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CONDOMINIUM DECLARATION

FOR

THE RIDGE CONDOMINIUM

A Staged Condominium

88-14595

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PROPOSED  
CONDOMINIUM DECLARATION  
FOR  
THE RIDGE CONDOMINIUM

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This Declaration submits to the provisions, restrictions and limitations of the Oregon Condominium Act, land hereinafter described and all improvements now existing or to be constructed on such property, to be known as THE RIDGE CONDOMINIUM.

Recitals, Intent and Purpose

Wiergate Corporation ("Declarant"), is owner in fee simple of the property described hereinbelow, and desires to submit said property to the condominium form of ownership, to be converted, handled and used in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE,

Declaration

Declarant hereby declares on behalf of itself, its successors, grantees and assigns, as well as to any and all persons having, acquiring or seeking to have or acquire any interest of any nature whatsoever in and to any part of the property as follows:

1. DEFINITIONS. Except as otherwise provided or modified by this Section, the terms herein shall have the meaning set forth in the Oregon Condominium Act, ORS 94.004 et seq., and said statute and definitions are incorporated herein by this reference. As used in this Declaration and in the Bylaws, the following terms shall have the following meanings:

"Mortgage," "Mortgagee" and "Mortgagor" mean, respectively, a recorded first mortgage, first trust deed or first contract of sale which creates a first lien against a unit, and the holder, beneficiary or vendor of such a mortgage, trust deed or contract of sale, but only when such holder, beneficiary or vendor notifies the Association in writing of the existence of such mortgage and gives the current name and mailing address of such holder.

"Unit" means the airspace encompassed by the undecorated interior surface of the perimeter walls, floors and ceilings which is owned in

fee simple by each unit owner and which is more specifically described in Section 3.2 of this Declaration.

2. LAND DESCRIPTION. The land hereby being submitted to the Oregon Condominium Act is located in the County of Deschutes, State of Oregon and is more particularly described on Exhibit "A."

3. NAME AND UNIT DESCRIPTION.

3.1 Name. The name by which the property submitted hereunder and subsequently annexed shall be known is THE RIDGE CONDOMINIUM.

3.2 Boundaries of Units. Each unit shall be bounded by the interior surfaces of its perimeter walls, floors, ceilings, and trim. The units shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of its finished surfaces and the exterior surfaces so described. All other portions of the walls, floors or ceilings shall be a part of the common elements. In addition, each unit shall include the following:

(a) All spaces, nonbearing interior partitions, windows, window frames, exterior doors, door frames, and all other fixtures and improvements within the boundaries of the unit; and

(b) All outlets of utility service lines, including, but not limited to, power, light, gas, hot and cold water, heating, refrigeration, air conditioning and waste disposal within the boundaries of the unit, but shall not include any part of such lines or ducts themselves.

In interpreting deeds, mortgages, deeds of trust and other instruments for any purpose whatsoever or in connection with any matter, the existing physical boundaries of the unit or of a unit reconstructed in substantial accordance with the original plans hereof shall be conclusively presumed to be the boundaries regardless of settling, rising or lateral movement of the building and regardless of variances between boundaries as shown on the plat and those of the actual building or buildings.

3.3 Building Description and Unit Designation. The land submitted by this Declaration has two buildings thereon in which eight units are located. The condominium buildings, which are two-story, wood frame construction on concrete foundations with cedar siding and cedar shake roofs, contain eight units. The vertical and horizontal boundaries, number designation, location and dimension of each unit are shown on the plat being recorded simultaneously with this Declaration.

The allocation to each unit in Stage I of an undivided interest in the common elements was determined by dividing the sum of the approximate floor space of all units into the approximate floor space of each respective unit.

The unit designation, approximate area and percentage ownership in common elements in Stage I is as follows:

Unit No.	Approximate Area*	Percentage Ownership in Common Elements as of Stage I
7	1260 sq. ft.	12.5%
8	1260 sq. ft.	12.5%
9	1260 sq. ft.	12.5%
10	1260 sq. ft.	12.5%
11	1260 sq. ft.	12.5%
12	1260 sq. ft.	12.5%
13	1260 sq. ft.	12.5%
14	1260 sq. ft.	12.5%

\* The approximate area of each unit has been computed with the information presently available to the Declarant and without having made actual physical measurements. The Declarant believes that the figures set forth above are reasonably accurate. Prior to recording of the final Declaration, the Declarant will cause measurements to be taken by a physical inspection. The Declarant will adjust the figures for the approximate area above if the physical measurements show substantial differences.

3.4 Description of Staged Development. The Declarant proposes to develop the condominium in several stages with the maximum number of units, maximum number of stages, the additional common elements, minimum allocation of undivided interest in the common elements and election dates as follows:

(a) The maximum number of units to be included in the condominium development is forty-six (46).

(b) The maximum number of stages in the development, including the initial stage, is thirteen (13).

