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After Recording Return to:
Brooks Resources Corporation
409 NW Franklin Avenue
Bend, Oregon 97701
Attn.: Jade Mayer

**AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR AWBREY BUTTE**

THIS AMENDED AND RESTATED DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS FOR AWBREY BUTTE (this "Declaration"), is
effective upon its recording in Deschutes County, Oregon.

WITNESSETH

The Declaration of Covenants, Conditions and Restrictions for Awbrey Butte Homesites was adopted August 27, 1984 by Brooks Resources Corporation ("Declarant") and recorded in the real property records of Deschutes County, Oregon, at Volume 72, Page 902, and modified by those certain Declarations Adding Land to the Covenants, Conditions and Restrictions for Awbrey Butte Homesites recorded at 100-1835, 103-0190, 151-2759, 151-2761, 161-0930, 161-2902, 181-1569, 167-2447, 167-2449, 179-2752, 187-0422, 192-0720, 194-0651, 199-1581, 204-0531, 216-2637, 219-0432, 244-0384, 285-1673, 275-1701, 350-2385, 383-1589, 404-2719, 437-2090, 437-2092, 499-0680, 513-1923, 1999-49410, 2000-4430, 2000-30978, 2001-031744, 2001-47963, 2002-60813, and that certain Warranty Deed that subjected property to the Declaration of Covenants, Conditions and Restrictions for Awbrey Butte Homesites recorded at 145-0908, and that certain Modification of Covenants, Conditions and Restrictions Adding Land to the Covenants, Condition and Restrictions for Awbrey Butte Homesites recorded at 2005-30682 (as modified and amended, the "Original Declaration"). Each of the documents described in this recital are hereinafter referred to collectively, as the "Original Declaration Documents".

Declarant has elected to exercise its rights under Section 5.1 of the Original Declaration to relinquish control over development in Awbrey Butte Homesites, subject, however, to the limited right to appoint directors until December 31, 2008 as provided in this Declaration and the Bylaws. By a vote of owners within Awbrey Butte Homesites, a majority have elected to create an owners' association subject to the Oregon Planned Community Act and to amend and restate the Original Declaration as provided herein.

Accordingly, the owners within Awbrey Butte Homesites hereby declare that effective as of June 4, 2008, a Class I planned community known as Awbrey Butte Homesites shall be hereby created on the real property described on **Exhibit A** (the "Property"). The community shall be subject to the Planned Community Act, and the Property shall be held, sold, hypothecated and conveyed subject to the covenants, conditions and restrictions declared below, which shall be deemed to be covenants running with the land and imposed on and intended to benefit and burden each Lot and other portions of the Property in order to maintain within the

Property a community of high standards. Such covenants shall be binding on all parties having any right, title or interest in or to the Property, or any part thereof, and their respective heirs, personal representatives, successors and assigns, and shall inure to the benefit of each Owner thereof.

As of the recordation of this Declaration, this Declaration shall supersede the Original Declaration and the Original Declaration shall be of no further force or effect.

ARTICLE I DEFINITIONS

Section 1.1 “Architectural Review Committee”

“**Architectural Review Committee**” or “**ARC**” shall mean the committee established by the Board to administer and conduct the design review procedures set out in Article 6 within Awbrey Butte Homesites. The ARC shall consist of three to five members, as the Board may determine.

Section 1.2 “Articles”

“**Articles**” shall mean the Articles of Incorporation of the Association filed with the Corporation Division of the Oregon Secretary of State incorporating the Association under ORS Chapter 65.

Section 1.3 “Association”

“**Association**” shall mean Awbrey Butte Association, Inc., an Oregon nonprofit corporation, established for the purposes set forth in this Declaration, the Articles and the Bylaws.

Section 1.4 “Board”

“**Board**” shall mean the Board of Directors of the Association.

Section 1.5 “Bylaws”

“**Bylaws**” shall mean the Bylaws of the Association, as amended from time to time. The Bylaws shall be adopted pursuant to ORS 94.625 and recorded in the official records of Deschutes County, Oregon. A copy of the Bylaws is attached hereto as **Exhibit B**.

Section 1.6 “City”

“**City**” shall mean the City of Bend, Oregon.

Section 1.7 “Common Maintenance Areas”

“**Common Maintenance Areas**” shall mean any areas within public rights-of-way, Lots or any other property that the Association is required to maintain pursuant to this Declaration or that the Board deems necessary or appropriate for the Association to maintain for the common benefit of the Owners, including without limitation, those areas described in Section 5.4 below.

Section 1.8 “County”

“**County**” shall mean Deschutes County, Oregon.

Section 1.9 “Declarant”

“**Declarant**” shall mean Brooks Resources Corporation, an Oregon corporation.

Section 1.10 “Declaration”

“**Declaration**” shall mean this Declaration of Covenants, Conditions and Restrictions for Awbrey Butte Homesites and any amendments and supplements thereto made in accordance with its terms.

Section 1.11 “Directors”

“**Directors**” shall mean the duly elected and/or appointed members of the Board of the Association. The Declarant shall appoint the initial Directors (the “Initial Directors”) and may remove and replace them until December 31, 2008; provided, however, in the event that the Directors elected by Members at the first Annual Meeting request that the Initial Directors resign, they shall do so and thereafter, the Declarant shall have no further rights to appoint Initial Directors.

Section 1.12 “Home”

“**Home**” shall mean any residential dwelling situated upon any Lot and shall also include the definition assigned to such term in the New Home Limited Warranty.

Section 1.13 “Improvement”

“**Improvement(s)**” shall include, but not be limited to, any buildings, outbuildings, private roads, driveways, parking areas, fences, and barriers, retaining walls and stairs, decks, hedges, windbreaks, planting, planted trees and shrubs, signs, storage areas and all other structures or exterior landscaping, vegetation or ground cover of every type and every kind above the land surface.

Section 1.14 “Lot”

“**Lot**” shall mean any of the plots of land indicated on a Plat creating single-family home sites, together with all Improvements thereon, but excluding areas deeded to a governmental authority or utility. Lot shall also include any plot of land identified as such in any of the Original Declaration Documents.

Section 1.15 “Member”

“**Member**” or “**Members**” shall mean every record owner, whether one (1) or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 1.16 “Nonprofit Corporation Act”

“**Nonprofit Corporation Act**” shall mean the Oregon Nonprofit Corporation Act (ORS 65.001 to 65.990), as amended from time to time.

Section 1.17 “Owner”

“**Owner**” shall mean the record owner, whether one or more persons or entities, of a fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

Section 1.18 “Planned Community Act”

“**Planned Community Act**” shall mean the Oregon Planned Community Act (ORS 94.550 to 94.783), as amended from time to time.

Section 1.19 “Plat”

“**Plat**” shall mean the duly recorded plat of any phase of Awbrey Butte Homesites, recorded in the official records of Deschutes County, Oregon.

Section 1.20 “Property”

“**Property**” shall mean the real property described on **Exhibit A**.

Section 1.21 “Rules and Regulations”

“**Rules and Regulations**” shall mean any rules and regulations governing the use and operation of the Property adopted by the Board pursuant to this Declaration or the Bylaws.

ARTICLE II
AWBREY BUTTE OWNERS' ASSOCIATION, INC.

Section 2.1 Membership

Every Owner of a Lot by virtue of ownership of such Lot shall be a Member of the Association. Membership shall be appurtenant to and shall not be separated from ownership of any Lot.

Section 2.2 Voting Rights

Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person holds an interest in any Lot, all such persons shall be Members of the Association, but the vote for such Lot shall be exercised as they among themselves determine, and in no event shall more than one (1) vote be cast with respect to any Lot. If the co-Owners of a Lot cannot agree upon the vote, the vote of the Lot shall be disregarded in determining the proportion of votes with respect to the particular matter at issue.

Section 2.3 Suspension

All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any assessment duly established pursuant to Article III of this Declaration or is otherwise in default under this Declaration, the Bylaws or the Rules and Regulations.

Section 2.4 Election of the Board

The Board shall be elected as provided in the Bylaws.

Section 2.5 Immunity of the Board

No Director shall have any personal liability to any Owner or any other person for the acts or omissions of the Board if such acts or omissions were committed in good faith and without malice. The Association shall defend any action brought against the Association, the Board or any Director arising from such acts or omissions.

Section 2.6 Clarification of the Association's Role

The Association shall have the general powers and duties of a nonprofit corporation pursuant to the Nonprofit Corporation Act, and of a homeowners' association pursuant to the Planned Community Act. The Association shall also have those specific powers and duties assigned or delegated to the Association pursuant to the Articles, the Bylaws or this Declaration. However, unless otherwise expressly set forth in this Declaration, the Articles or the Bylaws, the Association shall not act in the capacity of settling disputes between Owners or resolving problems that Owners may experience. Disputes or problems experienced by Owners to which the Association has no express authority or role pursuant to this Declaration, the

Articles or the Bylaws shall be resolved by private, lawful means chosen by the affected Owners and there shall be no recourse against the Association.

ARTICLE III FUNDING AND ASSESSMENTS

Section 3.1 Funding

Subject to the terms of this Article III, each Lot is hereby subjected to, and each Owner of a Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and to agree to pay to the Association: (i) annual or periodic assessments or charges; (ii) special assessments for capital improvements to Common Maintenance Areas; (iii) Limited Assessments (as defined in Section 3.5 below); and (iv) any other assessments or charges provided for in this Declaration. All such assessments shall be established and collected as hereinafter provided. The annual or periodic assessments shall include the Reserve Assessments necessary to establish and maintain the Reserve Fund created under Section 3.4 below. Such assessments will remain effective for the full term (and extended term, if applicable) of the covenants contained in this Declaration. Each assessment levied hereunder, together with interest and late charges as well as costs and reasonable attorneys' fees incurred by the Association in the collection thereof, shall be a charge on the land and a continuing lien upon the Lot against which the assessment is made and shall also be the personal obligation of the Owner of the Lot at the time when the assessment became due. The personal obligation for delinquent assessments shall not pass to the successors in title of such Owner unless expressly assumed by them in writing.

Section 3.2 Commencement and Rate of Assessments

Subject to the terms of this Article III, each Lot is hereby subject to an initial assessment in an amount not to exceed an amount determined by the Board (until such assessment charge shall be modified as provided in the Bylaws), for the purpose of creating the Maintenance Fund pursuant to Section 3.3 below, the Reserve Fund pursuant to Section 3.4 below and any other funds contemplated under this Declaration, including, but not limited to, a fund for assessments and charges on public access areas and a fund for Limited Assessments. Charges and assessments for funding such funds will be paid by the Owner or Owners of each Lot in advance in monthly, quarterly or annual installments commencing as to all Lots upon recordation of this Declaration in the real property records of Deschutes County, Oregon. The rate at which each Lot will be assessed, and whether such assessment shall be payable monthly, quarterly or annually, will be determined by the Board at least thirty (30) days in advance of each assessment period. The Board may adjust the assessment rates from time to time as the needs of the Association may require, in the Board's discretion, subject to the limitations contained in the Bylaws. Assessments shall be assessed equally as between Lots that benefit from the services or Improvements giving rise to the assessment as determined by the Board, in its sole discretion, except where expressly provided otherwise in this Declaration. The Association shall, upon written request of an Owner and for a reasonable charge, furnish a certificate to the Owner

signed by an officer of the Association indicating whether or not the Owner is current in the payment of all outstanding assessments.

Section 3.3 Maintenance Fund

The Association shall establish a maintenance fund account in the name of the Association (the “**Maintenance Fund**”) composed of the maintenance assessments and shall use the proceeds of the Maintenance Fund to maintain the Common Maintenance Areas for the benefit of all of the Owners. Such uses and benefits to be provided by the Association may include, by way of clarification and not limitation, any and all of the following: (i) normal, recurring maintenance of the Common Maintenance Areas (including, but not limited to, mowing, edging, watering, clipping, sweeping, pruning, raking, and otherwise caring for landscaping, if any) and the Improvements located in, on or under such Common Maintenance Areas for which the Association is responsible, such as entry monuments, street signs, mail stations and lighting and irrigation systems, provided that the Association shall have no obligation (except as expressly provided hereinafter) to make capital improvements to the Common Maintenance Areas; (ii) perpetual maintenance, repair and enhancement of any entry monuments, landscaping, lights, irrigation systems and other Improvements in the Common Maintenance Areas for which the Association is responsible; (iii) payment of all legal and other expenses incurred in connection with the enforcement of all recorded covenants, restrictions and conditions affecting the property to which the Maintenance Fund applies; (iv) payment of all expenses incurred in connection with the collection and administration of all assessments and charges required to fund and maintain the Maintenance Fund; and (v) all other activities necessary or desirable in the opinion of the Board to keep the Property neat and in good order, or which is considered of general benefit to the Owners or occupants of the Property. The judgment of the Board with respect to expenditures from the Maintenance Fund and the determination of what constitutes normal, recurring maintenance shall be final and conclusive so long as such judgment is exercised in good faith.

