

DECLARATION SUBMITTING PHASES 1 AND 2 OF RANCH CABINS  
TO OREGON UNIT OWNERSHIP LAW

THIS DECLARATION, pursuant to the provisions of the Oregon Unit Ownership Law, is made and executed this 31st day of October, 1973 by SUNRIVER PROPERTIES, INC., an Oregon corporation, hereinafter called "the Developer."

Developer proposes to create a leasehold condominium to be known as "Ranch Cabins" which will be a part of Mountain Village, Sunriver, in Deschutes County, Oregon. Accordingly, Developer has subjected Ranch Cabins to the Plan of Sunriver and annexed Ranch Cabins to Mountain Village. Developer is the lessee of the property included within Ranch Cabins pursuant to a lease dated March 1, 1973 in which Sunriver Lands, Inc. is the lessor. Such lease has a term of 65 years, expiring on February 28, 2038 and contains an option to purchase anytime between March 1, 2008 and the end of the term.

The purpose of this declaration is to submit Developer's leasehold estate in Phases 1 and 2 of Ranch Cabins to the condominium form of ownership and use in the manner provided by the Oregon Unit Ownership Law.

NOW, THEREFORE, Developer does hereby declare and provide as follows:

1. Definitions. When used herein the following terms shall have the following meanings:

1.1 "The Lease" shall mean that certain lease dated

March 1, 1973 in which Sunriver Lands, Inc. is the lessor and Developer is the lessee and which has been recorded in the records of Deschutes County, Oregon.

1.2 "Sunriver Declaration Establishing Ranch Cabins and Annexing Ranch Cabins to Mountain Village" shall mean that certain document dated April 12, 1972, recorded April 14, 1972 in Volume 183 of the records of deeds of Deschutes County, Oregon at page 805, as amended by instruments recorded August 9, 1972 in Volume 187 at page 242 and February 14, 1973 in Volume 192 at page 559.

1.3 Incorporation by reference. Each of the terms defined in Section 1 of the Sunriver Declaration Establishing Ranch Cabins and Annexing Ranch Cabins to Mountain Village shall have the meanings set forth in such Section 1, including those definitions incorporated therein by reference. Except as otherwise provided herein, each of the terms defined in the Oregon Unit Ownership Law, ORS 91.505, shall have the meanings set forth in such Section.

2. Property submitted. The property submitted to the Oregon Unit Ownership Law hereunder is held by the Developer and conveyed by it in leasehold estate pursuant to the terms of the Lease. Upon the filing of this declaration, each unit owner will be entitled to certain nonexclusive easements within Sunriver as provided in the Plan of Sunriver and the Sunriver Declaration Establishing Ranch Cabins and Annexing Ranch Cabins

to Mountain Village. The land being submitted, being Phases 1 and 2 of Ranch Cabins, is located in Mountain Village, Sunriver, in Deschutes County, Oregon, and is more particularly described on Exhibit A attached hereto. Such property includes the land so described, all buildings, improvements and structures thereon, all easements, rights and appurtenances belonging thereto, and all personal property used in connection therewith.

3. Name and unit description.

3.1 Name. The name by which the property submitted hereunder shall be known is "Ranch Cabins."

3.2 Unit description. Phases 1 and 2 of Ranch Cabins consist of 39 buildings containing one unit each. Buildings containing units with Design Plans A, B, C, D and F have two stories, while buildings containing units with Design Plan E have one story. Each building is of wood frame construction without basement and has a concrete foundation, concrete slab at first floor, ribbed metal roof, cedar siding on the exterior walls, and interior and partition walls of textured gypsum board and cedar paneling.

The dimensions of each of the units are set forth in the document entitled "Site Plan and Floor Plans of Ranch Cabins, Phases 1 and 2," (hereinafter referred to as "the Site Plan"), filed simultaneously herewith and made a part of this declaration as if fully set forth herein. Each unit shown on the

Site Plan shall include all outside exterior walls (except the siding thereon), the roof over the unit (except for the exterior chimney), the foundation and all pipes, ducts and utilities in or under the foundation, all decks adjoining the unit, fences located on the decks (except for the exterior siding on such fences), and everything encompassed thereby.

4. Location of units. The designation and location of each unit in Phases 1 and 2 is shown in the Site Plan, filed simultaneously herewith and made a part of this declaration as if fully set forth herein. The approximate area of each unit is shown on Exhibit B, attached hereto and made a part hereof.

5. General common elements. The general common elements consist of the land, pathways, driveways, grounds and parking areas. The common elements also include the outside exterior siding of each building (including exterior siding on fences located on decks), exterior chimneys, and all other elements of the property necessary or convenient to its existence, maintenance or safety, or normally in common use, except as may be designated herein a part of a unit. Each unit will be entitled to a percentage ownership interest in the general common elements determined by the ratio by which the approximate area of the particular unit bears to the total approximate area of all units combined, as is more particularly described in paragraph 12.4 below.

