

96-46050

AMENDMENT TO BYLAWS OF THE ASSOCIATION
OF UNIT OWNERS OF RANCH CABINS

RECITALS

Ranch Cabins Condominium is a leasehold condominium created pursuant to a condominium declaration recorded in the records of Deschutes County, Oregon on or about November 8, 1973 in Volume 200, Page 740. The Lease was recorded on or about April 11, 1973 in Volume 194, Page 159, in the Deed Records of Deschutes County, Oregon.

The lease provides for an option by the Association to purchase the underlying land from the Lessor and submit the fee title to the Oregon Condominium Act. The option is exercisable on and after March 1, 2008.

The owners of the Ranch Cabin units wish to provide a mechanism to accumulate sufficient funds to purchase the fee title interest on the option date and have adopted the following amendments to the Ranch Cabin Condominium Bylaws to authorize assessments and to authorize the Board of Directors, as trustees, to invest the assessment funds and to file appropriate reports, documents, and/or income tax returns.

ARTICLE VIII shall be amended in its entirety as follows:

1. Option. Unit owners have an option to purchase all of the land underlying the condominium (hereinafter, the "Property") at the times and on the terms set forth in Paragraph 4 of the Lease.

2. Exercise of Option. The option may be exercised by notice in writing by the Board of Directors of the Association of Unit Owners to the Lessor who, for the purpose of exercising this option, are acting not as directors but as Trustees for the unit owners (hereinafter referred to as "Trustees"). The unit owners pursuant to a vote held on November 25, 1995 voted to approve the exercise of the option on March 1, 2008. Notice of the exercise of this option shall be provided to the lessor 180 days prior to March 1, 2008.

3. Assessments for Acquisition of the Property. Each unit owner shall be assessed by the Board of Directors acting as Trustees pursuant to a schedule attached hereto as Exhibit "A" for the exclusive and sole purpose of accumulating the funds necessary to exercise the option on March 1, 2008. Such schedule shall be adhered to as closely as practicable given fluctuations in interest rates, tax rates and other unforeseen circumstances. Two years after the date of this amendment, the schedule shall be amended from time to time by the Board of Directors to assure sufficient funds are available when the option is exercised to purchase the fee title to the land, pay the costs of submitting the fee to the Oregon Condominium Act, pay the costs of conveying fee title to unit owners, and subjecting the fee title to the security interest of second parties who at that time hold a security interest in the various leasehold units.

Ridgeway
PBB 3400
Sumneri Dr 47707

All costs, assessments, charges, and fees incurred in exercising the option to purchase and subjecting the property so acquired to the Oregon Condominium Act shall be assessed and collected in the same manner as common expenses pursuant to ARTICLE V of these Bylaws.

The Board of Directors, as Trustees for the owners, shall invest the funds in a prudent manner consistent with the level of care ordinarily required of trustees in Oregon. The funds shall not be utilized for any other purpose than exercising the option to purchase and related costs except that subsequent to conversion to fee simple condominium, excess funds, if any, shall be allocated to various replacement resources. Directors shall cause appropriate reports or tax returns to be filed.

At the time the option is exercised, the Board of Directors, as Trustees, shall assess all owners for any additional funds needed to pay the purchase price, submit the fee title to the Oregon Condominium Act, and subject the fee title of individual units to the security interest held in the leasehold units. Excess funds, if any, shall be allocated to various replacement resources as the Board of Directors in its reasonable discretion shall determine.

The assessment obligations of this subparagraph 3 shall be both a personal obligation of the owners and a lien on the unit of the owner assessed. In a voluntary conveyance, both the grantor and the grantee shall be personally liable for any unpaid assessments through the date the document effecting the conveyance is recorded. The remedies and rights of the Association in respect to delinquent assessments due under this subparagraph 3 shall be the same as for any regular assessment.

No owner shall have any right to demand withdrawal or reimbursement of the amount assessed in respect to his unit because of sale of the unit or for any other reason. Provided, however, nothing shall preclude a selling owner from requiring a buyer to reimburse or buy from the seller the value of the funds accumulated from assessments paid by the owner or his predecessor under this subparagraph 3.

4. Closing. Upon receipt from unit owners of all sums required to exercise the option and the deposit of such sums in escrow, the Trustees shall instruct the escrow agent to pay the purchase price to lessor when a reputable title insurance company is in a position to insure in the Trustees a good and marketable fee simple title to the Property. The sale shall be closed in escrow within 180 days after exercise of the option at the office of a title insurance company acting as a neutral escrow agent.

5. Conversion to Fee Simple Condominium. The Trustees shall hold title to the Property in trust for the purpose of subjecting the fee simple thereof and the existing improvements thereon to the Oregon Condominium Act. Accordingly, the Trustees shall execute and record a new declaration of unit ownership and bylaws. The new declaration and bylaws shall be the same as the declaration and these bylaws or as nearly so as possible consistent with

the then existing Condominium Law and such other laws and regulations then applicable to the Property.

6. Lienholders and Deeds to Unit Owners. The Lease, by its own terms, shall terminate upon the recordation of a new declaration of unit ownership which subjects the fee simple title of the Property to the condominium form of ownership. In order to preserve the security of mortgagees, beneficiaries of deeds of trust and other lienholders having an interest in the leasehold condominium interests of unit owners, and to vest in unit owners fees simple title to their units subject to the same liens and encumbrances that burdened their leasehold condominium interests, after the fee title has been acquired by them, the Trustees, as expeditiously as practicable, shall:

- (a) Request each unit owner and each lienholder to execute new security instruments in recordable form covering the fee simple interest of each unit owner;
- (b) Record unit deeds to unit owners subject to the Declarations, the Consolidated Plan of Sunriver, the new declaration and the new bylaws;
- (c) Record the new security instruments; and
- (d) Deliver the new deeds to the unit owners.

The President and Secretary of the Association of Unit Owners of Ranch Cabins hereby certify that the foregoing amendment to the Bylaws was adopted at a duly called and constituted meeting of the association members held November 25, 1995.

Dated this 26th day of July, 1996.

ASSOCIATION OF UNIT OWNERS OF
RANCH CABINS

By: 

President

By: 

Secretary

(ACKNOWLEDGEMENT ON FOLLOWING PAGE)

432 - 1245

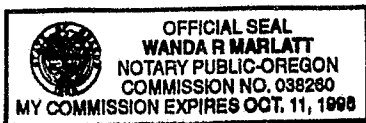
STATE OF OREGON

County of Deschutes

)
) ss.
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July 26, 1996

Personally appeared before me the above-named Colin Stade and Joanna Johns, who, being duly sworn, did say that they are the President and Secretary of Association of Unit Owners of Ranch Cabins, and that said instrument was signed in behalf of said corporation by authority of its Board of Directors; and they acknowledged said instrument to be its voluntary act and deed.



Wanda R. Marlatt
Notary Public for Oregon

STATE OF OREGON)
COUNTY OF DESCHUTES) ss.

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

96 DEC 16 PM 1:19

MARY SUE PENHOLLOW
COUNTY CLERK

BY [Signature] DEPUTY
NO. 96-46050 FEE 20-
DESCHUTES COUNTY OFFICIAL RECORDS