINE MONUMENTS IN VOLUME _____ PER SECTION OF
MONUMENTATION RECORDS _____ IN VOLUME _____
PAGE _____ DESCHUTES COUNTY RECORDS

COUNTY SURVEYOR

NOTES

1. THE PARCELS IDENTIFIED WITHIN THIS PLAT DO NOT HAVE A WATER RIGHT
2. ALL LOTS ARE SUBJECT TO THE CITY OF BEND SOLAR ORDINANCE

APPROVALS

THE PLAT OF "HOMES AT VARDON COURT" HAS BEEN APPROVED BY

DESCHUTES COUNTY COMMISSIONER *Charles E. Blalock* 4/23/1997

DESCHUTES COUNTY COMMISSIONER *Theresa E. Ripp* 4/23/1997

DESCHUTES COUNTY COMMISSIONER *David G. L...* 4/23/1997

DESCHUTES COUNTY SURVEYOR *Jeff. Kim* 4-8-1997

CITY OF BEND PLANNING DIRECTOR *David M. Miller* For 9-16-1997

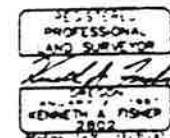
CITY OF BEND ENGINEER *Michael A. Hinton* 4-18-1997 D.G.

COUNTY ASSESSOR *Jim M...* 4-9-1997

COUNTY TAX COLLECTOR *Theresa E. Ripp* 4-9-1997

I CERTIFY THAT ALL TAXES HAVE BEEN PAID AS OF THIS DATE

SIGNATURE BY THE CITY ENGINEER & PLANNING DIRECTOR CONSTITUTES ACCEPTANCE BY THE CITY OF ANY DEDICATION MADE HEREIN TO THE PUBLIC



HOMES AT VARDON COURT

LOCATED IN THE SOUTHEAST 1/4 OF SECTION 24,
TOWNSHIP 17 SOUTH, RANGE 11 EAST, WILLAMETTE MERIDIAN
CITY OF BEND, DESCHUTES COUNTY, OREGON
MARCH, 1997

LEGEND

- 3/4" 1/2" REBAR WITH YELLOW PLASTIC CAP MARKED "WH PACIFIC"
- 3/4" 1/2" REBAR WITH ALUMINUM CAP MARKED "WH PACIFIC"
- FOUND 3/4" REBAR WITH YELLOW PLASTIC CAP MARKED "WH PACIFIC" FOR REFERENCE (1)
- (1) RECORD AND MEASURED INFORMATION PER (1)
- PUBLIC UTILITY EASEMENT (10' EACH SIDE OF CENTERLINE OF PRIVATE ROADWAYS)

REFERENCES

1. AGENCY GLEN HOMESITES PLAT 017 BY WH PACIFIC PER DESCHUTES COUNTY SURVEYOR'S FILE NO. 11308
2. PUTNAM ROAD DEDICATION PER VOL. 221 OF DESCHUTES COUNTY OFFICIAL RECORDS
3. D. 9 FOR 10' OF 10' EASEMENT PER VOL. 218 PER DESCHUTES COUNTY OFFICIAL RECORDS (EASEMENT 10' FROM HOMEOWNER'S ON DED.)

NOTES

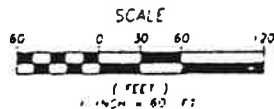
1. ALL STREETS ARE PRIVATE WAYS
2. BROOKS RESOURCES CORPORATION RESERVES EASEMENTS OVER ALL AREAS DESIGNATED AS "COMMON AREAS" FOR UTILITIES, DRAINAGE, BARRIERS, SYSTEMS, SLOPS AND OTHER RELATED UTILITIES INCLUSIVE OF THE BENEFIT OF AGENCY GLEN HOMEOWNERS ASSOCIATION
3. BROOKS RESOURCES CORPORATION RESERVES EASEMENTS OVER ALL AREAS DESIGNATED AS "COMMON AREAS" FOR UTILITIES, DRAINAGE, BARRIERS, SYSTEMS, SLOPS AND OTHER RELATED UTILITIES INCLUSIVE OF THE BENEFIT OF AGENCY GLEN HOMEOWNERS ASSOCIATION
4. ACRES: 25 LOTS 1-15 = 7.583 AC
COMMON LOT "A" = 11.136 AC
TOTAL PLAT = 8.729 AC
5. CITY OF BEND OR SEWER EASEMENT: THIS EASEMENT IS GRANTED TO THE CITY OF BEND AND SHALL BE A PERMANENT, PERPETUAL AND EXCLUSIVE RIGHT TO CONSTRUCT, INSTALL, MAINTAIN AND OPERATE A SEWER LINE AND ALL RELATED FACILITIES ON THE SURFACE AND WITHIN THE SUBSURFACE OF THE EASEMENT. NO PERSON OR ENTITY SHALL BE ALLOWED TO CONSTRUCT, ERECT OR INSTALL ANY STRUCTURES OR FACILITIES ON THE SURFACE OR WITHIN THIS EASEMENT WITHOUT FIRST OBTAINING APPROVAL FROM THE CITY OF BEND.