Section 3.4 Reserve Fund

3.4.1 Reserve Fund for Replacing Common Maintenance Areas

The Board shall establish a reserve fund account in the name of the Association (the “**Reserve Fund**”) to fund major maintenance, repair or replacement, in whole or in part, of the Common Maintenance Areas and any Improvements located in, on or under the Common Maintenance Areas for which the Association is responsible pursuant to this Declaration that will normally require major maintenance, repair or replacement in more than one (1) year and less than thirty (30) years and for exterior painting if any of the Common Maintenance Areas include exterior painted surfaces. The Reserve Fund need not include those items that could reasonably be funded from the Maintenance Fund or for which one or more Owners are responsible for maintenance and replacement under this Declaration. For purposes of funding the Reserve Fund, the Association shall impose assessments against the Lots referred to as the “**Reserve Assessments**.” The Reserve Assessments shall be allocated equally among the Lots. The

Reserve Assessments shall begin accruing from the date this Declaration is recorded in the real property records of Deschutes County.

The amount of the Reserve Assessments shall be based upon the reserve study described in Section 3.4.2 below, and other sources of reliable information. Nothing in this Section 3.4.1 shall limit the authority of the Association to establish other separate or unrelated reserve funds that are funded by assessments. The Reserve Fund shall be kept separate from other funds and may be used only for the purposes for which reserves have been established as specified in this Section 3.4.1. However, the Board may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet other unexpected increases in expenses. Funds borrowed under this Section 3.4.1 shall be repaid from regular annual or special assessments if the Board has adopted a resolution, which may be an annual continuing resolution, authorizing the borrowing of funds. Not later than the adoption of the budget for the following year, the Board shall adopt by resolution a written payment plan providing for repayment of the borrowed funds within a reasonable period. The Board shall administer the Reserve Fund and may reduce or increase the amount of the Reserve Assessments without the consent of the Owners to reflect changes in current maintenance, repair or replacement costs over time as indicated by the reserve study or any update thereto (as discussed in Section 3.4.2 below) and to provide for other reserve items that the Board, in its discretion, deems appropriate. In addition to the authority granted to the Board in the preceding sentence, the amount of the Reserve Assessments may be reduced or increased by an affirmative vote of the Owners of at least seventy-five percent (75%) of the Lots. Any funds established for any of the purposes mentioned in this Section 3.4.1 shall be deemed to be for the Reserve Fund notwithstanding that it may not be so designated by the Board. The amount of the Reserve Fund shall constitute an asset of the Association and shall not be refunded or distributed to any Owner.

3.4.2 Reserve Study

The board shall annually conduct a reserve study, or review and update an existing study, of the Common Maintenance Area components to determine the requirements of the Reserve Fund described in Section 3.4.1 above. The reserve study shall: (a) identify all items for which reserves are or will be established; (b) include the estimated remaining useful life of each item as of the date of the reserve study; and (c) include for each item, as applicable, an estimated cost of maintenance, repair and replacement at the end of the item's useful life. The Board shall also prepare a maintenance plan, or review and update an existing maintenance plan, for the maintenance, repair and replacement of all property for which the Association has maintenance, repair or replacement responsibility under this Declaration, the Bylaws or the Planned Community Act. The maintenance plan shall: (i) describe the maintenance, repair and replacement to be conducted; (ii) include a schedule for the maintenance, repair and replacement; (iii) be appropriate for the size and complexity of the maintenance, repair and replacement responsibility of the Association; and (iv) address issues that include, but are not limited to, warranties and the useful life of the items for which the Association has maintenance, repair and replacement responsibility.

Section 3.5 Limited Assessments

In addition to the other assessments described in this Article III, the Association shall have the authority to levy assessments to satisfy the common expenses of a particular project or effort undertaken by the Association that benefits some, but less than all, of the Lots (“**Limited Assessments**”). Limited Assessments shall be levied against the Owners of those Lots that benefit from the project or effort undertaken by the Association. An example, for illustrative purposes only and not as a limitation, of a project or effort giving rise to a Limited Assessment, is maintenance or repair of a tract of property that benefits and serves certain Lots, but not other Lots.

Section 3.6 Additional Assessments

In addition to the other assessments described in this Article III, the Association shall have the authority to assess an Owner for costs and expenses incurred by the Association for corrective action that is required as a result of the willful or negligent actions or omissions of such Owner or such Owner’s family members, tenants, guests, contractors or invitees.

Section 3.7 Non-Payment of Assessments; Remedies of the Association

Any assessment or other charge not paid within ten (10) days after the due date shall bear interest from the due date at a rate which is equal to the lesser of: (a) the interest rate established by the Board from time to time in its discretion or (b) the maximum interest rate allowed by Oregon law at the time of non-payment. The Board, acting on behalf of the Association, shall have the authority to impose late charges to compensate for the administrative and processing costs of late payments on such terms as it may establish by resolution and to initiate litigation against the Owner personally obligated to pay the same. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Maintenance Areas or abandonment of the Owner’s Home or Lot.

Section 3.8 Subordinated Lien to Secure Payment

To secure the payment of all assessments, interest, late charges, attorneys’ fees and other charges to be levied on the individual Lots and paid by the Owners pursuant to this Declaration and the Bylaws, there is hereby reserved a lien for the benefit of the Association, said lien to be enforceable through appropriate proceedings at law or in equity by the Association; provided, however, that each such lien shall be specifically made secondary, subordinate and inferior to all first mortgage or first trust deed liens, present and future, given, granted, and created by or at the instance and request of the Owner of any such Lot to secure the payment of monies advanced or to be advanced for the purchase of the Lot and/or any Improvements thereon; and further provided that as a condition precedent to any proceeding to enforce such lien upon any Lot upon which there is an outstanding valid and subsisting first mortgage lien, the Association shall give the holder of such first mortgage lien sixty (60) days written notice of such proposed action. The notice shall contain a statement of the delinquent assessments or other charges upon which the proposed action is based and shall be sent by

prepaid U.S. registered mail to the first mortgage lienholder's address of record as stated in the recorded mortgage lien document or such other address provided in writing by the first mortgage lienholder to the Association. Upon the request of any such first mortgage lienholder, the Association shall acknowledge in writing its obligation to give the foregoing notice with respect to the particular Lot covered by such first mortgage lien to the holder thereof. The provisions regarding the attachment, notice, recordation, and duration of liens established on real property under ORS 94.709 shall apply to the Association's lien. The sale or transfer of a Lot shall not affect the assessment lien. However, the sale or transfer of a Lot pursuant to the foreclosure of a first mortgage lien or execution of a deed in lieu of foreclosure of a first mortgage lien shall extinguish the assessment lien with respect to assessments that became due before such sale or transfer. No sale, foreclosure or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof. Additionally, no sale, foreclosure or transfer shall extinguish the personal obligation of the Owner who owned the Lot at the time the delinquent assessment and/or payment became due. The Board shall have the right to file notices of liens in favor of the Association in the official records of Deschutes County, Oregon.

ARTICLE IV GENERAL POWERS AND DUTIES OF BOARD OF DIRECTORS

Section 4.1 Purpose of Maintenance Fund

The Board, for the benefit of the Owners, shall provide and shall pay for out of the Maintenance Fund provided for in Article III above the following:

4.1.1 Maintenance, repair, and enhancement of the Common Maintenance Areas, including any Improvements in, on or under the Common Maintenance Areas for which the Association is responsible.

4.1.2 The services of a professional person or management firm to manage the Association or any separate portion thereof to the extent deemed advisable by the Board, and the services of such other personnel as the Board shall determine to be necessary or proper for the operation of the Association, whether such personnel are employed directly by the Association or by the manager.

4.1.3 Legal and accounting services.

4.1.4 A policy or policies of insurance insuring the Association, the Board and/or officers of the Association against any liability to the public or to the Owners (and/or invitees or tenants) incident to the operation of the Association in any amount or amounts as determined by the Board, including a policy or policies of insurance as provided in Article V below.

4.1.5 Workers compensation insurance to the extent necessary to comply with any applicable laws.

4.1.6 Such fidelity bonds as may be required by the Bylaws or as the Board may determine to be advisable.

4.1.7 Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, structural alterations, taxes or assessments (including taxes or assessments assessed against an individual Owner) which the Board is required to obtain or pay for pursuant to the terms of this Declaration or by law or which in the Board's opinion is necessary or proper for the enforcement of this Declaration, the Bylaws and the Rules and Regulations.

Section 4.2 Powers and Duties of Board

The Board, on behalf of the Association for the benefit of the Owners, shall have the following general powers and duties, in addition to the specific powers and duties provided for in the Articles, the Bylaws or elsewhere in this Declaration and the powers and duties of a board of directors of a nonprofit corporation pursuant to the Nonprofit Corporation Act and a homeowners' association pursuant to the Planned Community Act:

4.2.1 To borrow funds to pay for costs of operation secured by an assignment or pledge of the Association's right to receive assessments from the Owners.

4.2.2 To enter into contracts, maintain one (1) or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association.

4.2.3 To protect or defend the Common Maintenance Areas from loss or damage by suit or otherwise and to provide adequate reserves for replacements.

4.2.4 To make reasonable Rules and Regulations for the operation of the Property and to amend them from time to time; provided, however, that the Rules and Regulations may be amended or repealed by an instrument in writing signed by a majority of the Owners, or with respect to those Rules and Regulations applicable to less than all of the Property, by a majority of the Owners in the portions affected.

4.2.5 To make available for inspection by Owners within sixty (60) days after the end of each year an annual report and to make all books and records of the Association available for inspection by Owners at reasonable times and intervals.

4.2.6 To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency.

4.2.7 To enforce the Rules and Regulations and to enjoin and seek damages from any Owner for violation of the Rules and Regulations.

4.2.8 To collect all assessments and enforce all penalties for non-payment including the filing of liens and the institution of legal proceedings.

4.2.9 To appoint, remove (with or without cause) and replace members of the Architectural Review Committee in accordance with Article VI below.

Section 4.3 Board Powers Exclusive

The Board shall have the exclusive right to contract for all goods, services and insurance on behalf of the Association, payment of which is to be made from the Maintenance Fund and Reserve Fund and the exclusive right and obligation to perform the functions of the Board except as otherwise provided herein.

ARTICLE V
COMMON MAINTENANCE AREAS

Section 5.1 Liability Insurance; Casualty Insurance

From and after the date on which title to or responsibility for the Common Maintenance Areas vests in the Association, the Board shall purchase and maintain a general comprehensive public liability insurance policy for the benefit of the Association and its members, covering occurrences in the Common Maintenance Areas. The policy limits shall be as determined by the Board, but shall include public liability insurance of at least One Million Dollars (\$1,000,000.00) per occurrence. The Board shall use commercially reasonable efforts to obtain a policy that contains, if available, cross-liability endorsements or other appropriate provisions for the benefit of the Board, the Owners and other named insureds, as their interests may be determined by the Board, insuring each named insured against liability from the other named insureds as well as from other third parties. Any proceeds of insurance policies owned by the Association shall be received, held in a segregated account and distributed to all interested parties, as determined by the Board. In addition the Board shall purchase and maintain extended coverage property insurance for the benefit of the Association insuring all insurable Improvements located in, on or under the Common Maintenance Areas for which the Association is responsible against loss or damage by fire, theft, vandalism, malicious mischief and other hazards on a current replacement cost basis in an amount not less than one hundred percent (100%) of the insurable value of such Improvements (based on current replacement costs).

Section 5.2 Condemnation

If there is a condemnation or a sale in lieu thereof of all or any portion of the Common Maintenance Areas owned by the Association, the Association shall represent the Owners in negotiations with the condemning authority. The funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Maintenance Areas to replace that which has been condemned or to take whatever steps it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. If the Association determines that the funds cannot be used in such a manner due to the lack of available land for additional Common Maintenance Areas or for whatever reason, any remaining funds may be distributed to each Owner based on an equal amount per Lot.

Section 5.3 Maintenance of Common Maintenance Areas

Without limitation to the Association's overall maintenance and other obligations, the Association will permanently maintain and repair the following Common Maintenance Areas as necessary:

5.3.1 The eleven (11) mail stations within City right-of-way, including associated lights and related electricity;

5.3.2 The two (2) Awbrey Butte entry monuments, together with associated landscaping, irrigation and lights;

5.3.3 If deemed desirable by the Board of Directors, the street signs within Awbrey Butte to the extent the same are not maintained by the City of Bend or to the extent that the Board determines that it is desirable to have the signs include the Awbrey Butte logo; and

5.3.4 Any other area determined by the Board to be in the interest of the Association to maintain.

The Association shall keep the Common Maintenance Areas in good condition and repair, provide for all necessary services and cause all acts to be done which may be necessary or proper to assure the maintenance of the Common Maintenance Areas.

ARTICLE VI
ARCHITECTURAL REVIEW

Section 6.1 Approval Required.

No Improvement, as defined in Section 1.8 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 (the "ARC"). All approvals shall be in conformance with the building site established on each Lot by the Declarant.

Section 6.2 Procedure.

Any Owner proposing to construct any improvements within the Awbrey Butte Homesites (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 paragraphs 6.3 through 6.7 below. Failure to follow such procedures or obtain such approvals as required by paragraphs 6.3 through 6.7 below shall be deemed a breach of this Declaration.

Section 6.3 Required Documents.