(c) The additional general common elements to be annexed at each stage of development shall include the portion of the condominium buildings not included within a unit or a limited common element and the land and landscaping. The Declaration is reserving the right to construct and annex a swimming pool, whirlpool-spa, cabana and one or more tennis courts and a building, facility or room for house maintenance and housekeeping operations as a part of the common elements in future stages.

(d) The Declarant is reserving the right to construct units of different floor plans with either larger or smaller floor areas. However, the exterior style of the buildings will be compatible with those of Stage I. In all events, the minimum allocation of undivided interest in the common elements of each unit in Stage I upon completion of the development will not be less than as follows:

<u>Unit No.</u>	<u>Approximate Area</u>	<u>Minimum Percentage Ownership in Common Elements as of Stage</u>
7	1260 sq. ft.	1.3393
8	1260 sq. ft.	1.3393
9	1260 sq. ft.	1.3393
10	1260 sq. ft.	1.3393
11	1260 sq. ft.	1.3393
12	1260 sq. ft.	1.3393
13	1260 sq. ft.	1.3393
14	1260 sq. ft.	1.3393

The method used to establish allocation of undivided interest in the common elements will be based upon the square footage of each unit expressed as a percentage of the sum of the square footage in all units in the condominium at each such respective stage of development.

(e) The Declarant shall have until seven (7) years after this Declaration is recorded to annex the property in subsequent stages. All annexations shall be effected, if at all, by Declarant's execution and recordation of one or more Supplemental Condominium Declarations.

(f) The land which is annexed with units of subsequent stages need not be contiguous to the land of Stage I.

(g) Nothing in this Declaration or the Bylaws shall oblige the Declarant to develop any additional units or to annex any additional land that may be planned for development or annexation to the Condominium. All references in this Declaration and the Bylaws to subsequent development are permissive, not mandatory, and no such reference shall constitute a representation or warranty that such subsequent development will actually, in fact, occur. The Declarant reserves all rights of ownership and control with respect to any additional property it may own, including without limitation, the right to hold, transfer, encumber and develop such property as the Declarant may determine.

#### 4. GENERAL COMMON ELEMENTS.

4.1 Definition. The general common elements consist of all portions of the condominium not part of a unit or a limited common element, including, but not limited to the following:

- (a) The land;
- (b) The foundations, columns, girders, beams, supports, bearing walls, main walls, roofs, halls, corridors, lobbies, stairs, fire escapes, entrances and exits of the building(s);

(c) The basements, yards, gardens, recreational facilities, parking areas and outside storage spaces;

(d) Installations of central services, such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, waste disposal and incinerators, up to the outlets within any units;

(e) The tanks, pumps, motors, fans, compressors, ducts and, in general, all apparatus and installations existing for common use; and

(f) All other elements of any building necessary or convenient to its existence, maintenance and safety, or normally in common use.

4.2 Maintenance, Repair and Replacement; Liability for Common Expense. Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the general common elements shall be a common expense, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an owner, his invitee, guest or servant shall be repaired by the Association at such owner's sole cost and expense. Common expenses shall be assessed and apportioned among the owners as set forth in Section 10.6 below.

4.3 Income From General Common Elements. All income derived from any coin-operated vending machines and/or any other income derived from the general common elements shall be income of the Association. In its discretion, the Board of Directors may use such income to help meet the expense of maintaining the common elements or for such other purpose as may benefit the Association and the Unit Owners in a substantially equal manner.

5. LIMITED COMMON ELEMENTS. The following shall constitute limited common elements, the use of which shall be restricted to the units to which they pertain:

5.1 Definitions.

(a) Each of the patios and/or decks [and storage areas] is a limited common element appertaining to the unit which it adjoins as shown on the plat.

(b) Each of the parking spaces is a limited common element appertaining to the unit bearing the corresponding numeration as shown on the plat.

5.2 Maintenance, Repair and Replacement of Limited Common Elements. Except as otherwise specifically provided in this Declaration, the cost of maintenance, repair and replacement of the limited common elements shall be a common expense, and the performance of such work shall be the responsibility of the Association, except that any damage caused by the negligence or intentional act of an owner, his invitee, guest or servant shall be repaired by the Association at such owner's sole cost and expense. Common expenses shall be assessed and apportioned among the owners as set forth in Section 10.6 below.



6. PARKING.

6.1 Limited Common Element Parking. Each unit has a parking space appertaining to it as a limited common element, as more particularly set forth in Section 5 of this Declaration.

6.2 General Common Element Parking. Any unnumbered or undesignated parking spaces are general common elements and shall be available for the use of the owners and their guests. The general common element parking shall be used in accordance with rules and regulations promulgated by the Board of Directors.

7. VOTING. The owner or Co-Owners of each unit shall be entitled to one vote per unit. "Majority" or "Majority of Unit Owners" shall mean the owners of more than fifty percent (50%) of the voting rights allocated to the units by the Declaration. The calling and conducting of meetings of the Association of Unit Owners and the exercise of voting rights shall be controlled by Articles II and III of the Bylaws.