LINE TABLE

LINE	BEARING	DISTANCE
1	N77°15'10"E	18.11
2	N77°15'10"E	18.11
3	N77°15'10"E	18.11
4	N77°15'10"E	18.11
5	N77°15'10"E	18.11
6	N77°15'10"E	18.11
7	N77°15'10"E	18.11
8	N77°15'10"E	18.11
9	N77°15'10"E	18.11
10	N77°15'10"E	18.11
11	N77°15'10"E	18.11
12	N77°15'10"E	18.11
13	N77°15'10"E	18.11
14	N77°15'10"E	18.11
15	N77°15'10"E	18.11

CURVE TABLE

CHORD	ARC	CHORD	ARC	CHORD	ARC
1.00	1.00	1.00	1.00	1.00	1.00
1.01	1.01	1.01	1.01	1.01	1.01
1.02	1.02	1.02	1.02	1.02	1.02
1.03	1.03	1.03	1.03	1.03	1.03
1.04	1.04	1.04	1.04	1.04	1.04
1.05	1.05	1.05	1.05	1.05	1.05
1.06	1.06	1.06	1.06	1.06	1.06
1.07	1.07	1.07	1.07	1.07	1.07
1.08	1.08	1.08	1.08	1.08	1.08
1.09	1.09	1.09	1.09	1.09	1.09
1.10	1.10	1.10	1.10	1.10	1.10
1.11	1.11	1.11	1.11	1.11	1.11
1.12	1.12	1.12	1.12	1.12	1.12
1.13	1.13	1.13	1.13	1.13	1.13
1.14	1.14	1.14	1.14	1.14	1.14
1.15	1.15	1.15	1.15	1.15	1.15
1.16	1.16	1.16	1.16	1.16	1.16
1.17	1.17	1.17	1.17	1.17	1.17
1.18	1.18	1.18	1.18	1.18	1.18
1.19	1.19	1.19	1.19	1.19	1.19
1.20	1.20	1.20	1.20	1.20	1.20
1.21	1.21	1.21	1.21	1.21	1.21
1.22	1.22	1.22	1.22	1.22	1.22
1.23	1.23	1.23	1.23	1.23	1.23
1.24	1.24	1.24	1.24	1.24	1.24
1.25	1.25	1.25	1.25	1.25	1.25
1.26	1.26	1.26	1.26	1.26	1.26
1.27	1.27	1.27	1.27	1.27	1.27
1.28	1.28	1.28	1.28	1.28	1.28
1.29	1.29	1.29	1.29	1.29	1.29
1.30	1.30	1.30	1.30	1.30	1.30
1.31	1.31	1.31	1.31	1.31	1.31
1.32	1.32	1.32	1.32	1.32	1.32
1.33	1.33	1.33	1.33	1.33	1.33
1.34	1.34	1.34	1.34	1.34	1.34
1.35	1.35	1.35	1.35	1.35	1.35
1.36	1.36	1.36	1.36	1.36	1.36
1.37	1.37	1.37	1.37	1.37	1.37
1.38	1.38	1.38	1.38	1.38	1.38
1.39	1.39	1.39	1.39	1.39	1.39
1.40	1.40	1.40	1.40	1.40	1.40
1.41	1.41	1.41	1.41	1.41	1.41
1.42	1.42	1.42	1.42	1.42	1.42
1.43	1.43	1.43	1.43	1.43	1.43
1.44	1.44	1.44	1.44	1.44	1.44
1.45	1.45	1.45	1.45	1.45	1.45
1.46	1.46	1.46	1.46	1.46	1.46
1.47	1.47	1.47	1.47	1.47	1.47
1.48	1.48	1.48	1.48	1.48	1.48
1.49	1.49	1.49	1.49	1.49	1.49
1.50	1.50	1.50	1.50	1.50	1.50
1.51	1.51	1.51	1.51	1.51	1.51
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1.53	1.53	1.53	1.53	1.53	1.53
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1.58	1.58	1.58	1.58	1.58	1.58
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1.60	1.60	1.60	1.60	1.60	1.60
1.61	1.61	1.61	1.61	1.61	1.61
1.62	1.62	1.62	1.62	1.62	1.62
1.63	1.63	1.63	1.63	1.63	1.63
1.64	1.64	1.64	1.64	1.64	1.64
1.65	1.65	1.65	1.65	1.65	1.65
1.66	1.66	1.66	1.66	1.66	1.66
1.67	1.67	1.67	1.67	1.67	1.67
1.68	1.68	1.68	1.68	1.68	1.68
1.69	1.69	1.69	1.69	1.69	1.69
1.70	1.70	1.70	1.70	1.70	1.70
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1.73	1.73	1.73	1.73	1.73	1.73
1.74	1.74	1.74	1.74	1.74	1.74
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1.79	1.79	1.79	1.79	1.79	1.79
1.80	1.80	1.80	1.80	1.80	1.80
1.81	1.81	1.81	1.81	1.81	1.81
1.82	1.82	1.82	1.82	1.82	1.82
1.83	1.83	1.83	1.83	1.83	1.83
1.84	1.84	1.84	1.84	1.84	1.84
1.85	1.85	1.85	1.85	1.85	1.85
1.86	1.86	1.86	1.86	1.86	1.86
1.87	1.87	1.87	1.87	1.87	1.87
1.88	1.88	1.88	1.88	1.88	1.88
1.89	1.89	1.89	1.89	1.89	1.89
1.90	1.90	1.90	1.90	1.90	1.90
1.91	1.91	1.91	1.91	1.91	1.91
1.92	1.92	1.92	1.92	1.92	1.92
1.93	1.93	1.93	1.93	1.93	1.93
1.94	1.94	1.94	1.94	1.94	1.94
1.95	1.95	1.95	1.95	1.95	1.95
1.96	1.96	1.96	1.96	1.96	1.96
1.97	1.97	1.97	1.97	1.97	1.97
1.98	1.98	1.98	1.98	1.98	1.98
1.99	1.99	1.99	1.99	1.99	1.99
2.00	2.00	2.00	2.00	2.00	2.00