Any owner proposing to utilize, improve, or develop real property within the Awbrey Butte Homesites, shall submit the following items to the ARC for review:

6.3.1 A site plan showing the location, size, configuration and layout of any building, structure, or improvement (or, where applicable, any alteration, addition, modification, or destruction thereto) including appurtenant facilities for parking, storage, fences, and vehicular and pedestrian traffic and circulation.

6.3.2 Architectural plans and drawings showing the nature, style, and dimensions of any building, structure, fence, wall, barrier or deck (or, where applicable, any alteration, addition, modification or destruction thereof), including the exterior material types, colors, and appearance. The scale of plans shall be 1 inch = 20 feet or larger.

6.3.3 A landscape plan showing the nature, type, site, location, and layout of all landscaping, vegetation ground cover, landscape and site lighting, walks, major existing vegetation and irrigation systems proposed to be planted or installed (or, where applicable, removed or destroyed).

Section 6.4 Review.

All plans and drawings identified in paragraph 6.3 above, shall be submitted to the ARC to review prior to the performance of any proposed work. Such plans and drawings shall be accompanied with a check payable to the ARC in an amount to be determined by the ARC from time to time. No plans shall be reviewed until the architectural review fee is paid in full and all items specified in this section are submitted. Within 30 days following receipt of such plans and drawings, and the full amount of the architectural review fee, the ARC shall review the plans and shall inform the owner in writing whether the plans conform to the development concept for Awbrey Butte Homesites. In the event the owner is not notified as to the conformity of the plans within the 30 day review period the plans are conclusively presumed to be approved as submitted. In the event any of the plans do not conform to the Awbrey Butte Homesites development concept, the owner shall resubmit those non-conforming portions of the plans for review in accordance with the procedures outlined in paragraph 6.3 above, and this paragraph. No work may be performed relating to any improvement unless and until all aspects of all plans required under paragraph 6.3 above have been approved by the ARC. Any site plans, construction plans or similar plans and drawings submitted to the City of Bend in connection with the construction of any improvement in the Awbrey Butte Homesites must bear the prior written approval of the ARC.

Section 6.5 Architectural Guidelines.

The development concept for the Awbrey Butte Homesites shall be determined by the ARC in accordance with applicable statutes, ordinances, regulations, zoning and other governmental land use controls. Architectural guidelines setting forth various aspects of the development concept, in addition to this Declaration, may be established from time to time by the ARC, but the ARC shall not be required to do so. The ARC shall have the right to alter, rescind or amend any published guidelines; provided however, that once approval has been given pursuant to paragraph 6.4 above, work may proceed in accordance with the approved plans and drawings notwithstanding any changes in the development concept. All such guidelines shall be

in general conformity with this Declaration.

Section 6.6 Inspection.

All work related to any building, structure or improvement or any landscaping, vegetation, ground cover or other improvements within the Awbrey Butte Homesites shall be performed in strict conformity with the plans and drawings approved under paragraph 6.4 above. The ARC 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 non-conforming. In the event that it is determined in good faith by the ARC that certain work is non-conforming, 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 the Association nor the ARC nor their respective officers, directors, employees, agents or servants 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.

Section 6.7 Waiver.

Any condition or provision of paragraphs 6.2 through 6.6 above, may be waived by the ARC in its exclusive discretion. Any waiver shall be in general conformity with the development concept and development standards for the Awbrey Butte Homesites. Any such waiver shall not be deemed a general waiver of any aspect of the development concept or the required procedures and approvals specified under paragraphs 6.2 through 6.6. The granting of a waiver 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 ARC and delivered by certified mail to the party claiming the benefit of such waiver.

Section 6.8 Architectural Review Committee

The members of the Architectural Review Committee shall be appointed by and may be removed for any reason or no reason by a majority of the Board. The ARC shall act by majority vote.

**ARTICLE VII
EASEMENTS**

Section 7.1 Entry Easement

If the Owner of any Lot fails to maintain the Lot as required herein, or if there is an emergency, the Association shall have the right to enter upon the Lot to make repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property. Entry upon the Lot as provided herein shall not be deemed a trespass, and the Association shall

not be liable for any damage so created unless such damage is caused by the Association's willful misconduct or gross negligence.

Section 7.2 Maintenance and Inspection Easements

An easement is hereby granted and reserved in favor of the Association, the Board, the ARC and any employee, contractor, property manager or other agent of the Association over, across, upon, and under the Property to inspect, maintain, repair or replace the Common Maintenance Areas, including the Improvements located thereon for which the Association is responsible, and to perform all other obligations of the Association and to exercise all rights and powers of the Association under this Declaration and/or the Bylaws.

**ARTICLE VIII
USE, OCCUPANCY, CASUALTY, AND INSURANCE**

Section 8.1 Residential Use

All Lots and Homes shall be kept and maintained primarily for single family residential purposes.

Section 8.2 Owner Insurance

Each Owner of a Lot is encouraged to obtain, and maintain in effect, from a reputable insurance company authorized to do business in the State of Oregon, public liability and property damage insurance with respect to such Lot, fire and extended coverage casualty insurance with respect to the Owner's Home in an amount equal to one hundred percent (100%) of the replacement cost thereof. Each Owner shall also be responsible for obtaining fire and extended coverage casualty insurance with respect to that Owner's personal property. No Owner shall be obligated to obtain any of the insurance coverages described herein or in Section 5.2, nor shall any insurance coverage obtained by an Owner (or such Owner's mortgagee) be brought into contribution with insurance obtained by the Association.

**ARTICLE IX
PROPERTY RIGHTS**

Section 9.1 Owner's Use and Occupancy

Subject to any easements affecting an Owner's Lot, the Owner of a Lot shall be entitled to the exclusive use and benefit of such Lot. As such rights of an Owner of a Lot with respect to the Lot or the Home on such Owner's Lot is subject to the rights of the Association under this Declaration, the ARC and any representative of the Association authorized by the Association 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 and/or Improvements on such Lot are then in compliance with this Declaration. No such entry shall be deemed to constitute a trespass, conversion, or otherwise create any right of action in the Owner of such Lot.

Section 9.2 Effect of Declaration

Reference in any deed, mortgage, trust deed or any other recorded document to the easements, restrictions and covenants herein described or to this Declaration shall be sufficient to create and reserve such easements and covenants to the respective grantees, mortgagees, or trustees of said parcels as fully and completely as if those easements, restrictions and covenants were fully related and set forth in their entirety in said documents.

**ARTICLE X
USE RESTRICTIONS**

Section 10.1 Occupancy.

No owner shall occupy, use or permit his Lot or any part thereof to be used for any purpose other than a private residence for the owner, his family, or his guests, except that each owner shall be permitted to rent the unit when he is not in occupancy.

Section 10.2 Improvements.

Each Lot within the Awbrey Butte Homesites shall be maintained in a clean and attractive condition, in good repair and in such a fashion as not to create a fire hazard.

Section 10.3 Appearance.

All garbage, trash, cuttings, refuse garbage and refuse containers, clothes drying apparatus, and other service facilities located on the Lot shall be screened from view in a manner approved by the ARC.

Section 10.4 Construction and Alteration.

Nothing shall be altered or constructed in or removed from or placed on a Lot except with the prior written consent of ARC.

Section 10.5 Offensive or Commercial Activity.

No offensive or commercial activity shall be carried on nor shall anything be done which may be or become an annoyance or nuisance to the other owners.

Section 10.6 Signs.

No sign of any kind shall be displayed to public view on or from any Lot without the ARC's prior written consent, provided, however, that an owner may display not more than one (1) "for sale" sign per Lot which has a maximum area not to exceed 300 square inches, the longest dimension being not greater than 20 inches.

Section 10.7 Exterior Lighting or Noise Making Device.

No exterior lighting or noise making device shall be placed on a Lot or any portion thereof without the ARC's prior written consent.

Section 10.8 Antennas.

No television antenna, radio antenna, satellite antenna, or other receiving device shall be placed on any Lot without the ARC's prior written consent.

Section 10.9 Limitation on Transfer.

No owner shall transfer either by conveyance, contract of sale or lease any interest in his Lot which would result in ownership of such Lot being held by more than ten persons.

Section 10.10 Mobile homes.

No house trailer, mobile home, tent, shack, barn or other similar outbuilding or structure, whether permanent or temporary, shall be erected or placed on any Lot.

Section 10.11 Single family residences.

No more than one single family residence shall be erected or placed on any Lot.

Section 10.12 Utilities.

No above-ground utilities, pipes or wires shall be used to connect improvements with supplying facilities.

Section 10.13 View.

The height of improvements or vegetation and trees on a Lot shall not materially restrict the view of other Lot owners. The ARC shall be the sole judge of the suitability of such heights. If the ARC determines there is such restriction in the view of the other Lot owners, written notice shall be delivered to the offending Lot owner. If after 30 days the improvement, vegetation, or trees are not removed or reduced in height as directed by the ARC, the ARC shall enter the offending Lot, complete the removal or reduction, charging the owner of the Lot the reasonable costs for the work done. This section is not to be read as justification to create views not present when the Lot was originally purchased.

Section 10.14 Parking.

A minimum of two parking places must be provided for each Lot and must meet the standards set by the ARC. No extended parking on any street shall be allowed by any house trailer, travel trailer, boat trailer, camper or incapacitated motor vehicle.

Section 10.15 Security

The Association is not responsible for security of the neighborhood or any Home and the Owners are exclusively responsible for security of their home and property.

**ARTICLE XI
ANNEXATION**

No additional property shall be annexed into the community of Awbrey Butte Homesites, except as may be permitted by applicable law.

**ARTICLE XII
GENERAL**

Section 12.1 Remedies

Subject to the provisions of Article XIII, if any default by any Owner under the provisions of this Declaration, the Bylaws or the Rules and Regulations shall occur, the Association and any Owner shall have each and all of the rights and remedies which may be provided for in this Declaration, the Bylaws or the Rules and Regulations, and those which may be available at law or in equity, and may prosecute any action or other proceeding against such defaulting Owner and/or others for enforcement of any lien, statutory or otherwise, including foreclosure of such lien and the appointment of a receiver for the Lot and ownership interest of such Owner, or for damages or injunction, or specific performance, or for judgment for payment of money and collection thereof, or for any combination of remedies, or for any other relief, but in all cases subject to the limitations and requirements of the Planned Community Act. No remedies herein provided or available at law or in equity shall be deemed mutually exclusive of any other such remedy. All expenses of the Association in connection with any such actions or proceedings, including court costs and attorneys' fees and other fees and expenses, and all damages, liquidated or otherwise, together with interest thereon at the maximum rate permitted by law but, with reference to any Lots financed by FHA insured loans, not in excess of the maximum rate of FHA loans at the time of delinquency, from the due date until paid, shall be charged to and assessed against such defaulting Owner, and shall be added to and deemed part of his respective maintenance assessment (to the same extent as the lien provided herein for unpaid assessments), upon the Lot and upon all of his additions and Improvements thereto, and upon all of his personal property upon the Lot. Any and all of such rights and remedies may be exercised at any time and from time to time, cumulatively or otherwise, by the Association or any Owner.

Section 12.2 Fines Imposed by the Association

In addition to any other remedies available to the Association hereunder and subject to the requirements of ORS 94.630(1)(n), the Association shall have the right to impose reasonable fines upon an Owner who violates this Declaration, the Bylaws or the Rules and Regulations in the manner and amount the Board deems appropriate in relation to the violation.

Section 12.3 Term and Amendments

The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty (30) years from the date this Declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years each, unless a signed petition containing the signatures of the Owners holding at least seventy-five percent (75%) of the outstanding votes of the Association is presented to the Board or other duly appointed and authorized persons, which shall authorize the Board, or other duly appointed and authorized persons, to execute and properly record a notice of termination of this Declaration in the official records of Deschutes County, Oregon. This Declaration may be amended at any time during the first thirty (30) year period or any extension thereof, upon the consent of the Owners holding at least seventy-five percent (75%) of the outstanding votes of the Association. Notwithstanding the foregoing, no amendment to this Declaration shall change the boundaries of any Lot or any uses to which any Lot or Home is restricted 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 or Homes unanimously consent to the amendment. Upon approval of an amendment as provided herein, the president and secretary of the Association shall execute an instrument amending this Declaration and certifying that the amendment was adopted in accordance with this Declaration and ORS 94.590, which certification shall be properly acknowledged in the manner of acknowledgment of deeds, and the Board, or other duly appointed and authorized persons, shall record the instrument amending this Declaration.

Section 12.4 Severability; Partial Invalidity

Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 12.5 Rights and Obligations

The provisions of this Declaration, the Articles and the Bylaws and the rights and obligations established thereby shall be deemed to be covenants running with the land and shall inure to the benefit of, and be binding upon, each and all of the Owners and their respective heirs, representatives, successors, assigns, purchasers, grantees and mortgagees. By the recording or the acceptance of a deed conveying a Lot or any ownership interest in a Lot whatsoever, the person to whom such Lot or interest is conveyed shall be deemed to accept and agree to be bound by and subject to all of the provisions of this Declaration, the Articles and the Bylaws, whether or not mention thereof is made in said deed.

Section 12.6 Institutional Holders of First Mortgage Liens

The following provisions shall control notwithstanding any provision of this Declaration, the Articles or the Bylaws to the contrary notwithstanding:

12.6.1 Notice to Institutional Holders of First Mortgage Liens

The following actions shall require notice to all institutional holders of first mortgage liens: (i) abandonment or termination of the Association; and (ii) material amendment to this Declaration.