6. Limited common elements. There are no limited common elements in Phases 1 and 2 of Ranch Cabins.

7. Use of property. Each unit is to be used as a single family dwelling. Additional limitations on use are contained in the Lease, the Sunriver Declaration Establishing Ranch Cabins and Annexing Ranch Cabins to Mountain Village, the Plan of Sunriver and the Bylaws of the Association of Unit Owners of Ranch Cabins filed herewith. Each unit owner shall be bound by each of the terms, conditions, limitations and provisions contained in such documents, including the requirement to pay rent as set forth in the Lease.

8. Common profits and expenses; voting.

8.1 The common profits derived from and the common expenses of the general common elements shall be distributed and charged to the owner of each unit according to the percentage of undivided interest of such unit in the general common elements.

8.2 Notwithstanding the provisions of ORS 91.505(9), each unit owner shall be entitled to one vote in the affairs of the Association of Unit Owners for each unit owned by him. "Majority" or "majority of unit owners" as used in this declaration or in the bylaws shall mean the owners of 50% or more of the then existing units of the condominium.

9. Service of process. The name of the person to receive

service of process in cases provided in subsection (1) of ORS 91.635 is JOHN O. NOFFZ and his place of business within Deschutes County, Oregon, is Sunriver, Oregon 97701.

10. Encroachments. If any portion of the common elements now encroaches upon any unit, or if any unit now encroaches upon any other unit or upon any portion of the common elements, as a result of the construction of any building, or if any such encroachment shall occur hereafter as a result of settling or shifting of any building, a valid easement for the encroachment and for the maintenance of the same so long as the building stands, shall exist. In the event any building, unit, adjoining unit, or adjoining common element, shall be partially or totally destroyed as a result of fire or other casualty or as a result of condemnation or eminent domain proceedings, and then rebuilt, encroachments of parts of the common elements upon any unit or of any unit upon any other unit or upon any portion of the common elements, due to such rebuilding, shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist so long as the building shall stand.

11. Adoption of Bylaws, Appointment of Interim Board, and Designation of Manager. Upon the execution and the filing of this declaration, the Developer, as the sole owner of all units of the condominium, shall adopt bylaws for the Association of Unit Owners of Ranch Cabins, which bylaws are to be filed

simultaneously herewith. At the same time, Developer will appoint an interim board of directors of the association, which directors shall serve until their successors have been elected as provided in the bylaws. Such interim board of directors may appoint a manager or managing agent for the condominium on behalf of the association of unit owners, and such manager or managing agent shall have complete authority to assume full control and responsibility for the management, operation, and maintenance of the condominium from the date of its formation at the expense of the association.

12. Plan of Development. Developer proposes to develop Ranch Cabins in four phases. By filing this declaration, Developer hereby submits Phases 1 and 2 to the condominium form of ownership. Developer reserves the right to add two additional phases to the condominium and to annex such additional phases to Ranch Cabins by filing supplements to this declaration pursuant to ORS 91.545.

12.1 Maximum Number of Units. Phases 1 and 2 contain a total of 39 units. Proposed Phases 3 and 4 would contain not more than 40 and 24 units, respectively, for a total of not more than 103 units in the condominium.

12.2 Election Not to Proceed. In order to limit the condominium to fewer than four phases, Developer must file a declaration in the records of deeds of Deschutes County, Oregon, by March 1, 1977, so stating.



12.3 Additional Common Elements. Developer does not propose to include in Phases 3 or 4 any common elements which would substantially increase the proportionate amount of the common expenses payable by owners of units in Phases 1 and 2.

12.4 Percentage Interest in Common Elements. The percentage interest in the common elements of units in Phases 1 and 2 will change if additional phases are annexed to Ranch Cabins. A chart showing the percentage interest in the common elements of each such unit upon the filing of this declaration and after the annexation of the proposed phases is attached hereto as Exhibit C.

IN WITNESS WHEREOF, Sunriver Properties, Inc. has caused this declaration to be executed this 31st day of October , 19 73

SUNRIVER PROPERTIES, INC.

By

Charles D. Ellis  
President

Attest:

Sholeff  
Secretary



STATE OF OREGON       )  
                          ) ss.  
County of Deschutes )

On this 31st day of October , 1973, personally  
appeared before me CHARLES D. ALLIS who, being duly sworn,  
did say that he is the President of SUNRIVER PROPERTIES, INC.,  
an Oregon corporation, and that said instrument was signed in  
behalf of said corporation by authority of its board of  
directors; and he acknowledged said instrument to be its  
voluntary act and deed.