REGISTERED
PROFESSIONAL
LAND SURVEYOR

Kenneth A. Fisher

OREGON
JANUARY 21, 1997
KENNETH A. FISHER
2-802
EXPIRATION DATE 12-31-01

DEVELOPER'S EASEMENT FOR
GOLF COURSE PURPOSES
(SEE NOTE 3)

INITIAL POINT

FOUND 3" BRASS BOLT

AWNEY GLEN HOMESITES
PHASE ONE
CB 11308

WH PACIFIC

CHARTERED SURVEYORS

1000 N. 10TH ST.
BEND, OREGON 97701

PHONE (503) 325-1111 FAX (503) 325-1112

462 - 2023

SHEET 1 OF 1

462 - 2024

STATE OF OREGON)
COUNTY OF DESCHUTES) SS.

I, MARY SUE PENNOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AND FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

97 SEP 19 AM 10:44

MARY SUE PENNOLLOW
COUNTY CLERK

BY. *G. Moresi* DEPUTY

NO. 97-34032 FEE 85

DESCHUTES COUNTY OFFICIAL RECORDS

BYLAWS
OF
HOMES OF VARDON COURT
HOMEOWNERS ASSOCIATION, INC.

The following bylaws have been adopted at the organization meeting of Homes of Vardon Court Homeowners Association, Inc., a homeowners association formed pursuant to ORS 94.625.

ARTICLE I
Definitions

As used in these bylaws, the terms set forth below shall have the following meanings:

Section 1. "Homes of Vardon Court" means the property subject to the Declaration referred to in Section 4.

Section 2. "Corporation" means Homes of Vardon Court Homeowners Association, Inc.

Section 3. "Declarant" means Lynx LLC, an Oregon limited liability company, any person who succeeds to any special Declarant right and to whom all of the Declarant's ownership interest in Homes of Vardon Court is transferred, or any person, other than the Corporation, to whom the Declarant has transferred, for purposes of resale, all of Declarant's ownership interest in Homes of Vardon Court.