12.6.2 Notice to Institutional Holders of First Mortgage Liens Upon Default

Upon the request of any first mortgagee of a Lot, the Association shall furnish to such mortgagee a written notice of any default by the Owner of such Lot in the performance of such Owner's obligations under this Declaration, the Bylaws or the Rules and Regulations which is not cured within thirty (30) days. Any first mortgagee of a Lot who comes into possession of the Lot pursuant to the remedies provided in the mortgage, a foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall take the Lot free of any claims for unpaid assessments or charges in favor of the Association against the Lot which accrued before the time such holder comes into possession of the Lot.

12.6.3 Consent of Institutional Holders of First Mortgage Liens

Unless at least seventy-five percent (75%) of the holders of first mortgages on Lots (based upon one vote for each first mortgage held) have given their prior written approval, neither the Association nor the Owners shall be entitled to:

- (a) substantially change the method of determining the obligations, assessments, dues or other charges which may be levied against an Owner by the Association; or
- (b) by act or omission change, waive, or abandon any scheme of regulations or enforcement thereof pertaining to the architectural design or the exterior appearance of the Homes or maintenance of the Homes or Lots.

Section 12.7 Statutory References

Any reference in this Declaration 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.

Section 12.8 Personal Pronouns

All personal pronouns used in this Declaration, whether used in the masculine, feminine or neuter gender, shall include all other genders and the singular shall include the plural and vice versa.

Consent

Pursuant to Section 6.2 of the Original Declaration, the undersigned, being the Declarant under the Original Declaration, hereby consents to the above Amended and Restated Declaration of Covenants, Conditions and Restrictions for Awbrey Butte.

BROOKS RESOURCES CORPORATION,
an Oregon corporation

By: [Signature]
Name: Jade Mayes
Title: CCFO

STATE OF OREGON)
COUNTY OF Deschutes) ss.

The foregoing instrument was acknowledged before me the 9 day of June 2008, by Jade Mayes the CCFO of Brooks Resources Corporation.

Kathleen Restivo
Notary Public for the State of Oregon
My Commission Expires: 11.30.08

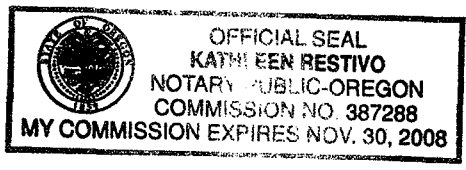


EXHIBIT "A"

PROPERTY SUBJECT TO DECLARATION

PHASE I

Lots 1-9, Block 1, AWBREY BUTTE HOMESITES, PHASE I, City of Bend, recorded September 13, 1984, in Cabinet C, Page 135, Deschutes County Records, Deschutes County, Oregon.

Lots 1-11, Block 2, AWBREY BUTTE HOMESITES, PHASE I, City of Bend, recorded September 13, 1984, in Cabinet C, Page 135, Deschutes County Records, Deschutes County, Oregon.

Lots 1-5, Block 3, AWBREY BUTTE HOMESITES, PHASE I, City of Bend, recorded September 13, 1984, in Cabinet C, Page 135, Deschutes County Records, Deschutes County, Oregon.

PHASE II

Lots 1-2, Block 4, AWBREY BUTTE HOMESITES, PHASE II, City of Bend, recorded August 29, 1985, in Cabinet C, Page 156, Deschutes County Records, Deschutes County, Oregon.

Lots 1-14, Block 5, AWBREY BUTTE HOMESITES, PHASE II, City of Bend, recorded August 29, 1985, in Cabinet C, Page 156, Deschutes County Records, Deschutes County, Oregon.

Lots 1-10, Block 6, AWBREY BUTTE HOMESITES, PHASE II, City of Bend, recorded August 29, 1985, in Cabinet C, Page 156, Deschutes County Records, Deschutes County, Oregon.

PHASE III

Lots 7-10, Block 3, AWBREY BUTTE HOMESITES, PHASE III, recorded September 23, 1987, in Cabinet C, Page 232, Deschutes County Records, Deschutes County, Oregon.

Lots 3-17, Block 4, AWBREY BUTTE HOMESITES, PHASE III, recorded September 23, 1987, in Cabinet C, Page 232, Deschutes County Records, Deschutes County, Oregon.

PHASE IV

Lots 15-17, Block 5, AWBREY BUTTE HOMESITES, PHASE VI, recorded September 23, 1987, in Cabinet C, Page 231, Deschutes County Records, Deschutes County, Oregon.

Lots 11-12, Block 6, AWBREY BUTTE HOMESITES, PHASE VI, recorded September 23, 1987, in Cabinet C, Page 231, Deschutes County Records, Deschutes County, Oregon.

PHASE V

Lots 1-8, Block 7, AWBREY BUTTE HOMESITES, PHASE V, recorded April 4, 1988, in Cabinet C, Page 248, Deschutes County Records, Deschutes County, Oregon.

Lots 1, Block 8, AWBREY BUTTE HOMESITES, PHASE V, recorded April 4, 1988, in Cabinet C, Page 248, Deschutes County Records, Deschutes County, Oregon.

PHASE VI

Lots 11-17, Block 3, AWBREY BUTTE HOMESITES, PHASE VI, recorded April 13, 1988, in Cabinet C, Page 249, Deschutes County Records, Deschutes County, Oregon.

Lots 18-30, Block 4, AWBREY BUTTE HOMESITES, PHASE VI, recorded April 13, 1988, in Cabinet C, Page 249, Deschutes County Records, Deschutes County, Oregon.

PHASE SEVEN

Lots 1-4, Block 10, AWBREY BUTTE HOMESITES, PHASE SEVEN, recorded April 3, 1989, in Cabinet C, Page 303, Deschutes County Records, Deschutes County, Oregon.

Lots 1-2, Block 11, AWBREY BUTTE HOMESITES, PHASE SEVEN, recorded April 3, 1989, in Cabinet C, Page 303, Deschutes County Records, Deschutes County, Oregon.

PHASE EIGHT

Lots 2-6, Block 8, AWBREY BUTTE HOMESITES, PHASE EIGHT, recorded July 22, 1988, in Cabinet C, Page 266, Deschutes County Records, Deschutes County, Oregon.

Lots 1-10, Block 9, AWBREY BUTTE HOMESITES, PHASE EIGHT, recorded July 22, 1988, in Cabinet C, Page 266, Deschutes County Records, Deschutes County, Oregon.

PHASE NINE

Lots 18-20, Block 5, AWBREY BUTTE HOMESITES, PHASE NINE, recorded July 22, 1988, in Cabinet C, Page 268, Deschutes County Records, Deschutes County, Oregon.

Lots 13-15, Block 6, AWBREY BUTTE HOMESITES, PHASE NINE, recorded July 22, 1988, in Cabinet C, Page 268, Deschutes County Records, Deschutes County, Oregon.

PHASE TEN

Lots 7-14, Block 8, AWBREY BUTTE HOMESITES, PHASE TEN, recorded March 7, 1989, in Cabinet C, Page 297, Deschutes County Records, Deschutes County, Oregon.

Lots 11-15, Block 9, AWBREY BUTTE HOMESITES, PHASE TEN, recorded March 7, 1989, in Cabinet C, Page 297, Deschutes County Records, Deschutes County, Oregon.

PHASE TEN REPLAT

Lots 15-17, Block 8, A REPLAT OF LOTS 15, 16 & 17, BLOCK 8, AWBREY BUTTE HOMESITES, PHASE TEN, recorded July 3, 1989, in Cabinet C, Page 327, Deschutes County, Oregon.

PHASE ELEVEN

Lots 11-17, Block 10, AWBREY BUTTE HOMESITES, PHASE ELEVEN, recorded September 15, 1989, in Cabinet C, Page 336, Deschutes County, Oregon.

Lots 1-9, Block 14, AWBREY BUTTE HOMESITES, PHASE ELEVEN, recorded September 15, 1989, in Cabinet C, Page 336, Deschutes County, Oregon.

PHASE TWELVE

Lots 21-37, Block 5, AWBREY BUTTE HOMESITES, PHASE TWELVE, recorded October 13, 1989, in Cabinet C, Page 349, Deschutes County Records, Deschutes County, Oregon.

Lots 18-21, Block 8, AWBREY BUTTE HOMESITES, PHASE TWELVE, recorded October 13, 1989, in Cabinet C, Page 349, Deschutes County Records, Deschutes County, Oregon.

Lots 1-10, Block 12, AWBREY BUTTE HOMESITES, PHASE TWELVE, recorded October 13, 1989, in Cabinet C, Page 349, Deschutes County Records, Deschutes County, Oregon.

Lots 1-4, Block 13, AWBREY BUTTE HOMESITES, PHASE TWELVE, recorded October 13, 1989, in Cabinet C, Page 349, Deschutes County Records, Deschutes County, Oregon.

PHASE THIRTEEN

Lots 5-10, Block 10, AWBREY BUTTE HOMESITES, PHASE THIRTEEN, recorded December 27, 1989, in Cabinet C, Page 365, Deschutes County Records, Deschutes County, Oregon.

Lots 3-12, Block 11, AWBREY BUTTE HOMESITES, PHASE THIRTEEN, recorded December 27, 1989, in Cabinet C, Page 365, Deschutes County Records, Deschutes County, Oregon.

Lots 10-17, Block 14, AWBREY BUTTE HOMESITES, PHASE THIRTEEN, recorded December 27, 1989, in Cabinet C, Page 365, Deschutes County Records, Deschutes County, Oregon.

PHASE FOURTEEN

Lots 9-34, Block 7, AWBREY BUTTE HOMESITES, PHASE FOURTEEN, City of Bend, recorded March 12, 1990, in Cabinet C, Page 384, Deschutes County, Oregon.

PHASE FIFTEEN

Lots 1-12, Block 15, AWBREY BUTTE HOMESITES, PHASE FIFTEEN, recorded August 23, 1990, in Cabinet C, Page 453, Deschutes County, Oregon.

Lots 1-17, Block 16, AWBREY BUTTE HOMESITES, PHASE FIFTEEN, recorded August 23, 1990, in Cabinet C, Page 453, Deschutes County, Oregon.

Lots 1-8, Block 17, AWBREY BUTTE HOMESITES, PHASE FIFTEEN, recorded August 23, 1990, in Cabinet C, Page 453, Deschutes County, Oregon.

Lots 1-14, 24-28, Block 18, AWBREY BUTTE HOMESITES, PHASE FIFTEEN, recorded August 23, 1990, in Cabinet C, Page 453, Deschutes County, Oregon.

Lots 1-5, Block 19, AWBREY BUTTE HOMESITES, PHASE FIFTEEN, recorded August 23, 1990, in Cabinet C, Page 453, Deschutes County, Oregon.

PHASE SIXTEEN

Lots 13-15, Block 11, AWBREY BUTTE HOMESITES, PHASE SIXTEEN, recorded October 5, 1990, in Cabinet C, Page 475, Deschutes County, Oregon.

Lots 18-40, Block 14, AWBREY BUTTE HOMESITES, PHASE SIXTEEN, recorded October 5, 1990, in Cabinet C, Page 475, Deschutes County, Oregon.

Lots 1-4, Block 20, AWBREY BUTTE HOMESITES, PHASE SIXTEEN, recorded October 5, 1990, in Cabinet C, Page 475, Deschutes County, Oregon.

PHASE SEVENTEEN

Lots 16-31, Block 6, AWBREY BUTTE HOMESITES, PHASE SEVENTEEN, recorded September 3, 1991, in Cabinet C, Page 566, Deschutes County, Oregon.

Lots 5-7, Block 13, AWBREY BUTTE HOMESITES, PHASE SEVENTEEN, recorded September 3, 1991, in Cabinet C, Page 566, Deschutes County, Oregon.

PHASE EIGHTEEN

Lots A, 16-30, Block 11, AWBREY BUTTE HOMESITES, PHASE EIGHTEEN, recorded February 8, 1993, in Cabinet C, Page 745, Deschutes County Records, Deschutes County, Oregon.

PHASE NINETEEN

Lots 32-54, Block 6, AWBREY BUTTE HOMESITES, PHASE NINETEEN recorded September 17, 1992, in Cabinet C, Page 693, Deschutes County Records, Deschutes County, Oregon.

Lots 8-14, Block 13, AWBREY BUTTE HOMESITES, PHASE NINETEEN recorded September 17, 1992, in Cabinet C, Page 693, Deschutes County Records, Deschutes County, Oregon.

Lots 5-6, Block 20, AWBREY BUTTE HOMESITES, PHASE NINETEEN recorded September 17, 1992, in Cabinet C, Page 693, Deschutes County Records, Deschutes County, Oregon.

Lots 1-3, Block 21, AWBREY BUTTE HOMESITES, PHASE NINETEEN recorded September 17, 1992, in Cabinet C, Page 693, Deschutes County Records, Deschutes County, Oregon.

PHASE TWENTY

Lots 15-23, Block 18, AWBREY BUTTE HOMESITES, PHASE TWENTY, City of Bend, recorded October 14, 1994, in Cabinet D, Page 87, Deschutes County Records, Deschutes County, Oregon.

