

VOL: 1999 PAGE: 44444
RECORDED DOCUMENT

STATE OF OREGON
COUNTY OF DESCHUTES



*1999-44444 * Vol-Page

Printed: 09/14/1999 12:21:13

DO NOT REMOVE THIS CERTIFICATE

(This certificate constitutes a part of the original instrument in accordance with ORS 205.180(2). Removal of this certificate may invalidate this certificate and affect the admissibility of the original instrument into evidence in any legal proceeding.)

I hereby certify that the attached instrument was received
and duly recorded in Deschutes County records:

DATE AND TIME: Sep. 14, 1999; 11:14 a.m.

RECEIPT NO: 11206

DOCUMENT TYPE: Covenants,
 Conditions & Restrictions

FEE PAID: \$75.00

NUMBER OF PAGES: 14

A handwritten signature in cursive script, reading "Mary Sue Penhollow".

MARY SUE PENHOLLOW
DESCHUTES COUNTY CLERK

75

DECLARATION OF COVENANTS, CONDITIONS,
AND RESTRICTIONS FOR TIMBER CREEK AND TIMBER CREEK II

THIS DECLARATION is made this 8 day of SEPT. 1999 by Timber Creek, L.L.C., an Oregon Limited Liability Company ("Declarant").

OBJECTIVES

Declarant owns property located at 895 East Cascade Street, Sisters, Deschutes County, Oregon. Declarant proposes to develop portions of this property as a subdivision to be known as "Timber Creek".

Declarant has recorded the plat of Timber Creek, a subdivision in the plat records of Deschutes County, Oregon. Declarant desires to subject the property described in such plat to the covenants, conditions, restrictions, and charges set forth herein for the benefit of such property and the present and subsequent owners of the subdivision to be known as "Timber Creek". Additional areas may be established in accordance with the provisions set forth in this Declaration and which shall be subject to the provisions herein and any subsequent amendments. Such areas shall be known as Timber Creek II or similar designation.

NOW, THEREFORE, Declarant hereby declares that the property covered in the plat of Timber Creek subdivision, more particularly described on Exhibit A attached hereto shall be held, sold, and conveyed subject to the following easements, covenants, conditions and restrictions and charges, which shall run with such property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit of each owner thereof.

ARTICLE I
DEFINITIONS

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

1.1 *Architectural Review Committee* means the Architectural Review Committee appointed pursuant to Article 4 hereof.

1.2 *Association* means the nonprofit corporation to be formed to serve as the association of Owners (as hereinafter defined) as provided in Article 5 hereof, and its successors and assigns.

1.3 *Declarant* means Timber Creek, L.L.C., an Oregon Limited Liability Company, any person who succeeds to any special Declarant right and to whom all of the Declarant's ownership interest in Timber Creek is transferred, or any person, other than the Association, to whom the Declarant has transferred, for purposes of resale, all of Declarant's ownership interest in the planned community.

1.4 *Homesite* means a Lot as defined in 1.6 below.

DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS - Page 1

TIMBER CREEK
PO Box 1327
SISTERS OR 97759

1.5 *Improvement* means every temporary or permanent structure or improvement or any kind, including but not limited to a house, fence, wall, driveway, storage shelter or other product of construction efforts on or in respect to any property within Timber Creek, including landscaping, and every alteration, painting or reconstruction thereof.

1.6 *Lot* means a platted or legally partitioned lot, within Timber Creek or any property so designated in any Supplemental Declaration annexing such property to Timber Creek.

1.7 *Member* shall mean every person or entity who holds membership in the Association.

1.8 *Owner* means the record Owner, whether one or more persons or entities, of fee simple title to any Lot situated in Timber Creek or a contract purchase, if the record Owner retains such title merely to secure an obligation and is registered as a purchaser in the Association records.

1.9 *Roadway* means any street, highway or other thoroughfare as shown on the recorded plat of Timber Creek.

ARTICLE 2 PROPERTY SUBJECT TO THIS DECLARATION

2.1 *Initial Development.* Declarant hereby declares that all of the real property described on Exhibit A attached hereto is owned and shall be owned, conveyed, hypothecated, encumbered, used, occupied, and improved subject to this Declaration. The Initial Development contains 10 Homesites and contemplates construction of one living unit on each Homesite.