Section 4. "Declaration" means the Declaration of Homes of Vardon Court dated May ____, 1997.

Section 5. "Lot" means a platted or legal partitioned lot within Homes of Vardon Court.

Section 6. "Owner" means the person or persons, including Declarant, owning any Lot, including any vendee under a recorded land sales contract to whom possession has passed, but does not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Lot, including any vendor under a recorded land sales contract who has given up possession. 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.

Section 7. "Living Unit" means a building located or to be located on a Lot within Homes of Vardon Court and designated for separate residential occupancy (whether or not occupied) or ownership.

ARTICLE II Offices

The principal office of the Corporation in the state of Oregon shall be located in the city of Bend, county of Deschutes. The Corporation may have other offices, either within or outside of the state of Oregon, as the board of directors may determine or as the affairs of the Corporation may require.

The Corporation shall have and maintain in the state of Oregon a registered office and a registered agent whose office is identical with the registered office, as required by the Oregon Nonprofit Corporation Act. The registered office may be, but need not be, identical with the principal office in the state of Oregon, and the address of the registered office may be changed from time to time by the board of directors.

ARTICLE III Members

Section 1. Class of Members. The Corporation shall have two classes of members. The designation of the classes and the qualifications and rights of the members of the classes shall be as hereinafter set forth.

Section 2. Membership. Every Owner of one or more Lots shall, during the entire period of such Owner's ownership of one or more Lots, be a member of the Corporation. 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.

Section 3. Voting Rights. Voting rights within the Corporation shall be allocated as follows:

(a) Living Units. Except as provided in Section 3(b) with respect to Class B members, Living Units shall be allocated one vote per Living Unit.

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

Class A. Class A members shall be all Owners with the exception of the Declarant (except that beginning on the date on which the Class B membership is converted to Class A membership, and thereafter, Class A members shall be all Owners including the Declarant). Class A members shall be entitled to voting rights for each Living Unit owned computed in accordance with Section 3(a) above. When more than one person holds an interest in any Living Unit, all such persons shall be members. The vote for such Living

Unit shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Living Unit.

Class B. The Class B member shall be Declarant and shall be entitled to three times the voting rights computed under Section 3(b) for each Living Unit or unimproved 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) When seventy-five percent (75%) of the Lots have been sold and conveyed to Owners other than Declarant; or

(ii) At such earlier time as Declarant may elect in writing to terminate Class B membership.

Section 4. Suspension of Voting Rights. Voting rights may be suspended as provided in the Declaration.

ARTICLE IV Meetings of Members

Section 1. Annual Meeting. An annual meeting of the members shall be held on a date during the month of June and at a time designated by the President in each year, beginning with the year 1999, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the state of Oregon, the meeting shall be held on the next succeeding business day. If the election of directors shall not be held on the day designated here for any annual meeting, or at any adjournment of the annual meeting, the board of directors shall cause the election to be held at a special meeting of the members as soon after as is convenient.

Section 2. Special Meetings. Special meetings of the members may be called by the president, a majority of the board of directors, or members having not less than one-tenth of the total voting rights.

Section 3. Place of Meeting. The board of directors may designate any place within the state of Oregon as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made or if a special meeting be otherwise called, the place of meeting shall be the principal office of the Corporation in the state of Oregon.

Section 4. Notice of Meetings. Written or printed notice stating the place, day, and hour of any meeting of members

shall be delivered, either personally or by mail, to each member entitled to vote at such meeting, not less than ten nor more than 50 days before the date of such meeting, by or at the direction of the president, or the secretary, or the officers or persons calling the meeting. Each notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declaration or bylaws, any budget changes, or any proposal to remove a director or officer. If mailed, the notice of a meeting shall be deemed to be delivered when deposited in the United States mail addressed to the member at his address as it appears on the records of the Corporation, with postage thereon prepaid. Notice shall also be given to all mortgagees requesting such notice. Mortgagees may designate a representative to attend a meeting called under this section.

Section 5. Informal Action by Members. Any action required by law to be taken at a meeting of the members, or any action which may be taken at a meeting of members, may be taken without a meeting if a consent in writing, setting out the action so taken, shall be signed by all of the members entitled to vote with respect to the subject matter of the action.

Section 6. Quorum. The members holding 25 percent of the votes which may be cast at any meeting shall constitute a quorum at such meeting. If a quorum is not present at any meeting of members, a majority of the members present may adjourn the meeting without further notice.