PHASE TWENTY-ONE

Lots 29-35, Block 18, AWBREY BUTTE HOMESITES, PHASE TWENTY-ONE, City of Bend, recorded October 6, 1995, in Cabinet D, Page 159, Deschutes County Records, Deschutes County, Oregon.

Lots 6-12, Block 19, AWBREY BUTTE HOMESITES, PHASE TWENTY-ONE, City of Bend, recorded October 6, 1995, in Cabinet D, Page 159, Deschutes County Records, Deschutes County, Oregon.

PHASE TWENTY-TWO

Lots 7-33, Block 20, AWBREY BUTTE HOMESITES, PHASE TWENTY-TWO, City of Bend, recorded May 3, 1996, in Cabinet D, Page 221, Deschutes County Records, Deschutes County, Oregon.

Lots 4-18, Block 21, AWBREY BUTTE HOMESITES, PHASE TWENTY-TWO, City of Bend, recorded May 3, 1996, in Cabinet D, Page 221, Deschutes County Records, Deschutes County, Oregon.

Lots 1-6, Block 22, AWBREY BUTTE HOMESITES, PHASE TWENTY-TWO, City of Bend, recorded May 3, 1996, in Cabinet D, Page 221, Deschutes County Records, Deschutes County, Oregon.

PHASE TWENTY-THREE

Lots 36-62, Block 18, AWBREY BUTTE HOMESITES, PHASE TWENTY-THREE, City of Bend, recorded March 27, 1997, in Cabinet D, Page 332, Deschutes County Records, Deschutes County, Oregon.

Lots 13-25, Block 19, AWBREY BUTTE HOMESITES, PHASE TWENTY-THREE, City of Bend, recorded March 27, 1997, in Cabinet D, Page 332, Deschutes County Records, Deschutes County, Oregon.

Lots 1-3, Block 24, AWBREY BUTTE HOMESITES, PHASE TWENTY-THREE, City of Bend, recorded March 27, 1997, in Cabinet D, Page 332, Deschutes County Records, Deschutes County, Oregon.

PHASE TWENTY-FOUR

Lots 1-5, Block 23, AWBREY BUTTE HOMESITES, PHASE TWENTY-FOUR, City of Bend, recorded April 18, 1997, in Cabinet D, Page 360, Deschutes County Records, Deschutes County, Oregon.

PHASE TWENTY-FIVE

Lots 22-26, Block 8, AWBREY BUTTE HOMESITES, PHASE TWENTY-FIVE, City of Bend, recorded June 17, 1998, in Cabinet E, Page 41, Deschutes County, Oregon.

Lots 11-18, Block 12, AWBREY BUTTE HOMESITES, PHASE TWENTY-FIVE, City of Bend, recorded June 17, 1998, in Cabinet E, Page 41, Deschutes County, Oregon.

Lots 63-67, Block 18, AWBREY BUTTE HOMESITES, PHASE TWENTY-FIVE, City of Bend, recorded June 17, 1998, in Cabinet E, Page 41, Deschutes County, Oregon.

Lots 4-9, Block 24, AWBREY BUTTE HOMESITES, PHASE TWENTY-FIVE, City of Bend, recorded June 17, 1998, in Cabinet E, Page 41, Deschutes County, Oregon.

Lots 1-10, Block 25, AWBREY BUTTE HOMESITES, PHASE TWENTY-FIVE, City of Bend, recorded June 17, 1998, in Cabinet E, Page 41, Deschutes County, Oregon.

Lot 1, Block 26, AWBREY BUTTE HOMESITES, PHASE TWENTY-FIVE, City of Bend, recorded June 17, 1998, in Cabinet E, Page 41, Deschutes County, Oregon.

Lots 1-2, Block 27, AWBREY BUTTE HOMESITES, PHASE TWENTY-FIVE, City of Bend, recorded June 17, 1998, in Cabinet E, Page 41, Deschutes County, Oregon.

PHASE TWENTY-SIX

Lots 10-22, Block 24, AWBREY BUTTE HOMESITES, PHASE TWENTY-SIX, City of Bend, recorded September 22, 1998, in Cabinet E, Page 88, Deschutes County, Oregon.

Lots 11-16, Block 25, AWBREY BUTTE HOMESITES, PHASE TWENTY-SIX, City of Bend, recorded September 22, 1998, in Cabinet E, Page 88, Deschutes County, Oregon.

Lots 2-10, Block 26, AWBREY BUTTE HOMESITES, PHASE TWENTY-SIX, City of Bend, recorded September 22, 1998, in Cabinet E, Page 88, Deschutes County, Oregon.

Lots 3-7, Block 27, AWBREY BUTTE HOMESITES, PHASE TWENTY-SIX, City of Bend, recorded September 22, 1998, in Cabinet E, Page 88, Deschutes County, Oregon.

Lots 1-6, Block 28, AWBREY BUTTE HOMESITES, PHASE TWENTY-SIX, City of Bend, recorded September 22, 1998, in Cabinet E, Page 88, Deschutes County, Oregon.

PHASE TWENTY-SEVEN

Lots 1-12, AWBREY BUTTE HOMESITES, PHASE TWENTY-SEVEN, City of Bend, recorded January 24, 2000, in Cabinet E, Page 379, Deschutes County Records, Deschutes County, Oregon.

PHASE TWENTY-EIGHT

Lots 1-31, AWBREY BUTTE HOMESITES, PHASE TWENTY-EIGHT, City of Bend, recorded October 7, 1999, in Cabinet E, Page 331, Deschutes County, Oregon.

PHASE TWENTY-NINE

Lots 1-39, AWBREY BUTTE HOMESITES, PHASE TWENTY-NINE, City of Bend, recorded August 2, 2000, in Cabinet E, Page 497, Deschutes County Records, Deschutes County, Oregon.

PHASE THIRTY

Lots 1-30, AWBREY BUTTE HOMESITES, PHASE THIRTY, City of Bend, June 28, 2001, in Cabinet E, Page 657, Deschutes County Records, Deschutes County, Oregon.

PHASE THIRTY-ONE

Lots 1-39, AWBREY BUTTE HOMESITES, PHASE THIRTY-ONE, recorded September 27, 2001, in Cabinet E, Page 706, Deschutes County Records, Deschutes County, Oregon.

PHASE THIRTY-TWO

Lots 1-24, AWBREY BUTTE HOMESITES, PHASE THIRTY-TWO, recorded October 31, 2002, in Cabinet F, Page 297, Deschutes County Records, Deschutes County, Oregon.

PHASE THIRTY-THREE

Lots 1-8, AWBREY BUTTE HOMESITES, PHASE THIRTY-THREE, recorded May 12, 2005, in Cabinet G, Page 675, Deschutes County, Oregon.

ADDITIONAL PROPERTY

Beginning at a 5/8" iron rod with a plastic cap which marks the most easterly corner of Lot 14, Block 5, Awbrey Butte Homesites, Phase II and is on the northerly right-of-line of Three Sisters Drive per said plat of Awbrey Butte Homesites, Phase II which bears South 74°49'14" East a distance of 1513.22 feet from a 5/8" iron rod marking the Northwest Section Corner of said Section 30 and which bears North 33°37'23" East a distance of 2693.86 feet from a 3" Brass Cap in a 2" iron pipe marking the West One-Quarter Corner of said Section 30; thence along the northeasterly lot line of said Lot 14, Block 5 North 57°31'26" West a distance of 351.85 feet; thence along the northwesterly line of said Lot 14, Block 5 South 60°35'31" West a distance of 295.00 feet; thence North 73°17'37" West a distance of 175.00 feet; thence North 07°08'10" West a distance of 163.38 feet; thence North 48°38'24" East a distance of 274.92 feet; thence North 84°57'41" East a distance of 236.16 feet; thence South 10°48'29" East a distance of 228.02 feet; thence South 57°31'26" East a distance of 263.02 feet; thence South 75°26'33" East a distance of 129.32 feet; thence South 03°50'10" East a distance of 36.19 feet to the northeast corner of the extension of said Three Sisters Drive; thence along the northerly right-of-way line of said extension of said Three Sisters Drive the following i curve and l bearing and distance:

following the arc of a 180.00 foot radius curve left a distance of 47.66 feet (chord bears South 78°34'41" West 47.53 feet); South 70°59'32" West a distance of 48.15 feet to the Point of Beginning, the terminus of this description.

TOGETHER WITH the easement from Paul H. Altrocchi to Brooks Resources Corporation recorded April 1, 1987 in Book 143, Page 2075, Deschutes County Official Records.

EXHIBIT "B"

**BYLAWS OF
AWBREY BUTTE OWNERS ASSOCIATION, INC.**

**ARTICLE I
DEFINITIONS**

The following terms shall have the meanings specified in this Article I. Any capitalized terms used in these Bylaws and not defined in this Article I shall have the respective meanings given to them in the Declaration.

1.1 Articles. "Articles" mean the Articles of Incorporation of the Association filed or to be filed with the Corporation Division of the Oregon Secretary of State, as amended from time to time.

1.2 Association. "Association" means Awbrey Butte Owners Association, Inc., an Oregon nonprofit mutual benefit corporation, formed or to be formed upon filing the Articles with the Corporation Division of the Oregon Secretary of State.

1.3 Board. "Board" means the Board of Directors of the Association constituted in accordance with Article V of these Bylaws.

1.4 Declarant. "Declarant" means Brooks Resources Corporation, an Oregon corporation, and its successors and assigns who are designated as such in writing by Declarant, and who consent in writing to assume the duties and obligations of Declarant with respect to the Lots acquired by such successor or assign.

1.5 Declaration. "Declaration" means the Amended and Restated Declaration of Covenants, Conditions and Restrictions for Awbrey Butte Homesites recorded or to be recorded in the official records of Deschutes County, Oregon, as amended from time to time in accordance with the terms thereof.

1.6 Director. "Director" means a member of the Board as described in and elected in accordance with Article V of these Bylaws.

1.7 Lot. "Lot" means any of the plots of land indicated on a Plat creating single-family home sites, together with all Improvements thereon, but excluding areas deeded to a governmental authority or utility. Lot shall also include any plot of land identified as such in any of the Original Declaration Documents.

1.8 Member. "Member" means each record owner, whether one (1) or more persons or entities, of fee simple title to a Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

1.9 Nonprofit Corporation Act. "Nonprofit Corporation Act" means the Oregon Nonprofit Corporation Act (ORS 65.001 to ORS 65.990), as amended from time to time, and any applicable successor statutes thereto.

1.10 Officer. "Officer" means an officer of the Association as described in and elected in accordance with Article IX of these Bylaws.

1.11 Plat. "Plat" means a duly recorded partition plat or subdivision plat covering some or all of the Property, including any amendments thereto.

1.12 Planned Community Act. "Planned Community Act" means the Oregon Planned Community Act (ORS 94.550 to ORS 94.783), as amended from time to time, and any applicable successor statutes thereto.

1.13 Property. "Property" means the real property described in Exhibit A to the Declaration and any other real property that may be brought within the jurisdiction of the Association and made subject to the Declaration pursuant to the terms and provisions of the Declaration.

1.14 Rules and Regulations. "Rules and Regulations" means any of the rules and regulations governing the use and operation of the Property adopted by the Board in accordance with Article XV of these Bylaws.

ARTICLE II OFFICES

2.1 Principal Office. The principal office of the Association shall initially be located at 409 NW Franklin Ave., Bend, Oregon 97701 or at such other location within the Bend, Oregon metropolitan area that the Board may designate from time to time.

2.2 Registered Office. The initial registered office of the Association is located at 409 NW Franklin Ave., Bend, Oregon 97701 and the initial registered agent of the Association at that address is Mr. Jade Mayer. The registered agent and registered office of the Association may be changed from time to time by the Board. If the Board elects to change the registered agent or the registered office, then the Board shall notify the Oregon Secretary of State of the change by following the procedures set forth in the Nonprofit Corporation Act with regard to a change of registered agent or registered office and shall document the change in the corporate records of the Association.

ARTICLE III MEMBERSHIP AND VOTING RIGHTS

3.1 Membership. Each Owner of a Lot shall be a Member of the Association. Membership in the Association shall be appurtenant to and shall not be separated from ownership of a Lot. Membership in the Association shall commence, exist, and continue simply by virtue of ownership of a Lot, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership. The Association shall have one (1) class of membership, which shall include all Members.

3.2 Voting Rights. Members shall be entitled to one (1) vote for each Lot owned. When more than one (1) person is an Owner of a Lot, all such persons shall be Members. However, in no event shall more than one (1) vote be cast for each Lot. The vote for any Lot with more than one (1) Owner shall be exercised as the Owners of the Lot determine among themselves. If the Owners of a Lot cannot agree upon the vote, the vote of the Lot shall be disregarded in determining the proportion of votes with respect to the particular matter at issue.

3.3 Suspension of Voting Rights. All voting rights of a Member shall be suspended during any period in which the Member is delinquent in the payment of any assessment, charge, fine or other amount duly established pursuant to the Declaration or the Member or any of the Member's family

members, tenants, guests, licensees or invitees or any other co-Owner of the Lot is otherwise in default of these Bylaws or the Declaration or in violation of any of the Rules and Regulations.