Leslie E. Horne  
Notary Public for Oregon  
My Commission Expires: 2/28/77

## RANCH CABINS PHASE I:

A tract of land containing 0.65 acres lying in the Northwest Quarter (NW $\frac{1}{4}$ ) of Section Thirty-two (32), Township Nineteen (19) South, Range Eleven (11), East of the Willamette Meridian, Deschutes County, Oregon, described as follows: Commencing at the Southeast corner of said Section 32; thence South 89° 10' 11" West 2652.33 feet to the South one-quarter corner of said section; thence North 16° 30' 19" West 4489.98 feet to the point of beginning marked by a 5/8" iron rod; thence North 1° 45' 15" East 68.79 feet; thence North 20° 40' 20" West 168.11 feet to the Southerly right of way of a 60 foot private road known as West Cascade Road as described in the plat of Mountain Village West I; thence along the southerly right of way of said road around a 950 foot radius curve to the right 94.20 feet (Long chord bears South 80° 10' 12" West 94.17 feet) to the easterly boundary of Mountain Village West I; thence South 2° 7' 24" East along the easterly boundary of said plat 214.32 feet; thence North 88° 18' 8" East 142.15 feet to the point of beginning.

## RANCH CABINS PHASE II:

A tract of land containing 5.78 acres lying in the Northwest Quarter (NW $\frac{1}{4}$ ) of Section Thirty-two (32), Township Nineteen (19) South, Range Eleven (11) East of the Willamette Meridian, Deschutes County, Oregon; described as follows: Commencing at the Southeast corner of said Section 32; thence South 89° 10' 19" West 2552.33 feet to the South Quarter corner of said section; thence North 16° 53' 41" West 3945.30 feet to the point of beginning marked by a 1/2" iron rod; thence North 15° 49' 45" West 194.34 feet; thence North 18° 10' 00" East 270.00 feet; thence North 1° 00' 00" East 353.78 feet to the southerly right of way of a 60 foot private road known as West Cascade Road as platted in Mountain Village West I; thence westerly along the South right of way of said road around a 317.35 foot radius curve to the left 128.00 feet (Long chord bears South 83° 25' 12" West 127.14 feet); thence around a 980 foot radius curve to the right 94.65 feet (Long chord bears South 74° 38' 55" West 94.62 feet); thence South 20° 40' 20" East 168.11 feet; thence South 1° 45' 15" West 68.79 feet; thence South 88° 18' 8" West 142.15 feet to the easterly boundary of Mountain Village West I as platted; thence South 2° 07' 24" East along the East boundary of Mountain Village West I 203.88 feet; thence South 21° 34' 35" West 182.17 feet; thence South 7° 11' 5" West 389.35 feet; thence South 40.67 feet; thence South 13° 17' 17" West 19.92 feet; thence North 89° 26' 56" East 39.74 feet; thence North 58° 17' 59" East 67.56 feet; thence North 46° 01' 56" East 63.47 feet; thence North 25° 22' 29" East 64.00 feet; thence North 49° 19' 04" East 80.63 feet; thence North 64° 36' 02" East 62.90 feet; thence North 48° 33' 06" East 97.39 feet to the point of beginning.

## EXHIBIT B

VOL 200 PAGE 750

TO

## DECLARATION SUBMITTING RANCH CABINS

Phases 1 and 2

TO

## OREGON UNIT OWNERSHIP LAW

<u>Unit</u>	<u>Design Plan</u>	<u>Approximate Area in Square Feet</u>
1	B	929.5
2	F	1295.0
3	A	858.5
4	D	1212.0
5	C	1107.5
6	A	858.5
7	E	1029.0
8	D	1212.0
9	C	1107.5
10	D	1212.0
11	C	1107.5
12	C	1107.5
13	C	1107.5
14	C	1107.5
15	B	929.5
16	A	858.5
17	C	1107.5
18	B	929.5
19	B	929.5
20	C	1107.5
21	E	1029.0
22	D	1212.0
23	C	1107.5
24	B	929.5
25	F	1295.0
26	B	929.5
27	C	1107.5
28	D	1212.0
29	F	1295.0
30	A	858.5
31	D	1212.0
32	B	929.5
33	D	1212.0
34	F	1295.0
35	B	929.5
36	F	1295.0
37	E	1029.0
38	D	1212.0
39	C	1107.5