2.2 *Septic Easement.* Until such time as sewer is available, Timber Creek Homeowners Association shall have an easement to a designated area for septic treatment and will be responsible for property taxes, maintenance and removal of treatment system.

2.3 *Annexation of additional property.* Declarant may from time to time and in its sole discretion annex to Timber Creek any adjacent real property now or hereafter acquired by it. The annexation of such adjacent real property shall be accomplished as follows:

(a) *Supplemental Declaration.* Declarant shall record a Supplemental Declaration which shall be executed by or bear the approval of Declarant and shall, among other things, describe the real property to be annexed, establish any additional limitations, uses, restrictions, covenants, and conditions which are intended to be applicable to such property, and declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied, and improved subject to this Declaration.

(b) *Effect of Annexation.* The property included in any such annexation shall thereby become a part of Timber Creek and this Declaration, and the Declarant and the Association shall have and shall accept and exercise administration of the Declaration with respect to such property.

(c) *No Limitation on Annexation.* There is no limitation on the number of Homesites or living units which Declarant may create or annex to Timber Creek.

(d) *Voting Rights.* Upon annexation, additional Homesites so annexed shall be entitled to voting rights as set forth in Section 5.3 below.

ARTICLE 3 RESTRICTIONS ON USE OF PROPERTY

3.1 Each Lot shall be used for single family residential purposes only, except Lots that are designated specifically for "single or duplex".

3.2 Mobile homes, manufactured homes, or other such dwellings may not be placed or parked upon any lot in Timber Creek. Campers, travel trailers, recreation vehicles, or similar units, may not be used as a dwelling. Vehicles such as campers, travel trailers, recreation vehicles, boats, horse trailers, utility trailers, motorcycles, snowmobiles, all-terrain vehicles and any trailers related to the above, may be parked on the Owner's lot if screened from view by passers by or any neighbors. One motor home or travel trailer may be parked in driveway for up to 48 hours.

3.3 Not more than one double or triple garage shall be constructed on any lot in the subdivision. Each Lot must have a minimum of a two car garage, but the garage shall not exceed 1,000 square feet. The garage may be either attached or detached.

3.4 All driveways must be paved using concrete, asphalt or pavers.

3.5 All landscaping must be completed within 120 days of receiving a Certificate of Occupancy of home. Plans are to be submitted to the Architectural Review Committee

3.6 Buildings must be suitable for year around use and must be built on permanent foundation, consisting of concrete, brick, pumice blocks or stone masonry. Pitch of the roof and size and spacing of ceiling joists must be adequate to withstand heavy snow packs. Roofing, siding and trim material and color must be approved by the Architectural Review Committee. All buildings, fences and improvements must be constructed in a workmanlike manner and kept in a condition of good repair.

3.7 The floor area of constructed residences shall not be less than 1400 square feet exclusive of one story porches and garages. The floor area and building height shall be reviewed by the Architectural Review Committee prior to construction.

3.8 All structures must maintain a minimum setback front, side and rear lot property lines in accordance with the ordinance of the appropriate governing body.

3.9 All structures to have wood, wood-like or masonry siding. Home street fronts are to be finished with timber frame/craftsman style and beveled wood. Shakes are acceptable. Exposed portion of foundation must be sided if more than 8 inches above the ground.

3.10 No mercury vapor or similar type yard light may be installed. Incandescent yard lights must be switched, and may not be left burning except briefly at night and must be screened so as to shine downward only.

3.11 All stove and fireplace flues to be wrapped by natural materials with spark arresters. Materials to be approved by the Architectural Review Committee. No stove pipe projections will be permitted.

3.12 Except for 18" satellite dish of dark color, no outside radio antenna, television antenna or satellite dish may be installed.

3.13 No solid lot perimeter fences over five feet in height shall be installed and only on rear yards. Solid fencing shall be double faced. Perimeter decorative non-solid fencing shall be no higher than 3'. Perimeter fencing must be natural wood or wood-like material. A solid fence no more than six feet high of material matching home and attached to home to enclose service areas, garbage cans, wood piles, etc. is permitted.

3.14 All lot Owners must comply with the laws and regulations of the State of Oregon, County of Deschutes and any municipality applicable to fire protection, building construction, water, sanitation and public health.