ARTICLE IV ELECTION AND QUALIFICATION OF DIRECTORS; TERM OF OFFICE

4.1 Number of Directors. The affairs of the Association shall be managed by the Board. The Board shall consist of five (5) Directors. Notwithstanding the foregoing, until the Turnover, there shall be three (3) initial Directors (the "Initial Directors"), who shall be appointed, and may be removed (with or without cause) and replaced, by Declarant. Turnover shall occur upon the earlier to occur of (i) December 31, 2008; and (ii) the date on which a majority of the Directors elected by the Members at the first annual meeting of Members requests in writing that the Initial Directors resign. Upon Turnover, the Initial Directors shall resign, the Declarant shall have no further rights to appoint or remove Directors and administrative control for the Association shall vest in the Directors elected by the Members.

4.2 Qualifications of Directors. Except for the Initial Directors appointed by Declarant, the Directors shall be Members. For purposes of this Section 4.2, the officers, directors or employees of a corporation, the trustee of a trust, the partners of a partnership, or the members, managers, officers or employees of a limited liability company that owns a Lot shall be eligible to serve as Directors.

4.3 Nominations. Except for the Initial Directors appointed by Declarant, all nomination for election to the Board may be made by a nominating committee ("Nominating Committee"). Nominations may also be made from the floor at the annual meeting of the Members or any other meeting of the Members called for the purpose of election of Directors. If a Nominating Committee is formed, it shall consist of a Chairman and two (2) or more Members. The Chairman of the Nominating Committee shall not have to be a Director before and at the initial meeting of the Members. However, from and after the initial meeting of the Members, the Board may only appoint a Director to be the Chairman of the Nominating Committee. Declarant may organize a Nominating Committee and appoint the members thereof prior to the initial meeting of the Members for the purpose of nominating Directors to be elected at the initial meeting of the Members. Thereafter, the Board may organize a Nominating Committee and appoint the members thereof prior to each annual meeting of the Members for the purpose of nominating Directors to be elected at the annual meeting of the Members. If organized by Declarant or the Board as provided herein, the Nominating Committee may make as many nominations for election to the Board as it shall determine, in its discretion, but not less than the number of vacancies that are to be filled.

4.4 Election of Directors. At the initial meeting of the Members, the Members shall elect three (3) Directors for a term of four (4) years and two (2) Directors for a term of two (2) years. Thereafter, at each biannual meeting of the Members, the Members shall elect a number of Directors equal to the number whose terms are then expiring, each to serve a term of four (4) years. Election of Directors shall be by plurality with the persons receiving the highest vote totals being elected to the Board. The three (3) persons receiving the most votes at the initial meeting of the Members shall serve for the longer terms. Election of Directors shall be held by secret ballot. Members shall be entitled to cast the number of votes described in Section 3.2 above for each vacancy. However, voting for Directors shall not be cumulative.

4.5 Term of Office. Initial Directors may be removed and replaced by Declarant with or without cause. All Initial Directors appointed by Declarant shall be deemed automatically removed as of December 31, 2008. All other Directors shall serve on the Board for the terms described in Section 4.4 above unless they are otherwise disqualified or removed as provided in this Article IV. Each Director's term of office shall be adjusted accordingly so that it expires on the date that the annual meeting of the

Members is held. The Directors elected at the initial meeting of the Members shall take office January 1, 2009 unless a majority request in writing that the initial Directors appointed by the Declarant sooner resign. In that case, the elected directors shall take office upon such resignation. All other Directors elected at the annual meeting of the Members or at any other meeting held for the purpose of election of Directors shall assume all of the duties of office effective as of the date of the meeting at which they are elected. The resignations of the Directors in office prior to such meeting whose terms are expiring or who otherwise are being replaced shall be deemed effective as of the date of the meeting, and they shall have no further powers as Directors. A Director may serve more than one (1) term and such terms may be successive.

4.6 Removal. A Director may be removed, with or without cause, by the affirmative majority vote of the Members present and entitled to vote at any meeting of the Members at which a quorum is constituted. No removal of a Director is effective unless the matter of removal is included in the notice of the meeting. At such meeting, the Members shall elect a replacement Director to serve the remainder of the replaced Director's term.

4.7 Resignation. A Director may resign at any time by sending a written notice of such resignation to the secretary of the Association. Unless otherwise specified in the notice, a resignation shall take effect upon receipt of the notice by the secretary.

4.8 Vacancies. This Section 4.8 shall not apply to the Initial Directors. Vacancies on the Board caused by the death, resignation or disqualification of a Director shall be filled by the affirmative majority vote of the remaining Directors, even if they constitute less than a quorum. Any Director so elected shall serve the remainder of the replaced Director's term. Vacancies on the Board caused by the removal of Directors pursuant to Section 4.6 above shall be filled in accordance with the procedures set forth therein.

4.9 Compensation. No Director shall receive compensation for any service he or she may render to the Association. However, a Director may be reimbursed for his or her actual expenses reasonably incurred in the performance of his or her duties.

ARTICLE V MEETINGS OF THE BOARD

5.1 Initial Meeting. The Initial Directors shall meet as a Board when and to the extent they deem it necessary. The Initial Directors appointed by the Declarant shall serve until the earlier of (i) December 31, 2008; and (ii) the date on which the Members first elect a Board. The initial meeting of the Board elected by the Members shall occur upon the earlier of (i) January 1, 2009; or (ii) on the date that is seven (7) days after a majority of the Directors who were elected at the first annual meeting of the Members requests in writing that the Initial Directors resign. The initial meeting of the Board shall be held for the purpose of electing Officers.

5.2 Annual Meetings. The Board shall meet at least annually, within thirty (30) days after each annual meeting of the Members. At each annual meeting, in addition to the actions required by the Declaration, the treasurer of the Association shall present to the Board a report on the financial condition of the Association, including a report of receipts and disbursements for the preceding calendar year, the allocation thereof to each Lot, and the estimated receipts and expenses for the coming year.

5.3 Special Meetings. Special meetings of the Board may be called at any time by the president of the Association or two (2) Directors. Such meetings shall be scheduled by the secretary of

the Association at least three (3) but not more than thirty (30) days after the secretary's receipt of a written request signed by the president or at least two (2) Directors; provided that if the purpose of a special meeting is to elect a successor secretary pursuant to Section 9.5 or to consider removal of the secretary pursuant to Section 9.2, such meeting may be scheduled by the president or, if the meeting is also for the purpose of electing a successor president or removing the president, any other Director.

5.4 Place of Meetings. Meetings of the Board shall be held at such place within Deschutes County, Oregon, as may be designated from time to time by the Board.

5.5 Notice of Meetings. The secretary of the Association shall deliver or cause to be delivered to each Director written notice of each Board meeting at least three (3) but not more than thirty (30) days prior to the date set for the meeting, stating the purpose, time, and place of the meeting. Notice of a meeting may be waived by a Director at any time. No Director who is present at a meeting may object to the adequacy or timeliness of the notice given. When a meeting is adjourned for fewer than thirty (30) days, whether or not a quorum is present at the adjourned meeting, no notice of the resumption or reconvening of such adjourned meeting need be given other than by announcement at the meeting at which such adjournment takes place. All meetings of the Board shall be open to the Members, except for matters allowed by law to be considered in executive session. Except in emergencies, the Board shall vote in an open meeting whether to meet in executive session. If the Board votes to meet in executive session, the president of the Association shall state the general nature of the action to be considered and when and under what circumstances the deliberations can be disclosed to the Members. The statement, motion, or decision to meet in executive session must be included in the minutes of the meeting. A contract or action considered in executive session does not become effective unless the Board, following the executive session, reconvenes in an open meeting and votes on the contract or action, which must be reasonably identified in the open meeting and included in the minutes. For other than emergency meetings, notice of Board meetings shall be: (i) sent to the Members not less than ten (10) days before the date of the meeting; (ii) posted at a place or places on the Property at least three (3) days prior to the date of the meeting; or (iii) provided by another method otherwise reasonably calculated to inform the Members of the meeting. Emergency meetings 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 may be conducted by telephonic communication or by the use of a means of communication permitted by ORS 94.640(8).

5.6 Voting by the Board. Each Director shall have one (1) vote. All voting rights of a Director shall be suspended during any period in which the Director is delinquent in the payment of any assessment, charge, fine or other amount duly established pursuant to the Declaration or the Director or any of the Director's family members, tenants, guests, licensees or invitees or any other co-Owner of the Lot is otherwise in default under the Declaration, these Bylaws or the Rules and Regulations. If a quorum is constituted, the vote of Directors together holding more than fifty percent (50%) of the total votes of the Directors present at the meeting and entitled to vote shall be a binding vote of the Board for all purposes, unless a greater percentage is required by any other provision of these Bylaws, the Declaration or any applicable law. A Director who is present at a Board meeting at which action is taken on any Association matter is presumed to have assented to the action unless the Director votes against the action or abstains from voting on the action because the Director claims a conflict of interest. When action is taken on any matter at a Board meeting, the vote or abstention of each Director present shall be recorded in the minutes of the meeting. The Directors may not vote by proxy or by secret ballot at Board meetings, except that the Directors may elect Officers by secret ballot.

5.7 Quorum. The presence in person of a majority of the Directors shall constitute a quorum for voting at a Board meeting. The Board shall have the power to adjourn a meeting even if less than a quorum is present.

5.8 Action without a Meeting. Any action which these Bylaws, the Declaration or any applicable law permit the Board to take at a meeting may be taken without a meeting if a written consent setting forth the action so taken is signed by all of the Directors entitled to vote on the matter. The consent, which shall have the same effect as a unanimous vote of the Board, shall be filed in the meeting minutes or corporate records of the Association. Notwithstanding the foregoing, a written consent shall not substitute for a meeting of the Board if the agenda includes the amendment or repeal of any of the provisions of these Bylaws by the Directors without Member consent, in which case a meeting of the Board shall be called for such purpose in accordance with Article XVIII below.

ARTICLE VI POWERS AND DUTIES OF THE BOARD

6.1 Powers. The Board shall have the power:

(a) To adopt and publish Rules and Regulations governing the use and operation of the Property and the personal conduct of the Members and their family members, tenants, guests, licensees or invitees thereon, and to establish penalties for the infraction thereof, all in accordance with Article XV below.

(b) To exercise on behalf of the Association all power, duties and authority vested in or delegated to the Association and not reserved for the Members pursuant to these Bylaws, the Articles or the Declaration.

(c) To declare the office of a Director to be vacant in the event such Director is absent from three (3) consecutive regular meetings of the Board without just cause having been furnished to and accepted by the Board.

(d) To establish, disburse and maintain such funds as necessary to carry out the functions of the Association pursuant to these Bylaws, the Declaration and the Articles.

(e) To engage the services of a manager, an independent contractor, or such employees as it deems necessary, and to prescribe the conditions, compensation and duties of their work. Such power shall include authority to enter into management agreements with other parties to manage, operate or perform all or any part of the affairs and business of the Association.

(f) To exercise all other powers delegated to the Board under these Bylaws, the Declaration, the Articles or any applicable law. The Board may also exercise the powers of the Awbrey Butte Architectural Review Committee under the Declaration.

(g) To exercise, on behalf of the Association, the powers of a nonprofit corporation pursuant to the Nonprofit Corporation Act and the powers of a homeowners association pursuant to the Planned Community Act.

(h) To appoint, remove (with or without cause) and replace members of the ARC.

(i) To exercise any additional or different powers necessary or desirable for the purpose of carrying out the functions of the Association pursuant to these Bylaws, the Declaration or the Articles or otherwise promoting the general benefit of the Members.

6.2 Duties. It shall be the duty of the Board:

(a) To cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the Members at the annual meeting of the Members or at any special meeting, when such statement is requested in writing by one-fourth (1/4) of the votes of the Members who are entitled to vote.

(b) To supervise all Officers, agents and employees of the Association, and to see that their duties are properly performed.

(c) To establish assessments, fines and other charges and to assess the Members for the same, in accordance with the Declaration and these Bylaws.

(d) To procure and maintain on behalf of the Association liability and hazard insurance with respect to the Common Maintenance Areas (if any) and such other insurance as deemed necessary or desirable by the Board, all in accordance with the insurance requirements set forth in Article XIV below. The Board shall review the insurance coverage of the Association at least annually.

(e) To cause all Officers and employees or agents of the Association who have fiscal responsibility to be bonded, as the Board may deem appropriate.

(f) To cause the Common Maintenance Areas (if any) to be maintained.

(g) To maintain a current mailing list of the Association.

(h) To adopt an annual budget for the Association. Within thirty (30) days after adopting the annual budget, the Board shall provide a summary of the annual budget to all Owners.

(i) To cause to be filed any necessary tax returns for the Association.

(j) To perform all duties of the Association and the Board as set forth in the Declaration, the Articles, or these Bylaws.

(k) In performing its duties, the Board shall be governed by ORS 94.640 and the applicable provisions of ORS 65.357, 65.361, 65.367, 65.369 and 65.377.

ARTICLE VII COMMITTEES

7.1 Establishment of Committees. In addition to the Awbrey Butte Owners Association Architectural Review Committee required to be established pursuant to the Declaration and the Nominating Committee described in Section 4.3 above, the Board may appoint such additional committees as deemed appropriate in carrying out its purposes.

