



**TETHEROW**  
OWNERS ASSOCIATION

June 5, 2017

Re: Updating and Revising Declaration for the Tetherow Owners Association

Dear Tetherow Homeowner:

On behalf of the Board of Directors of the Tetherow Owners Association (the "Association"), I am pleased to inform you that we are moving forward with amending the Declaration of Covenants, Conditions, Restrictions and Easements for Tetherow (the "Declaration"), originally recorded in 2007.

As you may recall, SFI Cascade Highlands LLC (a subsidiary of iStar Financial Inc.) ("SFI Cascade") acquired title to the remaining unsold land and lots in Tetherow in 2012 and became the successor "Declarant" of the Association. The Association's new Board of Directors appointed by SFI Cascade began a review of the Declaration to identify areas in need of improvement.

Following their review, the Board of Directors and SFI Cascade concluded that the Declaration need to be revised and updated to comply with Oregon laws and to better reflect the best practices for governing destination resort communities such as Tetherow. SFI Cascade presented its conclusions to the other owners of Tetherow development property, together with a number of proposed revisions for the Declaration.

Earlier this year, Tetherow Heath, LLC ("Tetherow Heath") purchased the remaining unbuilt lots from SFI Cascade, and became the successor Declarant. The Tetherow Heath principals were involved with the earlier discussions, and agree that several of the proposed Declaration revisions would benefit the community and its owners. Specifically, the Declarant is recommending the following changes and/or clarifications:

- **Short-term Rental Restriction.** Almost every owner we've spoken to is in favor of a restriction on rentals shorter than 30 days. Many of the neighborhoods (Triple Knot, Tartan Druim, and the Crescent Homesites, among others) are already subject to such a restriction by virtue of the recorded document annexing those neighborhoods into Tetherow, however several neighborhoods do not have the same restriction. The proposed Declaration amendment will make the restriction uniform across all residential neighborhoods and will help to avoid confusion and minimize potential disruptions for full-time Tetherow residents.
- **Vacation Rental Dwellings.** A specific exception to the short-term rental restriction would be established for the Vacation Rental Dwellings (VRDs) located near the clubhouse and event center. Tetherow is a "destination resort" established under Oregon

law and the Deschutes County Code. The destination resort designation allows for the construction of a residential neighborhood outside of the Bend urban growth boundary, where such neighborhoods are not typically permitted. One of the requirements for approval of a destination resort is that commercial amenities, including overnight lodging units, are constructed to encourage tourism in the area. The Tetherow overnight lodging is a mixture of hotel rooms and VRDs. The VRDs are deed-restricted units that must be available for overnight rental at least 38 weeks per year (i.e., they cannot be occupied by the owner on a year-round basis). The proposed Declaration amendment will clarify this policy, to avoid confusion with the short-term rental restriction discussed in the previous bullet point.

- **Transfer Fees.** While SFI Cascade was Declarant, a \$150 transfer fee was instituted to cover Association expenses when a home is sold in Tetherow. This fee helps cover administrative expenses of responding to the title company regarding assessments and setting up the new homeowner's account with the Association. The proposed Declaration amendment will allow the Board of Directors to set this amount from time to time, but initially we will just carry forward the existing \$150 fee.

At the upcoming annual meeting (June 15, 2017), time will be set aside to discuss the proposed amendments, and answer any questions you may have. Following the meeting, the Board will send out a formal ballot for approval of the proposed Declaration amendment, together with the amendment itself. (A draft ballot will be posted on the Member page under HOA ARC pages of the Tetherow Club website prior to the meeting.) There will be a 4-6 week period for consideration of the amendment by the Association members, during which time the Association will be available to answer any additional questions that may arise. Please be on the lookout for the amendment ballot package, and please be sure to sign and return your ballot to the Association by the due date.

At the annual meeting, we will also be electing an owner-elected board member. (Once 50% of the planned lots have been sold to ultimate purchasers, the Declaration provides for a three-member Board of Directors, with two directors appointed by the Declarant, and one director elected by members other than the Declarant.) We have received application forms and resumes from two owner volunteers for the owner-elected position. These will be posted on the Member page under HOA ARC of the Tetherow Club website.

We thank you in advance for your attention to the foregoing and request your assistance in continuing to improve our Association and its governing documents.

Sincerely,

Tetherow Owners Association



Chris van der Velde, President

**TETHEROW OWNERS ASSOCIATION**

**NOTICE OF ANNUAL MEETING OF MEMBERS**

NOTICE IS HEREBY GIVEN that the Tetherow Owners Association will hold an Annual Meeting of the members at the Tetherow Events Center, on Thursday, June 15, 2017 at six (6) P.M. Registration will begin at 5:30 P.M. The purpose of the meeting is to discuss proposed amendments to the Declaration of Covenants, Conditions, Restrictions and Easements for Tetherow and to begin an election of one owner to the Board of Directors. A draft copy of the proposed amendments and Candidate Forms and resumes of the two owners running for the Board position will be posted on the Member Page of the Tetherow Club website. There will be an informational presentation to update the members about the development.

June 5, 2017

By Order of the Board of Directors

  
Meghann Griffiths, Secretary  
Tetherow Owners Association