3.15 No trade, craft, business, profession, commercial, noxious, offensive or similar activity of any kind which constitutes an annoyance or nuisance shall be conducted on any Lot. This provision, however, shall not be construed so as to prevent or prohibit an Owner from maintaining a personal professional library, keeping their personal business or professional telephone calls, or conferring with business or professional associates, clients or customers, in the Owner's home. Nor shall this provision be construed so as to prohibit an Owner from parking one vehicle displaying advertising used in the Owner's business in Owner's garage or other permitted screened enclosure.

3.16 The cutting or removal of living trees will only be permitted when necessary for the construction of buildings or a thinning for the beautification of the property and with the approval of the Architectural Review Committee. A plan showing the Lot, location and identification of the tree or trees to be cut or removed must be submitted to the Architectural Review Committee at least 30 days in advance of the intended cutting or removal date.

3.17 All garbage, trash, cuttings, refuse, garbage and refuse containers, fuel tanks, clothes lines and other service facilities shall be screened from the view of neighboring lots and streets. Rubbish and garbage must be kept in a suitable container and removed from the premises.

3.18 No more than one sign shall be permitted for each Lot. The text shall be limited to the Owner's name or name of residence. The dimensions of the sign shall be the minimum required to present the text and letters, not exceeding four inches in height, except each lot shall be allowed one for sale sign placed at the front property line. During construction, the owner's builder may have only one sign on the homesite meeting the criteria as stated above. There are to be no subcontractor, lender or supplier signs. Painting and design of signs (both builder and for sale) shall be professional in nature.

Plastic or cardboard store bought or "handmade" for sale signs are not permitted.

"For Rent" or "For Lease" signs are not permitted.

Under no conditions may signs be mounted on or nailed to a tree.

All signs must be removed upon sale of the property and/or upon completion of the construction project or at the direction of the Architectural Review Committee.

3.19 No unlicensed or disabled vehicle shall be permitted to be parked in view of neighboring lots and streets.

3.20 No pets or domestic animals shall be permitted to run loose or unattended. Owners of pets shall be responsible for compliance with all leash laws and other laws related to the control of pets. No animals shall be kept or raised on any lot except household pets.

3.21 The shooting of firearms within the subdivision is prohibited.

ARTICLE 4 ARCHITECTURAL REVIEW

4.1 No Improvement, as defined in section 1.5 above, shall be erected, placed, altered, maintained, or permitted until final plans and specifications have been submitted to and approved in writing by Architectural Review Committee.

4.2 Required Documents: Any Owner proposing to utilize, improve or develop real property within Timber Creek shall submit the following items for review:

(a) *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.

(b) *Architectural Plans* and drawings with elevations showing the nature, style and dimensions of any building, structure, fence, wall, barrier or deck, including the exterior material types, colors and appearance. The scale of plans shall be 1" = 20' or larger. Exterior colors to blend and harmonize with surrounding landscape. Color samples and material samples shall be provided. Nothing contained herein shall be construed to require an Owner to employ the services of a licensed architect if the requirements of this section can be met by other professionals or the Owner.

4.3 *Plan Review.* All plans and drawings identified in 4.2 above, shall be submitted to the Architectural Review Committee for review prior to the performance of any proposed work. Within 30 days following receipt of such plans and drawings, the Architectural Review Committee shall review the plans and shall inform the Owner in writing whether the plans conform to the development concept for Timber Creek. In the event any of the plans do not conform to the property development concept, the

Owner, upon request by the Architectural Review Committee, shall resubmit those nonconforming portions of the plans for review in accordance with the procedures outlined in section 4.2 above and this section. No work may be performed relating to any improvement unless and until all aspects of all plans and drawings requiring approval are submitted to and approved by the appropriate governmental agency in connection with the construction of any improvement in Timber Creek and the plans and drawings must bear the signature showing prior written approval of the Architectural Review Committee.

4.4 *Architectural Guidelines.* The development concept for Timber Creek shall be determined by Declarant in accordance with its Bylaws, applicable statutes, ordinances, regulations, zoning and other governmental land use controls. Once approval has been given pursuant to section 4.3 above, work may proceed in accordance with approved plans and drawings notwithstanding any changes in the development concept. All such guidelines shall be in general conformity with this Declaration and may be altered or amended from time to time following reasonable and written notice to all Owners.