## EXHIBIT C

TO

VOL 200 PAGE 751

## DECLARATION SUBMITTING RANCH CABINS

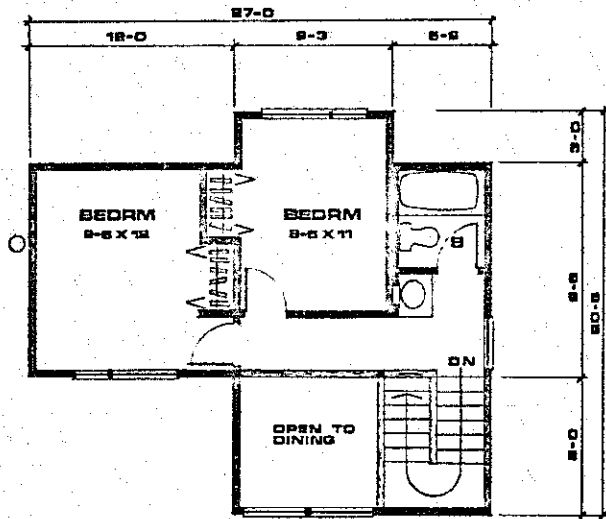
Phases 1 and 2

TO

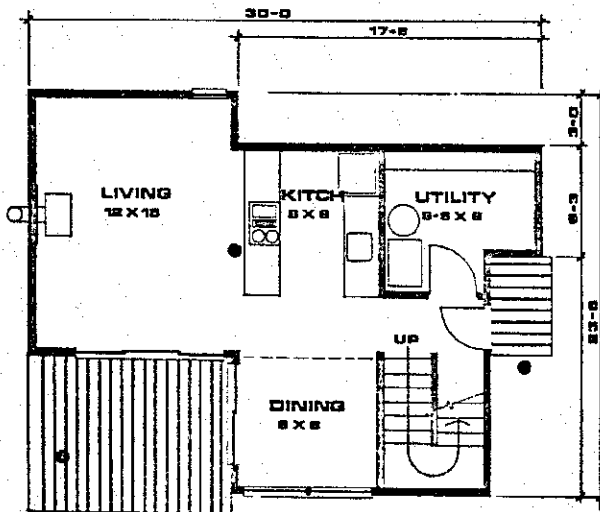
## OREGON UNIT OWNERSHIP LAW

Percentage Interest in Common Elements  
of Each Unit in Phases 1 and 2 at Each  
Proposed Stage of Development

<u>Unit</u>	<u>Design Plan</u>	<u>Phases 1&amp;2</u>	<u>Phase 3</u>	<u>Phase 4</u>
1	B	2.197	1.071	0.826
2	F	3.061	1.493	1.151
3	A	2.029	0.990	0.763
4	D	2.865	1.397	1.077
5	C	2.617	1.277	0.984
6	A	2.029	0.990	0.763
7	E	2.432	1.186	0.914
8	D	2.865	1.397	1.077
9	C	2.617	1.277	0.984
10	D	2.865	1.397	1.077
11	C	2.617	1.277	0.984
12	C	2.617	1.277	0.984
13	C	2.617	1.277	0.984
14	C	2.617	1.277	0.984
15	B	2.197	1.071	0.826
16	A	2.029	0.990	0.763
17	C	2.617	1.277	0.984
18	B	2.197	1.071	0.826
19	B	2.197	1.071	0.826
20	C	2.617	1.277	0.984
21	E	2.432	1.186	0.914
22	D	2.865	1.397	1.077
23	C	2.617	1.277	0.984
24	B	2.197	1.071	0.826
25	F	3.061	1.493	1.151
26	B	2.197	1.071	0.826
27	C	2.617	1.277	0.984
28	D	2.865	1.397	1.077
29	F	3.061	1.493	1.151
30	A	2.029	0.990	0.763
31	D	2.865	1.397	1.077
32	B	2.197	1.071	0.826
33	D	2.865	1.397	1.077
34	F	3.061	1.493	1.151
35	B	2.197	1.071	0.826
36	F	3.061	1.493	1.151
37	E	2.432	1.186	0.914
38	D	2.865	1.397	1.077
39	C	2.617	1.277	0.984
		<u>100.000</u>		

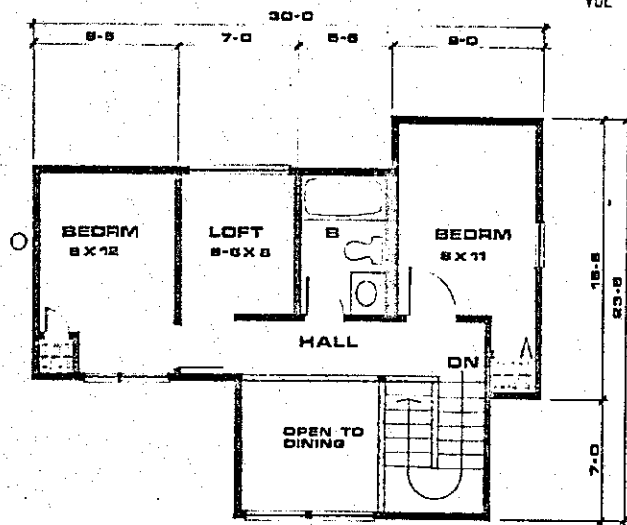


UPPER FLOOR

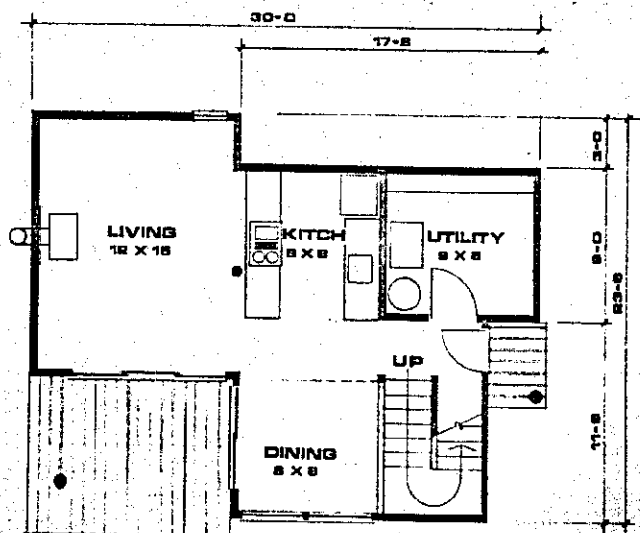


LOWER FLOOR

RANCH CABIN  
UNIT A  
856.5 SQ. FT.