7.2 Committee Functions. It shall be a function of each committee to receive complaints from the Members on any matter involving Association duties and activities within its field of

responsibility. It shall dispose of such complaints as it deems appropriate or refer them to such other committee, Director or Officer as is further concerned with the matter presented.

ARTICLE VIII MEETINGS OF MEMBERS

8.1 Initial Meeting. The initial meeting of the Members shall be held on October 30, 2008. The initial meeting of the Members shall be held for the purpose of electing Directors and to consider and act upon any other matters identified in the notice of the meeting.

8.2 Annual Meetings. A meeting of the Members shall be held annually. The first annual meeting of the Association shall be held within one (1) year from the date of incorporation of the Association and each subsequent regular annual meeting of the Members shall be held annually on a date within thirty (30) days of the anniversary date of the first annual meeting of the Members. Subject to the foregoing, the date and time of the annual meeting shall be set by the Board. If the date of the annual meeting is a legal holiday, the meeting shall be held at the same hour on the first day following which is not a legal holiday. At the annual meeting, the president of the Association, and any other Officer or person whom the president may designate, shall report on the activities and financial condition of the Association. The Members shall also elect a number of Directors equal to the number whose terms are then expiring and shall consider and act upon any other matter identified in the notice of the meeting.

8.3 Special Meetings. Special meetings of the Members may be called at any time by the president of the Association, by a majority of the Board, or by the president or secretary of the Association upon receipt of a written request of the Members holding at least twenty-five percent (25%) of the outstanding votes of the Association. If the Members request a special meeting as provided herein and notice of the meeting is not given to the Members within thirty (30) days after the date the written request for the meeting was delivered to the president or the secretary, a Member who signed the request may set the time and place of the meeting and give the required notice. Business transacted at a special meeting shall be restricted to the purposes set forth in the notice of the meeting.

8.4 Notice of Meetings. Except as otherwise provided in these Bylaws, written notice of each meeting of the Members shall be sent by, or at the direction of, the secretary of the Association or the person authorized to call the meeting, to each Member entitled to vote at the meeting at least ten (10) but not more than fifty (50) days before the date of the meeting. The notice shall specify the place, day and hour of the meeting and the items on the agenda, including without limitation, the general nature of any proposed amendment to the Declaration or these Bylaws or any proposal to remove a Director. Notice of a meeting may be waived by a Member at any time. A Member who is present at a meeting may not object to the adequacy or timeliness of the notice given.

8.5 Quorum. The presence at any Member meeting of a number of Members, whether in person, by proxy or by absentee ballot (if authorized by the Board), who are entitled to cast at least one-third (1/3) of the outstanding votes of the Association shall constitute a quorum for any action unless a higher quorum requirement is specifically required by the Declaration, the Articles or any applicable law, in which case the higher quorum requirement shall apply. If a quorum is not constituted at a meeting, the Members who are present, either in person or by proxy, and entitled to vote, shall have power to adjourn the meeting until another date and time, without notice other than announcement at the meeting. The quorum requirement for any such subsequent meeting shall be reduced to a number of Members, whether in person, by proxy or by absentee ballot (if authorized by the Board), who are entitled to cast at least one-fifth (1/5) of the outstanding votes of the Association.

8.6 Proxies and Absentee Ballots. At all meetings of the Members, each Member may vote in person, by proxy or, at the discretion of the Board, by absentee ballot. All proxies shall be in writing, dated and signed by the Member, filed with the secretary of the Association and in compliance with all other proxy requirements of the Planned Community Act. Proxies may only be revoked upon the giving of actual notice of revocation to the person presiding over the meeting of the Association or to the Board if a vote is being conducted by written ballot. Proxies shall automatically cease upon cessation of membership or restriction of the Member's voting rights. If the Board authorizes voting by absentee ballot, then the absentee ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for absentee ballots shall include instructions for return delivery of the completed absentee ballot and information about whether or not the absentee ballot may be canceled if it is returned in accordance with the instructions. If an absentee ballot is delivered to a Member, the Member may vote in person at the meeting if the Member returned the absentee ballot and canceled the absentee ballot, if cancellation was permitted in the instructions included with the absentee ballot.

8.7 Majority Vote; Withdrawal of Quorum. If a quorum is constituted, the affirmative vote of a majority of the Members present in person, by proxy or by absentee ballot (if authorized by the Board), and entitled to vote at the meeting shall be a binding vote of the Members unless a higher voting percentage is specifically required by another provision of these Bylaws, the Declaration, the Articles or any applicable law, in which case the higher voting percentage shall apply. The Members present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough Members to leave less than a quorum.

8.8 Action without a Meeting. Any action which applicable law, the Declaration or these Bylaws require or permit the Members to take at a meeting may be taken without a meeting by written ballot if the procedures set forth in ORS 94.647 are followed. For votes of the Members by written ballot, the Board shall provide the Members with at least ten (10) days' notice before written ballots are mailed or otherwise delivered. The notice shall state the general subject matter of the vote by written ballot, the right of Members to request secrecy procedures as specified in ORS 94.647, the date after which ballots may be distributed, the date and time by which any petition requesting secrecy procedures must be received by the Board, and the address where such a petition may be delivered. If, at least three (3) days before written ballots are scheduled to be mailed or otherwise distributed, at least ten percent (10%) of the Members petition the Board requesting secrecy procedures, a written ballot must be accompanied by a secrecy envelope, a return identification envelope to be signed by the Member, and instructions for mailing and returning the ballot. The secrecy procedures and the requirement to provide a secrecy envelope and return identification envelope shall not apply to the written ballot of a Member if the consent or approval of that particular Member is required under these Bylaws, the Declaration or the Planned Community Act. Written ballots that are returned in secrecy envelopes may not be examined or counted before the deadline for returning ballots has passed. All written ballots must set forth each proposed action and provide an opportunity to vote for or against each proposed action. All solicitations for votes by written ballot shall state the number of responses needed to satisfy any applicable quorum requirement, the required percentage of votes needed for approval, and the period during which the Association will accept written ballots for counting. Any vote that may be conducted by written ballot may also be conducted by electronic ballot subject to the procedures and requirements set forth in the Planned Community Act for electronic ballots. An electronic ballot shall mean any ballot given by electronic mail, facsimile transmission, posting on a website or other means of electronic communication approved by the Board. Approval by written or electronic ballot shall be valid only when the number of votes cast by written or electronic ballot equals or exceeds any quorum required to be present if a meeting was held to authorize the action and the number of approvals equals or exceeds the number of votes required to approve the matter if a meeting was held to authorize the action. Notwithstanding the

foregoing, action by written or electronic ballot may not substitute for: (i) the annual meeting of the Members; (ii) a meeting of the Members if the agenda includes a proposal to remove a Director; or (iii) a special meeting of the Members called at the request of the Members under ORS 94.650(2).

ARTICLE IX OFFICERS AND THEIR DUTIES

9.1 Enumeration of Officers. The Officers shall be a president, a vice-president, a secretary, and a treasurer, and such other Officers as the Board may from time to time elect. The president and vice-president shall at all times be Directors. All other Officers must be Members.

9.2 Election of Officers. The Officers shall be elected by the Board and shall hold office at the pleasure of the Board and until their successors are elected and qualified. If any office becomes vacant, the Board shall elect a successor to fulfill the unexpired term at a special meeting of the Board called for such purpose.

9.3 Term. The Officers shall be elected annually by the Board and shall hold office for one (1) year unless an Officer sooner resigns, is removed, or is otherwise disqualified from serving as an Officer.

9.4 Special Appointments. The Board may elect such other Officers as the affairs of the Association may require, each of whom shall have such authority and perform such duties as the Board may, from time to time, determine.

9.5 Resignation and Removal. An Officer may be removed from office with or without cause by the Board and a successor may be elected at a special meeting of the Board called for such purpose. An Officer may resign at any time by giving notice to the Board or the president or secretary of the Association. The resignation shall take effect on the date of receipt of the notice or at any later time specified in the resignation notice. Acceptance of the resignation shall not be necessary to make it effective.

9.6 Vacancies. A vacancy in any office may be filled by election at a special meeting of the Board called for such purpose. The Officer elected to such vacancy shall serve for the remainder of the term of the Officer he or she replaces.

9.7 Multiple Offices. The offices of secretary and treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 9.4 above.

9.8 Duties. The duties of the Officers are as follows:

(a) President. The president shall preside at all meetings of the Board, shall see that orders and resolutions of the Board are carried out, sign all leases, contracts, mortgages, deeds, and other written instruments on behalf of the Association, and sign checks, payment vouchers and promissory notes on behalf of the Association in accordance with Section 9.9 below.

(b) Vice-President. The vice-president shall act in the place and stead of the president in his or her absence or inability or refusal to act, sign checks, payment vouchers and promissory notes on behalf of the Association in accordance with Section 9.9 below, and exercise and discharge such other duties as may be required of him or her by the Board.

(c) Secretary. The secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the Members, keep the corporate seal of the Association and affix it on all papers requiring said seal, serve notice of meetings of the Board and of the Members, maintain a current list of the names and addresses of the Members and Directors and perform such other duties as required by the Board.

(d) Treasurer. The treasurer shall receive and deposit in appropriate bank accounts all funds of the Association and disburse such funds as directed by resolution of the Board, sign checks, payment vouchers and promissory notes on behalf of the Association in accordance with Section 9.9 below, keep proper books of account, cause an annual audit of the Association books to be made by a certified public accountant at the completion of each fiscal year in accordance with Section 11.2 if required by ORS 94.670(4) and prepare an annual budget and a statement of income and expenditures to be adopted by the Board and presented to the membership at its regular annual meeting.

9.9 Signature of Checks and Other Negotiable Instruments. The president (together with either the vice-president or treasurer) shall co-sign all checks in an amount over One Thousand Dollars (\$1,000.00) and all payment vouchers and promissory notes of the Association. The Board may delegate the signing of checks in an amount of One Thousand Dollars (\$1,000.00) or less to a professional property manager if the Association has a contract with a property manager for the professional management of the Association. Otherwise, all checks in an amount of One Thousand Dollars (\$1,000.00) or less shall be signed by either the president, vice-president or treasurer.

9.10 Compensation. Other than reimbursement of out-of-pocket expenses incurred on behalf of the Association, no Officer shall receive any compensation from the Association for acting as an Officer.

9.11 Suspension of Powers and Duties. All powers and duties of an Officer shall be suspended during any period in which that Officer is delinquent in the payment of any amount duly established pursuant to the Declaration or the Officer or any of the Officer's family members, tenants, guests, licensees or invitees or any other co-Owner of the Lot is otherwise in default under the Declaration, these Bylaws or the Rules and Regulations.

ARTICLE X ASSESSMENTS

The Association shall levy, collect, and enforce the payment of assessments in accordance with the Declaration. The amount of assessments shall be based upon an annual budget adopted by the Board with respect to the projected expenses anticipated to be incurred in connection with the maintenance, repair and replacement of the Common Maintenance Areas (if any), the administration and management of the Association and the performance of the rights, powers and duties of the Association or the Board pursuant to these Bylaws, the Declaration or the Articles. Expenses that may be subject to assessment are described in the Declaration. Proceeds from assessments shall not be used to reimburse Declarant for any capital expenditures incurred in the construction of any common facilities or other common improvements (if any) or for any expenses incurred in the operation or maintenance of such facilities prior to formation of the Association and the vesting in the Association of responsibility for the operation and maintenance of any such common facilities or improvements in accordance with the Declaration.

ARTICLE XI BOOKS AND RECORDS

11.1 Books and Records. The Association shall maintain accurate and complete books and records of the Association in accordance with the requirements of the Planned Community Act. The books and records shall be retained at the principal office of the Association or such other location within the state of Oregon designated by the Board. Except for those items which are exempt from disclosure under ORS 94.670, the books and records of the Association shall be made available for inspection and duplication by any Member or mortgagee of a Lot who requests access to the information in good faith and for a proper purpose. Without limiting the generality of the foregoing, the Association shall maintain a copy of each of the following documents that is suitable for duplication at the principal office of the Association or such other location within the state of Oregon designated by the Board: these Bylaws, the Declaration, the Articles, the Plat (if feasible), the Rules and Regulations, the architectural guidelines for the Property (if any), any and all amendments to the foregoing documents and the most recent financial statement and current operating budget for the Association. The Association shall make the documents described in the preceding sentence available for duplication within ten (10) business days after receipt of a written request from a Member to furnish such documents. Subject to the foregoing, the Board may adopt reasonable rules governing the frequency, time, location, notice and manner of examination and duplication of the books and records of the Association and the imposition of a reasonable fee for furnishing copies thereof.