4.5 *Inspection.* All work related to any building, structure or Improvement shall be performed in strict conformity with the plans and drawings approved under section 4.4 above. Architectural Review Committee shall have the right to inspect any such work to determine its conformity with the approved plans and drawings. In the event that it is determined in good faith by Architectural Review Committee that certain work is nonconforming, a stop work notice may be issued to the Owner, without necessity of a court order, which shall request the Owner to correct all nonconforming work specified in the notice before the remainder of the proposed work may be completed. Continued work without correction of any such nonconforming items shall be deemed a breach of this Declaration. Neither Declarant, the Association, the Board of Directors, nor officer, director, employee, agent nor servant of Declarant 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. The Declarant or any owner may seek a temporary restraining order or injunction, if necessary, to correct or stop the nonconforming work or Improvement.

4.6 *Waiver.* Any condition or provision of sections 4.2 through 4.6 above, may be waived by Declarant in its exclusive discretion. Any waiver shall be in general conformity with the development concept and development standards for Timber Creek. 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 sections 4.2 through 4.6. The granting of a waiver as to one Owner shall not automatically entitle any other Owner to a 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 Declarant and delivered to the party claiming the benefit of such waiver.

4.7 *Architectural Review Committee.* At such time as Declarant shall no longer desire to exercise its rights of approval such approval rights shall be exercised by an Architectural Review Committee. The termination of Declarant's approval rights shall be evidenced by the recording of an instrument in the official records of Deschutes County, Oregon. The Association membership shall have responsibility for appointment and removal of members of the Architectural Review Committee. The Architectural Review Committee shall consist of not less than three persons. If the membership fails to appoint the members of the Architectural Review Committee, the officers shall serve as the Architectural

Review Committee.

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

ARTICLE 5 ASSOCIATION

Declarant shall organize an association of all of the Owners with Timber Creek. Such Association, its successors and assigns, shall be organized under the name "Timber Creek Homeowners Association, Inc." or such similar name as Declarant shall designate, and shall have such property, powers, and obligations as are set forth in this Declaration for the benefit of Timber Creek and all Owners of property located therein.

5.1 *Organization.* Declarant shall, before the first Homesite is conveyed to an Owner, organize the Association as a non-profit mutual benefit corporation under the Oregon Non-profit Corporation Act.

5.2 *Membership.* Every Owner of one or more Homesites within Timber Creek, shall be a member of the Association. Such membership shall commence, exist, and continue simply by virtue of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

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

(a) *Homesites.* Except as provided in section 5.3 (b) with respect to Class B members Homesites shall be allocated one vote per Homesite.

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

Class A. Class A members shall be all owners with the exception of the Declarant (except that beginning on the date on which the Class B membership is converted to Class A membership, and thereafter, Class A members shall be all Owners including the Declarant). Class A members shall be entitled to voting rights for each Homesite owned computed in accordance with section 5.3 (a) above. When more than one person holds an interest in any Homesite, all such persons shall be members. The vote for such Homesite shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Homesite.

Class B. The Class B member shall be Declarant and shall be entitled to nine times the voting rights computed under section 5.3 (a) for each Homesite owned by Declarant. The Class B

membership shall cease and be converted to Class A membership on the happening of either of the following events, whichever occurs earlier:

(i) When seventy-five percent (75%) of all phases of the Homesites in Timber Creek I and II have been sold and conveyed to Owners other than Declarant; or

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

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

5.5 *Turnover Meeting.* Declarant shall call a meeting by giving notice to each Owner as provided in the Bylaws of the Association, not later than one hundred twenty (120) days after Homesites representing seventy-five percent (75%) of the votes in all phases of Timber Creek have been sold and conveyed to Owners other than Declarant. At the turnover meeting the Association Board of Directors shall be elected by the Owners and Declarant as provided in this Declaration and the Bylaws of the Association.