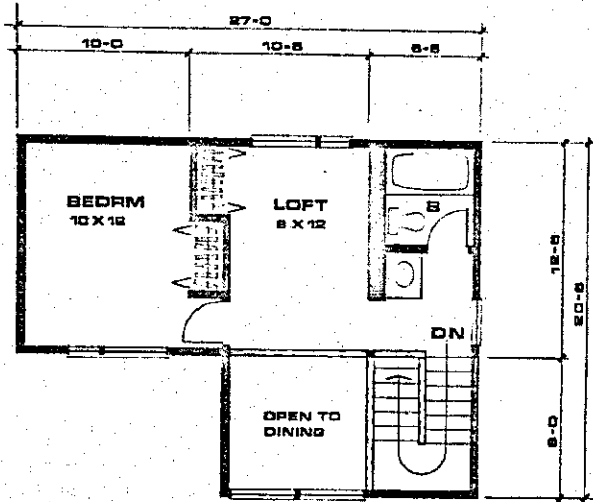
UPPER FLOOR



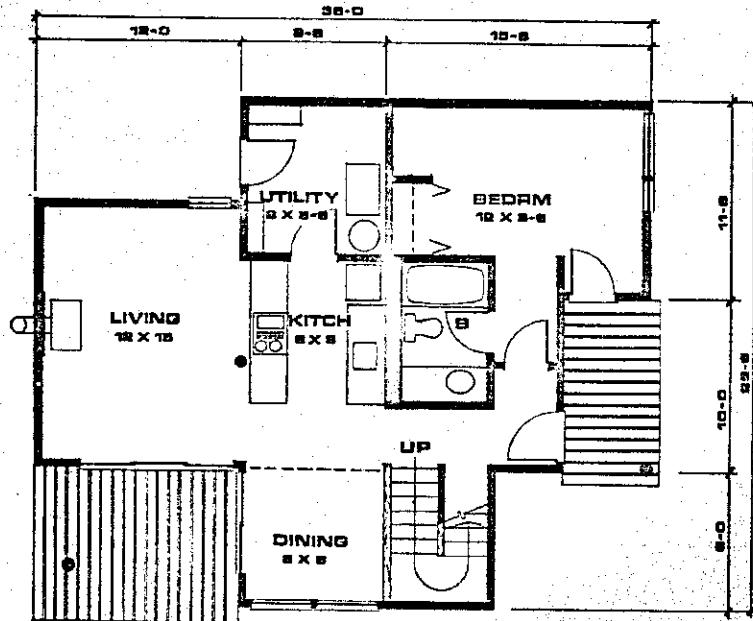
LOWER FLOOR

RANCH CABIN  
UNIT 8  
828.5 SQ FT





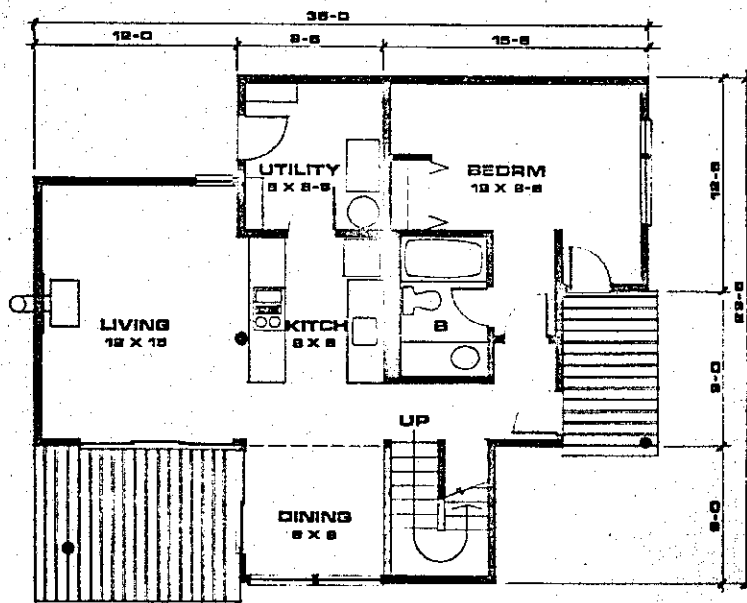
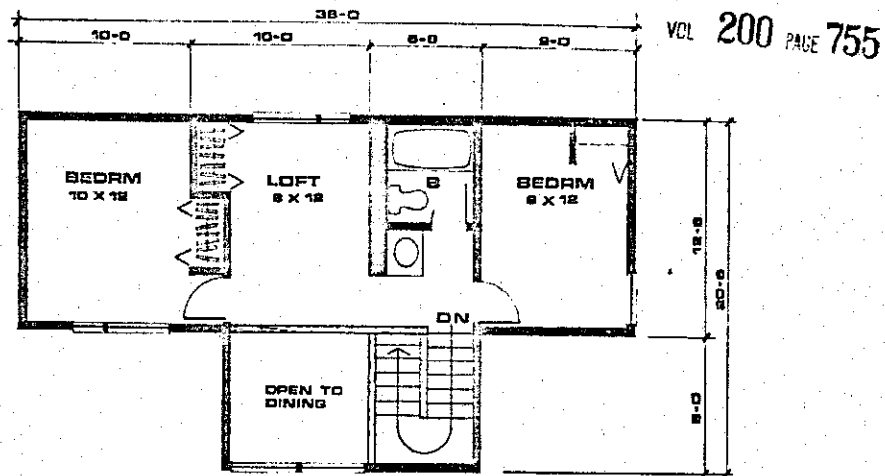
UPPER FLOOR



