

SUPPLEMENTAL DECLARATION SUBMITTING
PHASE II OF CAMP ABBOT HANGARS
TO OREGON CONDOMINIUM ACT

THIS DECLARATION, purusant to the provisions of the Oregon Condominium Act, is made and executed this 15th of October, 1985 by Jack Billings and Gregory Ross, ("Declarant").

By document recorded on August 24, 1981 entitled Declaration Submitting Phase I of Camp Abbot Hangars to Oregon Condominium Act, former Declarant, Rolf Olson, P.C., created a leasehold condominium known as Camp Abbot Hangars, which is located in Sunriver, Oregon, Deschutes County, the State of Oregon.

On the 13th day of March, 1985 former Declarant, Rolf Olson, P.C., and the Declarant herein, Jack Billings and Greg Ross, entered into an agreement, a copy of which is attached hereto, marked Exhibit A, whereby Rolf Olson, P.C. assigned to Jack Billings and Greg Ross all rights of Rolf Olson, P.C., under the original Declaration heretofore mentioned including all real property leasehold interests and the right to annex additional property.

The purpose of this Supplemental Declaration is to submit Phase II of Camp Abbot Hangars to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act and to annex Phase II to Camp Abbot Hangars.

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

ARTICLE I

DEFINITIONS

When used in this declaration the following terms shall have the following meanings:

1.1 "Plans" mean the plat and floor plans of Phase II of Camp Abbot Hangars recorded simultaneously with the recording of this declaration.

1.2 Incorporation by Reference. Except as otherwise provided in this declaration, each of the terms defined in ORS 94.004, a part of the Oregon Condominium Act, and in the State I Declaration shall have the meanings set forth in such section and instrument.

1.3 "Phase I Declaration" means the Declaration Submitting Phase I of Camp Abbot Hangars to Oregon Unit Ownership Law recorded August 24, 1981 in Deschutes County, Oregon in book 346, on page 327 of the Deed Records.

1.4 "Lease" means all leases attached to and incorporated by reference in the original Phase I Declaration of Abbot Hangars and subsequent assignments and amendments thereto. The subsequent assignment of said leasehold interests is Exhibit A and the subsequent amendments are attached hereto, marked Exhibit B, and by this reference made a part hereof.

II

SUBMISSION OF PROPERTY TO CONDOMINIUM STATUTE

2.1 The property submitted to the Oregon Condominium Act by this declaration is held by Declarant and conveyed by Declarant in leasehold estate pursuant to the terms of the Lease. The land submitted is located in the development known as Sunriver, Deschutes County Oregon, and is more particularly described in the attached plat, marked Exhibit C. The property submitted included the land so described, all buildings, improvements and structures, all easements, rights and appurtenances, and all personal property located on, belonging to or used in connection with such land. The legal description is attached as Exhibit C-1.

III

UNITS

3.1 General Description of Buildings. Phase II contains one building. The building contains one story, without basement and is of metal construction.

3.2 Phase II consists of a total of ^{13 (thirteen)} ~~xxxxxxx~~ units. The dimensions designation and location of each unit is shown in the plans, marked Exhibit D, and made a part of this Declaration as is fully set forth herein. The square footage area of each unit is shown on the attached Exhibit E.

3.3 Boundaries of the Units. Each unit shall be bounded by the interior surfaces of its perimeter and bearing walls, floors, ceilings, doorframes, trim, and the exterior surfaces of walkdoors and the overhead bifold door. The unit shall include all materials constituting any part of its finished surfaces and the air space so encompassed. All other portions of the walls, floors or ceilings shall be a part of the common elements. In addition, each unit shall include all outlets of utility service lines within the boundaries of the unit, but shall not include any part of such lines or ducts themselves.

IV

GENERAL COMMON ELEMENTS

The general common elements consist of the following:

4.1 The land, taxiways, driveways, grounds and parking areas.

4.2 Pipes, ducts, flues, shoots, conduits, wires and and other utility installations to their outlets.

4.3 Roofs, foundations, bearing walls, perimeter walls, beams, columns and girders to the interior surfaces thereof.

4.4 All other elements of the buildings and the property necessary or convenient to their existence, maintenance and safety or in common use, except as may be expressly designated in this Declaration as a part of a unit.