ARTICLE 6 COVENANT FOR ASSESSMENT

6.1 *Creation of A Lien and Assessments.* Each Owner of any Homesite by acceptance of a deed or contract of purchase therefore, whether or not it shall be so expressed in any such deed or other conveyance or agreement for conveyance, is deemed to covenant and agree to pay to the Association regular annual or other regular periodic assessments or charges, such assessments to be fixed, established, and collected by the Association from time to time as hereinafter provided. The assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property until paid or foreclosed, but shall not be a personal obligation of successors in title unless expressly assumed by them.

6.2 *Purpose of Assessments.* The assessments levied by the Association shall be used exclusively for the following purposes:

(a) Payment of the cost of insurance against liability arising out of the existence of the Association and its Board of Directors, representatives and agents, acting within the scope of their authority on behalf of the Association, which insurance the Association is required to obtain and maintain at reasonable amounts at all times;

(b) Payment of any and all taxes; including property taxes incurred due to septic treatment easement;

(c) Payment of expenses incurred in maintenance of septic system if and when

required.

(d) Payment of the cost of enforcing the provisions contained in this Declaration and the covenants and provisions contained in any future Declaration for Timber Creek;

(e) Payment of costs incurred in collecting assessments;

(f) Payment of expenses incurred in organizing Timber Creek Homeowners Association, or any committee thereof, and of maintaining the same as a corporation.

6.3 Periodic Assessments. After consideration of current maintenance costs and future needs of the Association, the Board of Directors may fix a regular flat assessment upon a monthly, quarterly, or annual basis. Assessments shall be fixed at least 30 days in advance of each assessment period. Assessments shall be billed in writing and sent to each Owner. Assessments are due within 30 days of the date billed. Assessments not paid when due accrue interest on the unpaid balance at the rate of 12% per annum simple interest or the maximum allowable by law. In addition there will be a \$50.00 administration fee on all delinquent accounts at the discretion of the Board of Directors. Periodic assessments shall not increase more than 8% per annum unless approval of the Owners is obtained by voting in person or by proxy at a meeting duly called for this purpose, written notice of which shall be sent to all Owners not less than thirty (30) days nor more than sixty (60) days in advance of the meeting setting forth the purpose of the meeting.

6.4 Initial Assessments.

Upon purchase of Unimproved Lot	\$170.00 Annually
Upon receipt of Certificate of Occupancy	Additional \$39.00 per month for Septic

6.5 Quorum. At meetings of the Homeowners Association the presence of members, Owners or of proxies entitled to cast seventy-five percent (75%) of all the votes of the Lot Owners shall constitute a quorum. If the required quorum is not forthcoming at any meeting, another meeting may be called, subject to the notice requirements set forth herein or in the Association By Laws. No such subsequent meeting shall be held sooner than thirty (30) days following the date of the meeting at which no quorum was forthcoming.

6.6 Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments not paid within 30 days of the due date are delinquent. No earlier than 30 days after said assessment becomes due, the Secretary of the Association is authorized to file in the office of the County Clerk or appropriate recorder of conveyances of Deschutes County, State of Oregon, a statement of the amount of any such charges or assessments, including interest and costs.

The aggregate amount of such assessments, together with interest, costs, and expenses and a reasonable attorney's fee for the filing and enforcement thereof, shall constitute a lien on the Lot, with respect to which it is fixed from the date the notice of delinquency thereof is filed in the office of the

Deschutes County Clerk, or other appropriate recording office, until the same has been paid or released as herein provided. Such lien may be enforced by said Association in the manner provided by law with respect to liens upon real property.

6.7 *Subordination of the Lien to Mortgages.* The lien of the assessments provided for herein shall be inferior, junior, and subordinate to the lien of all mortgages and trust deeds now or hereafter placed upon lien real property, or any part thereof. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or trust deed, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to amounts thereof which became due prior to such sale or transfer; and such lien shall attach to the net proceed of sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

ARTICLE 7 GENERAL PROVISIONS

7.1 *Enforcement.* The Association, an Owner, or holder of any recorded mortgage or trust deed upon any part of Timber Creek, shall have the right to enforce, by any proceeding at law or in equity, all restrictions of the Declaration. Failure by the Association or any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so. In any action by the Association to enforce the declaration, the prevailing party is entitled to an award of its reasonable attorney fees at trial and on appeal, and to an award of its costs and disbursements, including without limitation, deposition costs, long distance telephone, travel, expert and non-expert witness fees, and photocopying.