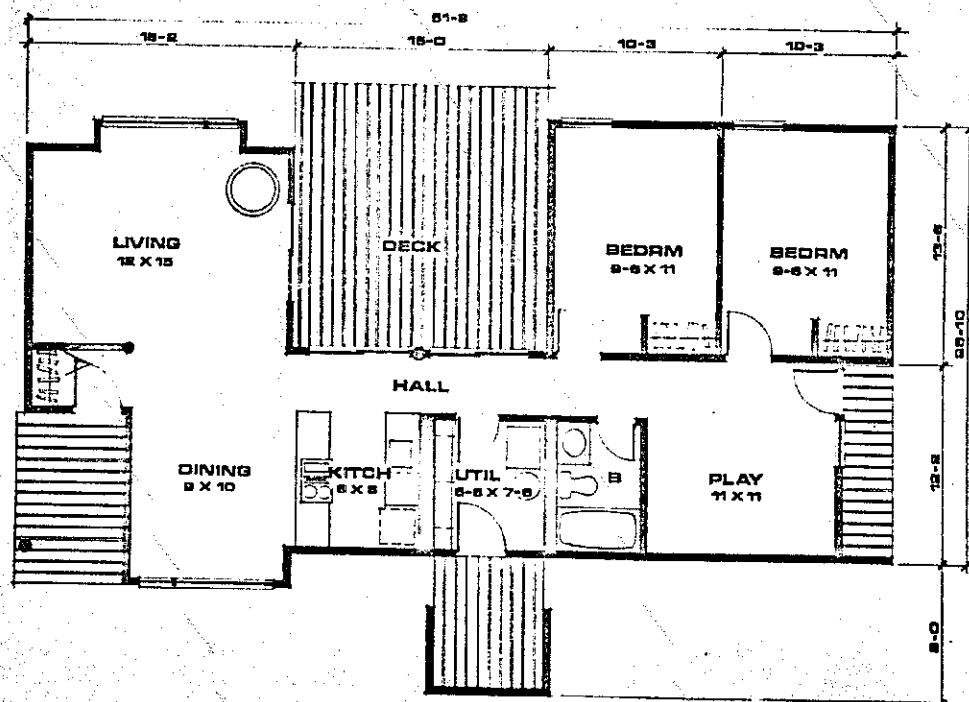
LOWER FLOOR

RANCH CABIN  
UNIT C  
1107.5 SQ FT



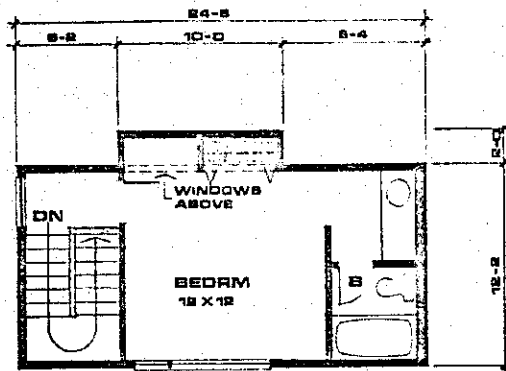


RANCH CABIN  
UNIT D  
1212 SQ FT

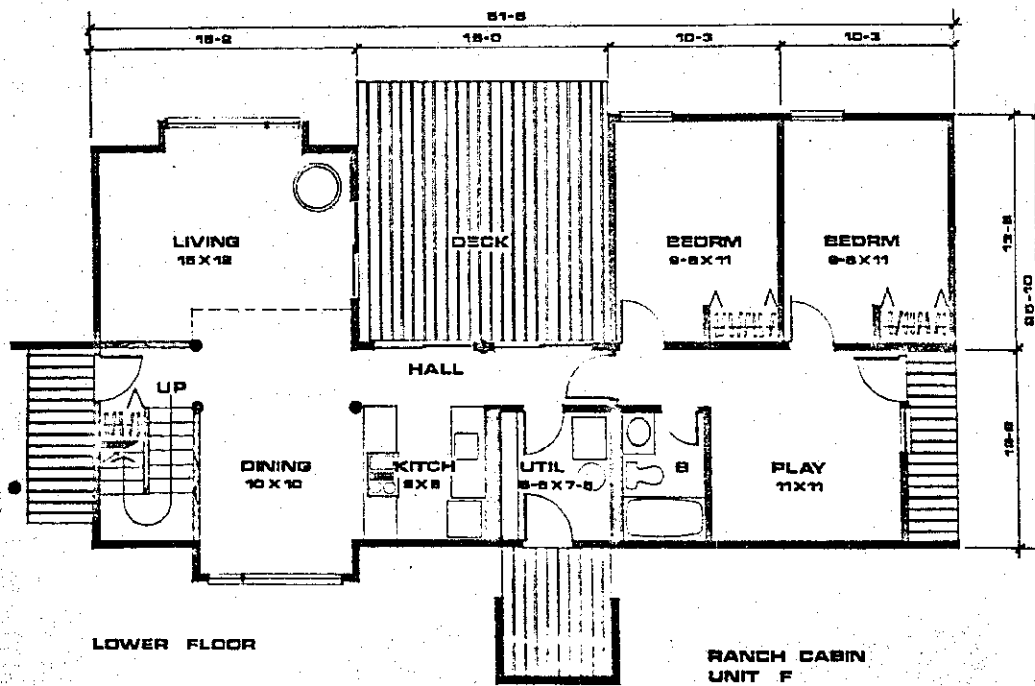


FLOOR PLAN

RANCH CABIN  
UNIT E  
1028 SQ FT



UPPER FLOOR



LOWER FLOOR

RANCH CABIN  
UNIT F  
1295 SQ FT



**CERTIFICATE OF  
SUBSTANTIAL  
COMPLETION**

AIA DOCUMENT G704

OWNER  
ARCHITECT  
CONTRACTOR  
FIELD  
OTHER



VCL 200 PAGE 759

PROJECT: SUNRIVER MOUNTAIN VILLAGE ARCHITECT: ZAIK / MILLER / BUTLER  
(name, address) WEST, PHASE I  
Sunriver, Oregon ARCHITECT'S PROJECT NUMBER: 318

TO (Owner)

Sunriver Properties, Inc.  
Sunriver Center  
Sunriver, Oregon 97401

CONTRACTOR: E. E. Steinlicht Construction  
CONTRACT FOR: Units 1-5

CONTRACT DATE: July 20, 1972

DATE OF ISSUANCE: October 26, 1973

PROJECT OR DESIGNATED AREA SHALL INCLUDE: Ranch Cabin units 1-5, Mountain  
Village West, Sunriver, Oregon.

The Work performed under this Contract has been reviewed and found to be substantially complete. The Date of Substantial Completion is hereby established as May 18, 1973, which is also the date of commencement of all warranties and guarantees required by the Contract Documents.

**DEFINITION OF DATE OF SUBSTANTIAL COMPLETION**

The Date of Substantial Completion of the Work or designated portion thereof is the Date certified by the Architect when construction is sufficiently complete, in accordance with the Contract Documents, so the Owner may occupy the Work or designated portion thereof for the use for which it is intended.

A list of items to be completed or corrected, prepared by the Contractor and verified and amended by the Architect, is appended hereto. The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