Section 7. Proxies. At any meeting of members, a member entitled to vote may vote by proxy executed in writing by the member or by his authorized attorney in fact. No proxy shall be valid after 11 months from the date of its execution, unless otherwise provided in the proxy.

Section 8. Voting by Mail. Where directors or officers are to be elected by members or any class or classes of members the election may be conducted by mail in the manner provided in the Oregon Nonprofit Corporation Act.

ARTICLE V Declarant Control

Declarant shall have the right, as Class B member, to elect a majority of the Board of Directors of the Association with the balance of the Board of Directors elected by the Class A members. After termination of Class B membership, all directors shall be elected by the Class A members.

ARTICLE VI
Board of Directors

Section 1. General Powers. The affairs of the Corporation shall be managed by its board of directors. Except for directors appointed by Declarant, directors shall be members of the Corporation.

Section 2. Number, Tenure and Qualifications. The number of directors shall be three. Each director shall hold office for a term of three years and until his successor shall have been elected and qualified; provided however, that one of the initial directors shall be elected for a term of one year and one of the initial directors shall be elected for a term of two years.

Section 3. Regular Meetings. A regular annual meeting of the board of directors shall be held without other notice than this bylaw, immediately after, and at the same place as, the annual meeting of members. The board of directors may provide by resolution the time and place, within the state of Oregon, for the holding of additional regular meetings of the board without other notice than the resolution. All regular and special meetings of the board of directors shall be open to members.

Section 4. Special Meetings. Special meetings of the board of directors may be called by or at the request of the president or any two directors. The persons authorized to call special meetings of the board may fix any place within the state of Oregon as the place for holding any special meeting of the board called by them.

Section 5. Notice. Notice of any special meeting of the board of directors shall be given at least three days previously by written notice delivered personally or sent by mail or telegram to each director at the director's address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage prepaid. If notice be given by telegram, it shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any director may waive notice of any meeting. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by these bylaws. For other than emergency meetings, notice of board of directors meetings shall be posted in a place or places within Homes of Vardon Court at least three days prior

to the meeting, or notice shall be provided by a method otherwise reasonably calculated to inform lot owners of such meetings.

- Section 6. Quorum. A majority of the board of directors shall constitute a quorum for the transaction of business at any meeting of the board; but if less than a majority of the directors are present at the meeting, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 7. Manner of Acting. The act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by law or by these bylaws.

Section 8. Vacancies. Any vacancy occurring in the board of directors and any directorship to be filled by reason of an increase in the number of directors, shall be filled by the board of directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 9. Compensation. Directors as such shall not receive any stated salaries for their services.

Section 10. Informal Action by Directors. Any action required by law to be taken at a meeting of directors, or any action which may be taken at a meeting of directors, may be taken without a meeting if a consent in writing, setting out the action so taken, shall be signed by all of the directors.

Section 11. Emergency Meetings. Emergency meetings of the board of directors may be held without notice if the reason for the emergency is stated in the minutes of the meeting. Only emergency meetings of the board of directors may be conducted by telephonic communication.

Section 12. Power and Responsibility. The board of directors shall have all of the powers and responsibilities of the board of directors of a homeowners association under Chapter 94 of Oregon Revised Statutes, as amended from time to time.

Section 13. Manager. The board of directors shall have the power to engage a manager and to pay the manager's reasonable compensation and expenses to perform any of the duties of the corporation.

ARTICLE VII Officers

Section 1. Officers. The officers of the Corporation shall be a president, one or more vice presidents (the number to be determined by the board of directors), a secretary, a treasurer, and such other officers as may be elected in

accordance with the provisions of this Article VII. The board of directors may elect or appoint the other officers, including one or more assistant secretaries and one or more assistant treasurers, as it shall deem desirable, to have the authority and perform the duties prescribed by the board of directors. Any two or more offices may be held by the same person.

Section 2. Election and Term of Office. The officers of the Corporation shall be elected annually by the board of directors at the regular annual meeting of the board of directors. If the election of officers shall not be held at such meeting, it shall be held as soon thereafter as is convenient. New offices may be created and filled at any meeting of the board of directors. Each officer shall hold office until his successor shall have been elected and shall have qualified.

Section 3. Removal. Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the Corporation would be served by his or her removal, but such removal shall be without prejudice to the contract rights, if any, of the officer so removed.