7.2 *Severability.* Invalidity 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.

7.3 *Amendment.* The covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association or the Owner of any Lot subject to this Declaration, their respective legal representatives, heirs, successors, and assigns, for a term of twenty-five (25) years from the date this Declaration is recorded, after which time said covenants shall be automatically extended for successive periods of (10) years. Any of the covenants and restrictions of the Declaration, except the easements herein granted, may be amended at any time by vote conducted by the Association and evidenced by an instrument signed by the Chairperson of the Board of Directors of the Association. Any amendment must be adopted by a minimum of seventy-five (75%) percent of the Owners of Lots in Timber Creek. All such amendments must be recorded in the appropriate Deed of Records of Deschutes County, Oregon to be effective.

7.4 *Benefit of Provisions; Waiver.* The provisions contained in the Declaration shall bind and inure to the benefit of and be enforceable by the Association and the Owner or Owners of any portion of Timber Creek, and their heirs and assigns, and failure by the Association or by any of the

property Owners or their legal representatives, heirs, successors, or assigns, and each of their legal representatives, heirs, successors or assigns, to enforce any of such conditions, restrictions, or changes herein contained shall in no event be deemed a waiver of the right to do so.

7.5 *Books and Records.* The books and records of the Association, upon demand, in writing, stating the purpose thereof, may be inspected by any member, or his attorney or agent, for any proper purpose at any reasonable time.

7.6 *Fines.* The Board of Directors may establish a schedule of fines, enforceable as a lien with the process described herein, applicable to violations of this Declaration or rules and regulations established pursuant to this Declaration. Fines may be imposed by the Board of Directors after giving the alleged violator notice of the proposed fine and an opportunity to be heard. Fines shall be payable within ten days after receipt of written notice of the imposition of the fine. All fines shall be deposited in the Association's operating account and if fines are not paid, they shall become liens pursuant to procedures set forth in paragraph 6.6 above.

7.7 *Dispute Resolution.* In the event the Association or any member seeks to enforce rights created by this Declaration, prior to filing an action seeking damages, specific performance, injunction, or any other form of relief, the parties to the dispute must submit the facts of the dispute to non-binding arbitration. Arbitration shall be completed within 90 days of submitting written notice of the dispute to the Association, or if the Association initiates the action, within 90 days of service of written notice of the dispute on the member(s). (Notwithstanding the foregoing, the arbitrator may impose Temporary Restraining Orders or Preliminary Injunctions if necessary.) Written notice shall contain a statement of the nature of the dispute, the facts giving rise to the dispute and the declaration section, bylaw, rule, statute, or ordinance upon which the party relies. Arbitration rules of procedures shall be those adopted by the American Arbitration Association. The prevailing party shall be awarded their reasonable costs, disbursements, and attorney fees, which award shall attach as a lien against an Owner's real property as authorized in Article 6.

7.8 *Notices and Other Documents.* All notices and other communications under this Declaration shall be in writing and shall be deemed to have been given on the day of delivery when delivered by personal service and to have been given three business days after delivery to the United States mails certified or registered mail, return receipt requested, addressed to the party to which such notice is directed at its address determined as provided in this section 7.8.

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

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

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

99.44444-12

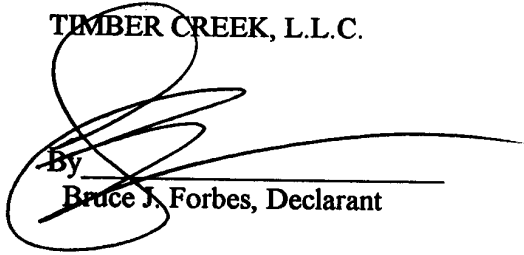
Timber Creek
P.O. Box 1327
Sisters, Oregon 97759

(b) *Change of Address.* Any party hereto may change the address to which notices shall be directed by giving ten days' written notice of such change delivered to the Declarant or Homeowners Association.

7.9 *Transfer of Property.* The Declarant intends to transfer all or a portion of the property affected by these Covenants, Conditions, and Restrictions to and into an entity known as Timber Creek, L.L.C. After such transfer, property affected shall remain subject to these Covenants, Conditions, and Restrictions.