ZAIK / MILLER / BUTLER

ARCHITECT

BY

Saul Zalk

10/26/73  
DATE

The Contractor will complete or correct the Work on the list of items appended hereto within  
from the above Date of Substantial Completion.

days

E. E. STEINLICHT CONST. CO.  
CONTRACTOR

BY

E. E. Steinlicht

10-31-73  
DATE

The Owner accepts the Work or designated portion thereof as substantially complete and will assume full possession thereof  
at (time) on (date).

SUNRIVER PROPERTIES, INC.

OWNER

BY

Ed Smith

10/31/73  
DATE

The responsibilities of the Owner and the Contractor for maintenance, heat, utilities and insurance shall be as follows:  
(NOTE — Owner's and Contractor's legal and insurance counsel should determine and review insurance requirements and coverage)

# CERTIFICATE OF SUBSTANTIAL COMPLETION

AIA DOCUMENT G704

OWNER  
ARCHITECT  
CONTRACTOR  
FIELD  
OTHER

VOL 200 PAGE 760

PROJECT: SUNRIVER MOUNTAIN VILLAGE ARCHITECT: ZAIK / MILLER / BUTLER  
(name, address) WEST, Sunriver, Oregon  
PHASE II ARCHITECT'S PROJECT NUMBER: 318

TO (Owner)

Sunriver Properties, Inc.  
Sunriver Center  
Sunriver, Oregon 97401

CONTRACTOR: E. E. Steinlicht Construction  
CONTRACT FOR: Units 6-39

CONTRACT DATE: December 29, 1972

DATE OF ISSUANCE: October 31, 1973

PROJECT OR DESIGNATED AREA SHALL INCLUDE: Ranch Cabin units 6-39, Mountain  
Village West, Sunriver, Oregon

The Work performed under this Contract has been reviewed and found to be substantially complete. The Date of Substantial Completion is hereby established as **October 31, 1973**, which is also the date of commencement of all warranties and guarantees required by the Contract Documents.