V

LIMITED COMMON ELEMENTS

There are no limited common elements.

VI

ALLOCATION OF UNDIVIDED INTERESTS IN COMMON ELEMENTS

Each unit will be entitled to an undivided ownership interest in the 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 shown as the attached Exhibit E.

VII

COMMON PROFITS AND EXPENSES; VOTING

7.1 Allocation of Common Profits and Expenses. The common profits derived from and the common expenses of the common elements shall be distributed and charged to the owner of each unit according to the allocation of undivided interest of such unit in the common elements.

7.2 Allocation of Voting Rights. Each unit owner shall be entitled to one vote in the affairs of the Association and for the purpose of this Declaration for each unit owned by him. The method of voting shall be as specified in the Bylaws.

VIII

SERVICE OF PROCESS

The name of the person to receive service of process for any matters relating to ~~Phase I~~ Phase II of Camp Abbot Hangars is Bradley D. Fancher, 40 N.W. Greenwood, Bend, Oregon 97709-1151.

XIV

USE OF PROPERTY; LEASE OBLIGATIONS

9.1 Use of Property. Each unit is to be used for the storage of aircraft and for the storage of such equipment and apparatus as may be incidental or necessary to the storage of aircraft, including motor vehicles. Additional limitations on use are contained in the lease, the Bylaws and the Rules and Regulations adopted pursuant to the Bylaws. Each unit owner shall be

bound by each of such documents, including the obligation to pay rent as provided in the lease.

9.2 Allocation of Lease Obligations. This condominium is a leasehold condominium. the conveyance by unit deed of a unit and a percentage interest in the common elements is a partial assignment of the Declarant's rights under the lease as that lease relates to the unit and to the associated percentage interest in the common elements. All responsibilities of the Declarant for rent or other obligations under the lease are first apportioned on the basis of square footage between portions of the leased premises submitted to unit ownership and those portions of the leased premises not submitted to unit ownership. Rent and other obligations apportioned to property to unit ownership are allocated amongst unit owners on the basis of their percentage interest in the common elements. By accepting a unit deed, a unit owner accepts and agrees to fulfill his allocable portion of these obligations for the remainder of the term of the lease and any extension or renewal thereof. Each unit owner shall indemnify and hold the Declarant and Association harmless from any loss, costs, damage or liability arising from that unit owner's failure to pay or perform his allocable portion of obligations under the lease.

As it affects portions of the lease premises which are submitted to unit ownership, the exercise of an option to extend the lease, the execution of a new lease or the change in a term of the lease shall require the consent of 75% of the voting rights, present in person or by proxy, at a meeting called for such purpose and at which a quorum is constituted. The Board of Directors of the Association shall act as agent of individual unit owners in connection with the exercise of the option to extend or negotiation of any of the foregoing matters. Except as to property submitted to unit ownership, the Declarant retains all Declarant's rights under the lease, including but not limited to the right to execute extension thereof or options contained therein and to negotiate changes to the lease.

X

MAINTENANCE OF COMMON ELEMENTS

10.1 Responsibility for Maintenance. The necessary work to maintain repair or replace the common elements shall be the responsibility of the Board of Directors of the Association, and shall be carried out as provided in the Bylaws.

10.2 Mortgagees Rights Upon Failure to Maintain. If the mortgagee of any unit determines that the Board of Directors is not providing an adequate maintenance, repair and replacement program for the common elements, such mortgagee, at its option, may deliver a notice to the Board of Directors, setting forth the particular defect which it believes exists in the maintenance, repair and replacement program. If the specified defects are not corrected within 90 days subsequent to the receipt of such notice, then the mortgagee, upon written notice to the Board of Directors, that it is exercising its proxy rights, shall have the right to

attend succeeding annual or special meetings of the Association and to cast a vote for each unit on which it holds a mortgage on all business coming before such meeting. Such proxy rights shall continue until the defects listed on the notice are correct.