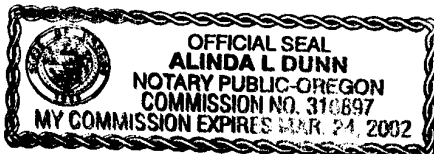
IN WITNESS WHEREOF, Declarant has executed this Declaration the date first above written.

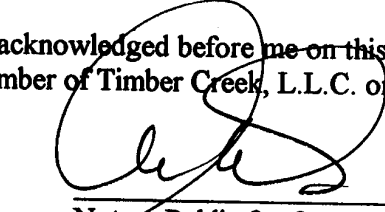
TIMBER CREEK, L.L.C.

By 
Bruce J. Forbes, Declarant

STATE OF OREGON)
)
COUNTY OF DESCHUTES) ss

The foregoing instrument was acknowledged before me on this 13 day of Sept, 1999, by Bruce J. Forbes who is a Member of Timber Creek, L.L.C. on behalf of the company.




Notary Public for Oregon

My Commission Expires: 3-24-2002

Exhibit "A"

PARCEL I:

That portion of the North Half of the Northeast Quarter (N1/2 NE1/4) of Section 9, Township 15 South, Range 10 East of the Willamette Meridian, Deschutes County, Oregon, lying and being North and East of U.S. Highways 20 and 28:

EXCEPTING THEREFROM the following: South Half of the South Half of the Northwest Quarter of the Northeast Quarter (S1/2 S1/2 NW1/4 NE1/4) and the South Half of the South Half of the Northeast Quarter of the Northeast Quarter (S1/2 S1/2 NE1/4 NE1/4); *TL 400*

ALSO EXCEPT that portion of the Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4) deeded to Sisters Public School District No. 6, as shown in Volume 91, Page 350, Deed Records, and Volume 92, Page 513, Deed Records.

ALSO EXCEPT the right of way of U.S. Highway 20.

ALSO EXCEPT that portion described in Final Judgment filed June 18, 1970 in Deschutes County Circuit No. 15173.

EXCEPTING THEREFROM: A parcel of land located in the Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4) of Section 9, Township 15 South, Range 10 East of the Willamette Meridian, Deschutes County, Oregon, being more particularly described as follows:

Commencing at the Northeast corner of that certain tract of land described in Book 92, Page 513, Deschutes County Deed Records, said point being on the North line of said Section 9, and bearing North 89°39'43" West, 440.00 feet from the Northeast corner of said Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4), said point also being the TRUE POINT OF BEGINNING; thence along the North line of said Section 9, South 89°39'43" East, 100.00 feet to a point; thence leaving said North line of Section 9 and running South 00°18'03" West, 240.00 feet to an angle point; thence South 22°05'33" West, 269.37 feet to a point on the East line of said tract described in Book 92, Page 513, Deed Records; thence along the East line of said tract, North 00°18'03" East, 490.19 feet to the aforementioned Northeast corner of said tract and the TRUE POINT OF BEGINNING.

Order No. 132896

Page 5

PARCEL II:

A parcel of land located in the Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4) of Section 9, Township 15 South, Range 10 East of the Willamette Meridian, Deschutes County, Oregon, being more particularly described as follows:

Commencing at a point on the East line of that certain tract of land described in Book 92, Page 513, Deschutes County Deed Records, said point bears North 89°39'43" West, 440.00 feet and South 00°18'03" West, 490.19 feet from the Northeast corner of the said Northwest Quarter of the Northeast Quarter (NW1/4 NE1/4) of Section 9, said point also being the TRUE POINT OF BEGINNING; thence along the East line of said tract, South 00°18'03" West, 384.59 feet to the Southeast corner of said tract; thence along the South line of said tract, North 89°41'34" West, 305.16 feet to a point on the Northerly right of way line of U.S. Highway 20; thence along said right of way line, North 38°38'23" West, 24.57 feet to an angle point in said right of way line; thence continuing along said right of way line, North 45°17'09" West, 85.43 feet to a point; thence leaving said right of way line and running North 72°41'58" East, 311.70 feet to an angle point in the adjusted boundary line; thence continuing along said adjusted boundary line, North 22°05'33" East, 227.68 feet to the aforementioned point on the East line of said tract and the TRUE POINT OF BEGINNING.