## DEFINITION OF DATE OF SUBSTANTIAL COMPLETION

The Date of Substantial Completion of the Work or designated portion thereof is the Date certified by the Architect when construction is sufficiently complete, in accordance with the Contract Documents, so the Owner may occupy the Work or designated portion thereof for the use for which it is intended.

A list of items to be completed or corrected, prepared by the Contractor and verified and amended by the Architect, is appended hereto. The failure to include any items on such list does not alter the responsibility of the Contractor to complete all Work in accordance with the Contract Documents.

ZAIK / MILLER / BUTLER  
ARCHITECT

BY

Saul Zalk

10/31/73  
DATE

The Contractor will complete or correct the Work on the list of items appended hereto within  
from the above Date of Substantial Completion.

E. E. STEINLICHT CONST. CO.  
CONTRACTOR

BY

E. E. Steinlicht

10-31-73  
DATE

The Owner accepts the Work or designated portion thereof as substantially complete and will assume full possession thereof  
at (time) on (date).

SUNRIVER PROPERTIES, INC.  
OWNER

BY

Neil Smith

10/31/73  
DATE

The responsibilities of the Owner and the Contractor for maintenance, heat, utilities and insurance shall be as follows:  
(NOTE — Owner's and Contractor's legal and insurance counsel should determine and review insurance requirements and coverage)



10109

STATE OF OREGON  
County of Deschutes

I hereby certify that the within instrument of writing was received for Record the 8 day of Nov A.D. 1923 at 5:45 o'clock P M., and recorded in Book 200 on Page 740 Records of Deschutes

ROSEMARY PATTERSON  
County Clerk

By Anna L. L. L. Deputy



11140

10109

VOL 201 PAGE 367

VOL 200 PAGE 740

DECLARATION SUBMITTING PHASES 1 AND 2 OF RANCH CABINS  
TO OREGON UNIT OWNERSHIP LAW

THIS DECLARATION, pursuant to the provisions of the Oregon Unit Ownership Law, is made and executed this 31st day of October, 1973 by SUNRIVER PROPERTIES, INC., an Oregon corporation, hereinafter called "the Developer."

Developer proposes to create a leasehold condominium to be known as "Ranch Cabins" which will be a part of Mountain Village, Sunriver, in Deschutes County, Oregon. Accordingly, Developer has subjected Ranch Cabins to the Plan of Sunriver and annexed Ranch Cabins to Mountain Village. Developer is the lessee of the property included within Ranch Cabins pursuant to a lease dated March 1, 1973 in which Sunriver Lands, Inc. is the lessor. Such lease has a term of 65 years, expiring on February 28, 2038 and contains an option to purchase anytime between March 1, 2008 and the end of the term.

The purpose of this declaration is to submit Developer's leasehold estate in Phases 1 and 2 of Ranch Cabins to the condominium form of ownership and use in the manner provided by the Oregon Unit Ownership Law.

NOW, THEREFORE, Developer does hereby declare and provide as follows:

1. Definitions. When used herein the following terms shall have the following meanings:

1.1 "The Lease" shall mean that certain lease dated

11140

INDEX

STATE OF OREGON

County of Deschutes

I hereby certify that the within instrument of writing was received for Record the 3 day of Nov, A.D. 1973 at 11:30 o'clock AM, and recorded in Book 201 on Page 367 Records of Deschutes

ROSEMARY PATTERSON

County Clerk

By James R. [Signature] Deputy

CONDOMINIUM DECLARATION APPROVED  
OREGON REAL ESTATE DIVISION

DATE 11-28-73

96-46050

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

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.

Ridgeline  
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Sunrise Or 97707

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 26<sup>th</sup> day of July, 1996.

ASSOCIATION OF UNIT OWNERS OF  
RANCH CABINS

By: 

President

By: 

Secretary

(ACKNOWLEDGEMENT ON FOLLOWING PAGE)

432 - 1245

STATE OF OREGON

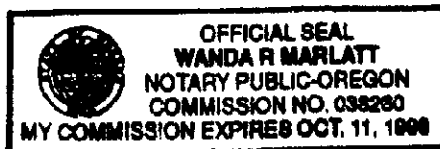
County of Deschutes

) ss.

July 26, 1996

Personally appeared before me the above-named Colin Stadel and Joanna Bins, 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. 96-16050 FEE 20-  
DESCHUTES COUNTY OFFICIAL RECORDS