11.2 Financial Statements. Within ninety (90) days after the end of each fiscal year, the Board shall distribute to each Member and, upon request, any mortgagee of a Lot, a copy of the annual financial statement of the Association, consisting of a balance sheet and income and expense statement for the preceding fiscal year. Additionally, if the annual assessments of the Association exceed Seventy-Five Thousand Dollars (\$75,000) for the year (or such other amount designated in the Planned Community Act from time to time), then the Board of Directors shall cause such financial statements to be reviewed within one hundred eighty (180) days after the end of the fiscal year by an independent certified public accountant licensed in Oregon in accordance with the Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants, provided, however, the Board of Directors need not cause such a review to be performed if so directed by an affirmative vote of at least sixty percent (60%) of the Members, not including votes of Declarant with respect to Lots owned by Declarant. If the annual assessments of the Association are Seventy-Five Thousand Dollars (\$75,000) or less (or such other amount designed in the Planned Community Act from time to time), then the Board of Directors shall cause such review to be performed within one hundred eighty (180) days after receipt of a petition requesting such review signed by at least a majority of Members. The terms of this Section 11.2 are intended to comply with the requirements of ORS 94.670, as the same may be amended and/or supplemented from time to time, and all other applicable provisions of the Planned Community Act and shall be deemed modified, as applicable, to comply therewith.

11.3 Tax Returns. The Board shall cause to be filed the necessary income tax returns for the Association.

11.4 Statement of Assessments Due. The Association shall provide, within ten (10) business days of receipt of a written request from a Member, a written statement that provides (i) the amount of assessments due from the Member and unpaid at the time the request was received, such as regular and special assessments, fines, accrued interest, late payment charges and other charges, (ii) the percentage rate at which interest accrues on unpaid assessments and (iii) the percentage rate or fixed charge for late payments. The Association need not provide the amount of assessments due as provided herein (i) if the Association has commenced litigation by filing a complaint against the Member and (ii) the litigation is pending when the statement would otherwise be due.

**ARTICLE XII
FISCAL YEAR**

The Fiscal Year of the Association shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December of every year, except that the first fiscal year shall begin on the date of incorporation of the Association.

**ARTICLE XIII
INDEMNIFICATION AND LIMITATION ON LIABILITY**

13.1 Indemnification. To the fullest extent permitted by law, the Association shall indemnify all current and former Directors, Officers and members of committees established by the Board pursuant to these Bylaws or the Declaration (each an "Indemnified Party" and collectively, the "Indemnified Parties") against all expenses, including attorneys' fees, reasonably incurred in connection with any action, suit, or other proceeding (including settlement of any suit or proceeding, if approved by the Board) to which an Indemnified Party may be a party by reason of being or having been a Director, Officer or committee member, so long as the Director, Officer or committee member acted or failed to act, in good faith, with regard to the act or omission at issue. Any right to indemnification provided for herein shall not be exclusive of any other rights to which a current or former Director, Officer or committee member may be entitled. In addition to the foregoing, the Association may, to the extent authorized from time to time by the Board, indemnify an employee or agent of the Association in accordance with the provisions of this Section 8.1.

13.2 Limitation on Liability. To the fullest extent permitted by law, neither the Association nor any Indemnified Party shall be liable to a Member for any damage, loss, or prejudice suffered or claimed on account of any action or failure to act by the Association or the Indemnified Party, provided that the Association or Indemnified Party acted in good faith and in a manner reasonably believed to be in the best interest of the Association and its Members.

**ARTICLE XIV
INSURANCE**

14.1 By the Association. The Association shall obtain, and maintain in effect, from reputable insurance companies authorized to do business in Oregon, public liability insurance in such amounts and in such forms as the Board deems advisable to provide adequate protection for bodily injury, including deaths of persons, and property damage, arising out of the performance of the Association's powers, authority and duties pursuant to these Bylaws, the Declaration, the Articles or any applicable law, whether caused by the negligence of the Association or otherwise; provided, however, that such liability policy(ies) shall not be for an amount of less than \$1,000,000 per person, per occurrence, and that such liability policy(ies) shall provide that the coverage thereunder cannot be canceled or substantially modified without at least ten (10) days prior written notice to the Association. The Association shall also obtain, and maintain in effect, from reputable insurance companies authorized to do business in Oregon, property damages and fire and extended coverage casualty insurance, including coverage for vandalism and malicious mischief, with respect to all insurable Improvements within the Common Maintenance Areas in an amount equal to one hundred percent (100%) of the replacement cost thereof, if available at a reasonable cost, as determined by the Board in its sole discretion. The Association may obtain such other and further policies of insurance as the Board deems appropriate or advisable. The insurance coverage obtained by the Association shall not be brought into contribution with any insurance obtained by a Member or a mortgagee of a Lot. Any insurance policy obtained by the Association shall identify the Association as the named insured and shall, if available on commercially reasonable terms, be written by

an insurer with an A.M. Best's Rating of "B" and an A.M. Best's Financial Size Category (FSC) of "III." The insurance policies obtained by the Association may contain reasonable deductibles, provided that no such deductible shall exceed the greater of: (i) the maximum deductible acceptable to the Federal National Mortgage Association; or (ii) Ten Thousand Dollars (\$10,000), and the amount thereof shall be added to the face amount of the policy in determining whether the casualty insurance coverage equals the required full replacement cost. The Board shall use commercially reasonable efforts to obtain a policy that contains, if available, cross-liability endorsements or other appropriate provisions for the benefit of the Board, the Owners and other named insureds, as their interests may be determined by the Board, insuring each named insured against liability from the other named insureds as well as from other third parties. Any proceeds of insurance policies owned by the Association shall be received, held in a segregated account and distributed to all interested parties, as determined by the Board.

14.2 By the Members. Each Member is encouraged to obtain, and maintain in effect, from reputable insurance companies authorized to do business in Oregon, public liability and property damage insurance with respect to such Member's Lot and fire and extended coverage casualty insurance with respect to the Unit in an amount equal to one hundred percent (100%) of the replacement cost thereof. Each Member shall also be responsible for obtaining fire and extended coverage casualty insurance with respect to the Member's personal property, if such Member elects to do so. No Member shall be obligated to obtain any of the insurance coverages described in this Section or in Section 14.1 above, nor shall any insurance coverage obtained by a Member (or such Member's mortgagee) be brought into contribution with insurance obtained by the Association.

14.3 Director and Officer Insurance. At the discretion of the Board, the Association may purchase and maintain insurance on behalf of any person who is or was a Director, Officer, employee, or agent of the Association, or is or was serving at the request of the Association, against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Association would have the power to indemnify him or her against such liability under these Bylaws or the Articles.

14.4 General Provisions. Premiums for insurance obtained by the Board on behalf of the Association pursuant to this Article XIV shall be a common expense of the Association. Allocation of responsibility for the payment of any deductibles on the insurance policies obtained on behalf of the Association shall be prescribed by resolution adopted by the Board. The Board shall annually review the insurance coverage of the Association. If available on commercially reasonable terms, the Board shall obtain insurance policies with the waiver of subrogation provisions specified in ORS 94.690 and with an "inflation guard" endorsement.

ARTICLE XV RULES AND REGULATIONS

The Board shall have the power to adopt, modify, revoke and publish Rules and Regulations governing the use and operation of the Property and the personal conduct of the Members and their family members, tenants, guests, licensees or invitees thereon, as the Board deems necessary or appropriate to assure the peaceful and orderly use and enjoyment of the Property; provided, however, that the Rules and Regulations may be amended or repealed by an instrument in writing signed by a majority of the Owners, or with respect to those Rules and Regulations applicable to less than all of the Property, by a majority of the Owners in the portions affected. The Board shall also have the authority to establish penalties for violations or infractions of the Rules and Regulations. The Rules and Regulations may be adopted, modified, revoked by a written resolution signed by all of the Directors or upon a majority vote of the Directors present and entitled to vote at a meeting of the Board at which a quorum is constituted. If

a Board meeting is held, notice of the meeting shall be given in accordance with Section 5.5 above and the notice shall include a verbatim copy of the proposed Rules and Regulations or amendments thereto. Upon adoption by the Board, a copy of the Rules and Regulations or a copy of the applicable amendment, modification or revocation thereof, shall be sent to each Member and shall become binding on the Members, including their family members, tenants, guests, licensees and invitees, on the date of delivery. Any Rule or Regulation which conflicts with these Bylaws or the Declaration shall be null and void.

ARTICLE XVI SHARES OF STOCK AND DIVIDENDS PROHIBITED

The Association shall not have or issue shares of stock. No dividends shall be paid and no part of the income of the Association shall be distributed to the Directors or Officers, or to the Members. Notwithstanding the foregoing, the Directors and Officers are entitled to reimbursement for certain out-of-pocket expenses as provided in Sections 4.9 and 9.10 above.

ARTICLE XVII NOTICES

17.1 Notices. All notices given to a Member or a Director under these Bylaws, the Declaration, the Articles, the Planned Community Act or any other applicable law or statute shall be delivered by: (i) messenger service (or hand delivery); (ii) overnight courier service; (iii) regular U.S. Mail; or (iv) electronic mail, facsimile transmission or any other form of electronic communication acceptable to the Board and permissible under the Planned Community Act. Notices delivered by messenger service (or hand delivery), overnight courier service or regular U.S. Mail shall be sent to each Director's or Member's mailing address last appearing on the books of the Association. Notices delivered by facsimile or email shall be sent to the email address or facsimile number of the Member or Director last appearing on the books of the Association. Notwithstanding the foregoing, electronic mail, facsimile or other form of electronic communication may not be used to notify a Member of: (i) the failure to pay an assessment; (ii) the foreclosure of an Association lien under ORS 94.709; or (iii) an action the Association may take against a Member. Additionally, a Member or Director may decline to receive notice by electronic mail, facsimile or other form of electronic communication by giving written notice thereof to the Board. Notices shall be deemed given on the date the notices are sent in accordance with the procedures outlined herein.

17.2 Waiver. Whenever any notice is required to be given under the provisions of these Bylaws, the Declaration or any applicable law or statute, a waiver thereof in writing signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XVIII AMENDMENTS

These Bylaws may be amended upon the approval of a majority of the Directors present and entitled to vote at a meeting of the Board at which a quorum is constituted. Notice of the meeting must be given to the Members in accordance with Section 5.5 above and the notice must include a copy or summary of the amendment. Notwithstanding the foregoing, the Board shall have no authority to amend or repeal any provision of these Bylaws relating to the election, qualifications, powers, duties or terms of Directors without the approval of a majority of the Members. Additionally, any amendment that imposes an additional disproportionate burden upon or takes away or impairs an existing right particular to any one Lot or group of like-affected Lots shall require the vote of a majority of the Members who own the

affected Lots. An amendment shall not be effective unless it is certified by the president and secretary of the Association as having been adopted in accordance with these Bylaws and ORS 94.625, acknowledged in the manner provided for acknowledgement of deeds, and recorded in the official records of Deschutes County, Oregon. No amendment of these Bylaws shall be inconsistent with the Declaration unless the Declaration is also amended as provided therein.

ARTICLE XIX GENDER AND GRAMMAR

The singular wherever used herein shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make the provisions hereof apply either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

ARTICLE XX ENFORCEMENT

If the Association institutes legal action to enforce any restrictive covenant or other condition of the Declaration, the Articles or these Bylaws, and the violator voluntarily corrects or abates such violation after litigation has been filed, the Association shall not dismiss or abandon such legal action until it has been reimbursed all of its expenses, including reasonable attorneys' fees and court costs.

ARTICLE XXI LOANS TO DIRECTORS AND OFFICERS PROHIBITED

21.1 No Loans to Directors or Officers. The Association shall not make any loans to the Directors or Officers. The Directors who vote for or assent to the making of a loan to a Director or Officer, and the Officers participating in the making of such loan, shall be jointly and severally liable to the Association for the amount of such loan until the repayment thereof.

21.2 Contribution; Subrogation. Any Director against whom a claim is asserted under or pursuant to this Article XXI shall be entitled to contribution from the other Directors who voted for the action upon which the claim is asserted. To the extent that any Director is required to pay such claim, he or she shall be subrogated to the rights of the Association against the debtor on the loan.

ARTICLE XXII DISPUTE RESOLUTION

Before initiating litigation or an administrative proceeding in which the Association and a Member have an adversarial relationship, the party that intends to initiate litigation or an administrative proceeding shall offer to resolve the problem through a dispute resolution program pursuant to ORS 94.630(4).

ARTICLE XXIII CONFLICTS AND PARTIAL INVALIDITY

23.1 Conflicts. These Bylaws are intended to comply with applicable law and the Declaration. In case of any irreconcilable conflict, applicable law and the Declaration shall control over these Bylaws and any amendments hereto, and the Rules and Regulations adopted hereunder.

23.2 Partial Invalidity. The invalidation of any one of the provisions of these Bylaws by judgment or court order shall in not affect the enforceability of any other provisions, which shall remain in full force and effect.

**ARTICLE XXIV
STATUTORY REFERENCES**

Any reference in these Bylaws to a specific section of the Oregon Revised Statutes shall mean such section as it is constituted at the time of execution of these Bylaws 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.

Declarant hereby certifies that the foregoing Bylaws were adopted by the owners within Awbrey Butte Homesites in accordance with applicable Oregon law on June 4, 2008.

BROOKS RESOURCES CORPORATION,
an Oregon corporation

By: _____
Name: Jade Meyer
Title: CFO

STATE OF OREGON)
)
COUNTY OF Deschutes)

The foregoing instrument was acknowledged before me this 9 day of June 2008, by Jade Meyer as CFO of Brooks Resources Corporation, on behalf of the corporation.

Kathleen Restivo
Notary Public for the State of Oregon
My Commission Expires: 11-30-08