Section 4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the board of directors for the unexpired portion of the term.

Section 5. President. The president shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation. He or she shall preside at all meetings of the members and of the board of directors. He or she may sign, with the secretary or any other proper officer of the Corporation authorized by the board of directors, any deeds, mortgages, bonds, contracts, or other instruments which the board of directors has authorized to be executed, except in cases where the signing and execution shall be expressly delegated by the board of directors or by these bylaws or by statute to some other officer or agent of the Corporation; and in general he shall perform all duties incident to the office of president and such other duties as may be prescribed by the board of directors.

Section 6. Vice President. In the absence of the president or in the event of his inability or refusal to act, the vice president (or in the event there be more than one vice president, the vice presidents in the order of their election) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Any vice president shall perform such other duties as may be assigned to him by the president or by the board of directors.

Section 7. Treasurer. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety as the board of directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for moneys due and payable to the Corporation from any source, and deposit all such moneys in the name of the Corporation in such banks or other depositories as shall be selected in accordance with the provisions of Article VIII of these bylaws; and in general perform all the duties incident to the office of treasurer and such other duties as may be assigned to him by the president or by the board of directors.

Section 8. Secretary. The secretary shall keep the minutes of the meetings of the members and of the board of directors in books provided for that purpose; see that all notices are given in accordance with the provisions of these bylaws or as required by law; be custodian of the corporate records of the Corporation; keep a register of the post office address of each member which shall be furnished to the secretary by that member; and in general perform all duties incident to the office of secretary and such other duties as may be assigned by the president or by the board of directors.

Section 9. Assistant Treasurers and Assistant Secretaries. If required by the board of directors, the assistant treasurers shall give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine. The assistant treasurers and assistant secretaries, in general, shall perform the duties assigned to them by the treasurer or the secretary or by the president or the board of directors.

Section 10. Delegation to Manager. Any of the responsibilities of the officers may be delegated to the manager engaged pursuant to Article VI, Section 13.

ARTICLE VIII Contracts, Checks, Deposits, and Funds

Section 1. Contracts. The board of directors may authorize any officer or officers, agent or agents of the Corporation, in addition to the officers so authorized by these bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Checks, Drafts, Etc. All checks, drafts, vouchers, or orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by those officers or agents of the Corporation and in a manner as shall be determined by resolution of the board

of directors. In the absence of this determination by the board of directors, the instruments shall be signed by the treasurer or an assistant treasurer and countersigned by the president or a vice president of the Corporation.

Section 3. Deposits. All funds of the Corporation shall be deposited to the credit of the Corporation in the banks or other depositaries as the board of directors may select.

Section 4. Gifts. The board of directors may accept on behalf of the Corporation any contribution, gift, bequest, or devise for the general purposes or for any special purpose of the Corporation.

ARTICLE IX Books and Records

Section 1. Maintenance of Books and Records. The Corporation shall keep correct and complete books and records of account and shall also keep minutes of the proceedings of its members, board of directors, and committees having any of the authority of the board of directors, and shall keep at the registered or principal office a record giving the names and addresses of the members entitled to vote. All books and records of the Corporation may be inspected by any member, or his agent or attorney or the mortgagee of any Homesite for any proper purpose at any reasonable time.

Section 2. Distribution of Financial Statements. Within 90 days after the end of each fiscal year, the board of directors shall distribute to each member upon written request, a copy of the annual financial statement for the Corporation consisting of a balance sheet and income and expense statement for the preceding fiscal year.

ARTICLE X Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the last day of December in each year.

ARTICLE XI Assessments

The Corporation shall have the authority to impose and collect assessments as provided in the Declaration.

ARTICLE XII Waiver of Notice

Whenever any notice is required to be given under the provisions of the Oregon Nonprofit Corporation Act or under the

provisions of the articles of incorporation or the bylaws of the Corporation, a waiver in writing signed by the persons entitled to the notice, whether before or after the time stated there, shall be deemed equivalent to the giving of notice.

ARTICLE XIII
Indemnification

The Corporation shall indemnify the officers and directors to the fullest extent permitted by the Oregon Nonprofit Corporation Act.

ARTICLE XIV
Amendments to Bylaws

These bylaws may be altered, amended, or repealed and new bylaws may be adopted by a majority vote of the members; provided that no rights of Declarant under these bylaws may be restricted or terminated without Declarant's written consent.