XI

EASEMENTS

11.1 In General. Each unit has an easement in and through each other unit and the common elements for all support elements and utility, wiring, and service elements, and for reasonable access thereto, as required to effectuate and continue proper operation of the condominium. In addition, each unit and all the common elements are specifically subject to easements as required for the electrical wiring for each unit. The specific mention or reservation of any easement in this Declaration does not limit or negate the general easement for common elements reserved by law.

11.2 Encroachments. Each unit and all common elements shall have an easement over all adjoining units and common elements for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting, or movement of any portion of the property, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching units so long as the encroachments shall exist, and the rights and obligations of owners shall not be altered in any way by the encroachment. Such encroachments shall not be construed to be encumbrances affecting the marketability of title to any unit.

11.3 Granting of Easements by Association. The Association of unit owners, upon prior approval of 75% of the voting power of the unit owners, may execute, acknowledge, deliver and record on behalf of the unit owners easements, rights-of-way, licenses, and similar interests affecting the general common elements. Any such instrument shall be executed by the chairman and secretary of the Association.

11.4 Right of Entry. A unit owner shall grant the right of entry to the Board of Directors of the Association, managing agent, manager or any other person authorized by the Board of Directors in the case of any emergency originating in or threatening his unit or other condominium property, whether or not the owner is present at the time. A unit owner shall also permit such persons to enter his unit for the purpose of performing installations, alterations or repairs to any common element and for the purpose of inspection to verify that the unit owner is complying with the restrictions and requirements described in this Declaration and the Bylaws provided that requests for entry are made in advance and that such entry is at a time convenient to the owner.

11.5 Easements for Declarant. Declarant and Declarant's agents, successors and assigns shall have an easement over and upon the common elements for the purpose of constructing, completing or making repairs to existing structures and carrying

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out sales and rental activities necessary or convenient for the sale or rental of units, including without limitation, the right to use the units owned by Declarant as model units and the right to use a unit as a sales office.

11.6 Reservation of Easements for Future Development. Declarant hereby reserves (a) easements reasonably necessary for the construction of additional phases of the condominium, provided Declarant restores any damage to the general common elements resulting from such construction; (b) a non-exclusive easement for ingress and egress over all taxiways and driveways within the condominium, and over such portion of the vacant land as may be necessary to connect roads with such taxiways and driveway system; (c) an easement for the maintenance and use of all existing utility lines and systems within the condominiums; and (d) an easement for the installation, maintenance and use of new utility lines and systems upon the general common element land of the condominium, provided Declarant restores any damage to the general common elements resulting from such installation or maintenance. Such easements shall be for the benefit of and shall run with the ownership of the entire remainder of the proposed project site, and each and every portion thereof, whether or not such property is annexed to the condominium.

XII

APPROVAL BY MORTGAGEES

In addition to any other approvals required by the Oregon Condominium Act, this Declaration or the Bylaws, the prior written approval of two-thirds of the holders of first mortgages on units in the condominium (based upon one vote for each first mortgage owner), or unit owners (other than Declarant) must be obtained for the following:

12.1 Abandonment or termination of the condominium regime.

12.2 Except as provided in the original Declaration, Section 15, any change in the prorata interest or obligations of any individual unit for (a) purpose of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards, or (b) determining the prorata share of ownership of each unit in the common elements.

12.3 the partition or subdivision of any unit.

12.4 Abandonment, partition, subdivision, encumbrance, sale or transfer of the common elements. the granting of easements for public utilities or for other public purposes consistent with the intended use of the common elements by the condominium project shall not be deemed a transfer within the meaning of this cause; or

12.5 Use of hazard insurance proceeds for losses to any condominium property, whether to units or to common elements, for other than the repair, replacement or reconstruction of such

improvements, except as provided by statute in cases of substantial loss to the units and/or common elements of the condominium project.

XII

ADOPTION BY REFERENCE

13.1 Except as otherwise expressly provided in this document, each of the provisions of the Phase I Declaration of Camp Abbot Hangars shall be applicable to Phase II of Camp Abbot Hangars.

13.2 This adoption by reference includes all matters pertaining to the Association of unit owners, organization of such Association, membership, powers and duties of the Association and Directors, adoption of Bylaws, appointment of interim board and designation of manager.

13.3 This adoption by reference shall also include references to the original plan of development.

13.4 Any relocation of boundaries shall be in accordance with the provisions of the Declaration of Phase I of Camp Abbot Hangars. Said provisions are hereby incorporated by reference herein.

XIV

GENERAL PROVISIONS

14.1 Severability. Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

14.2 Gender. This Declaration in the singular shall be construed to mean the plural when applicable, and the necessary grammatical changes required to make provisions apply equally, either to corporations or individuals, men or women, shall in all cases be assumed as though in each case fully expressed.

14.3 Amendments. Except as may otherwise be provided in this Declaration or by the Oregon Condominium Act, this Declaration may be amended if such amendment is approved by unit owners holding 75% of the voting rights of the condominium. Declarant's written consent shall also be required until annexation of the last phase of the condominium and so long as Declarant owns 25% or more of the units of the last phase of the condominium. Except as provided in the Declarations of Phase I of Camp Abbot Hangars, no amendment may change the size, location, allocation of undivided interests in the common elements, share of common profits or expenses, or voting rights of any unit unless such amendment has been approved by the owners and mortgagees of the the affected unit.

Any amendment hereto shall be effective upon records 7

of the Declaration as amended or of the amendment thereto, certified to by the Chairman and Secretary of the Association and approved by the County Assessor, and the Real Estate Commissioner (if such approval is required under the Oregon Condominium Act), in the Deed Records of Deschutes County, the State of Oregon.

14.4. Supplemental Declaration. Declarant has the absolute right to supplement the Declaration and/or the Supplemental Declaration, Phase I and Phase II Camp Abbott Hangars and does not need the approval of any of the unit owners to do so, provided said Supplement or Supplements pertain only to the adding of additional Phases as outlined in the Plan of Development.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 15 day of OCTOBER, 1985.

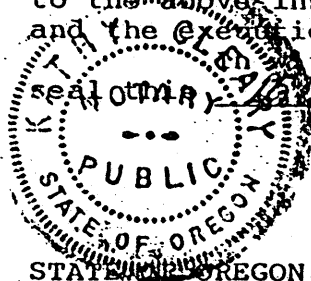
JACK BILLINGS

GREG ROSS

STATE OF OREGON)

County of Deschutes)

On this date, before me, a notary public in and for said County, personally came the above-named JACK BILLINGS, who is personally known to me to be the person whose name is affixed to the above instrument, and he acknowledged the said instrument and the execution thereof to be his voluntary act and deed. In witness whereof, I hereunto set my hand and official seal this 15 day of October, 1985.



Kathy Cleary
Notary Public for Oregon

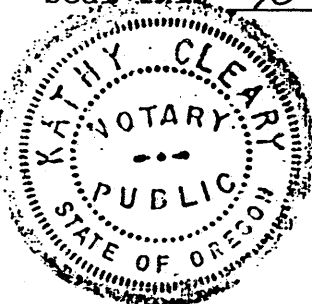
My Commission Expires: 8-18-89

STATE OF OREGON)

County of Deschutes)

On this date, before me, a notary public in and for said County, personally came the above-named GREG ROSS, who is personally known to me to be the person whose name is affixed to the above instrument, and he acknowledged the said instrument and the execution thereof to be his voluntary act and deed.

In witness whereof, I hereunto set my hand and official seal this 15th day of October, 1985.

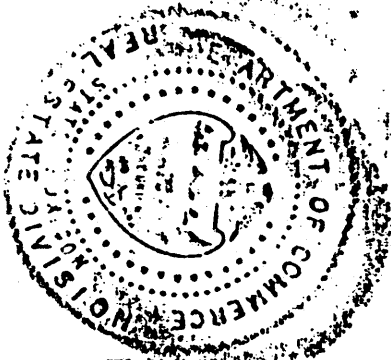


Kathy Cleary
Notary Public for Oregon

My Commission Expires: 8-18-89

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The foregoing Declaration is approved this 27th
day of November, 1985.



Morella Larsen
Real Estate Commissioner

By Stan F. Mayhew

The foregoing Declaration is approved this 27th
day of November, 1985.

Deane B. Bratton
Assessor and Tax Collector

Deane B. Bratton by Joan Retz
Assessor and Tax Collector for
Deschutes County