8. USE OF PROPERTY.

8.1 General. Each unit is to be used for residential and vacation purposes only. The common elements shall be used for the furnishing of services and facilities for the enjoyment of the unit owners. Additional restrictions and regulations are set forth in the Bylaws and rules or regulations adopted pursuant to the provisions of the Bylaws.

8.2 Rules and Regulations Promulgated by the Association. The Board of Directors shall have the authority from time to time to promulgate such rules and regulations as the Board may deem in the best interest of the Association. No person shall use the common elements or any part thereof in any manner contrary to or inconsistent with such rules and regulations. Without in any manner intending to limit the generality of the foregoing, the Board of Directors shall have the right, but not the obligation, to promulgate rules and regulations limiting the use of the common elements to the members of the Association and their respective families, guests, invitees and servants. Such use may be conditioned upon, among other things: (a) the payment by the unit owner of assessments for common expenses and such other assessments or fees as may be established by the Association for the purpose of defraying the costs associated with the use of such common elements; and (b) the observance by the unit owner, his guests, invitees and servants, of the Declaration, Bylaws and the Association's rules and regulations.

8.3 Fractional Interests/Co-Ownership of Units. No unit may be divided into more than five (5) undivided interests. An undivided interest in a unit may be held by not more than two individuals. If the interest is held by a partnership, corporation, trust or other entity (other than an estate pending distribution of the estate assets), not more than two individuals who are partners, shareholders or beneficiaries of such partnerships, corporations or trusts shall be entitled to the use and possession of the unit in which the interest is held.

The Co-Owners may agree among themselves on any formal or informal agreement or arrangement for sharing occupancy of the unit as they in their discretion shall decide. Occupancy of the unit also may be extended by a Co-Owner to such Co-Owner's guests and invitees. A unit shall not be made available for rental without the unanimous agreement of all Co-Owners of such unit.

All Co-Owners of a unit shall be jointly and severally responsible for any damage to the common elements caused by occupants of their unit. The Co-Owners may agree among themselves that any damage caused by an individual Co-Owner's guests or invitees shall be repaired or constructed at the sole expense of such individual Co-Owner. All Co-Owners shall be jointly and severally responsible for complying with this Declaration, the Bylaws, and the rules, regulations and policies adopted by the Association or its Board of Directors. Any remedies available to the Association may be taken against each and all of the Co-Owners.

Provided, however, the Co-Owners may agree among themselves that the individual Co-Owner who is occupying the unit, or whose guests or invitees are occupying the unit, at the time the damage or violation occurred shall indemnify, defend and hold the other Co-Owners harmless from all fines, penalties, damages, claims, suits, actions, and/or other remedies sought or affirmed by the Association against the Co-Owners.

9. CONTRACTS AND LEASES. All contracts or leases (including any management contract) which are entered into prior to the turnover meeting shall be terminable without penalty by the Association or the Board of Directors upon not less than thirty (30) days' written notice to the other party by the Association given not later than sixty (60) days after the turnover meeting. Provided, however, any such contracting or leasing party may request the Association to affirm the continuation of any such agreement for the balance of its stated term. Affirmation by the Association after transfer of control shall extinguish all termination rights of the Association under this Section.

#### 10. BYLAWS; ASSOCIATION; MANAGEMENT.

10.1 Adoption of Bylaws. In behalf of the Association, the Declarant hereby adopts the Bylaws attached hereto as Exhibit "B" to govern the administration of the condominium. The Bylaws shall be effective upon the execution and recording of this Declaration.

10.2 Association of Unit Owners; Membership. Each owner of a unit in the condominium shall be a member of the Association, and membership therein shall be limited to unit owners only. The Association of Unit Owners, which shall be organized upon the recording of the Declaration and Bylaws, shall serve as a means through which the unit owners may take action with regard to the administration, management and operation of the condominium. The Association of Unit Owners shall be an unincorporated association. Nothing in this Declaration, however, shall preclude the Association from electing to incorporate under the nonprofit corporation laws of the State of Oregon upon majority vote. The Association shall operate under the name THE RIDGE CONDOMINIUM

ASSOCIATION. If the Association is subsequently incorporated, the name of the Association shall include the complete name of the condominium and shall be as close to the present name as is possible.

10.3 Management; Board of Directors. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws. The Board of Directors shall elect officers consisting of a chairman, secretary and treasurer. Pursuant to the provisions of the Bylaws and the Oregon Condominium Act, the Board of Directors may adopt administrative rules and regulations governing details of the operation, maintenance and use of the condominium property. The Board of Directors may contract with a professional manager or management firm to manage the affairs of the Association.

10.4 Interim Board and Officers. The Declarant has reserved control over the administration of the Association by reserving the right in the Bylaws to appoint an interim Board of Directors to manage the condominium until the turnover meeting. The turnover meeting shall be held within ninety days after conveyance to persons other than the Declarant of 75% of the units in the last stage of the condominium or seven (7) years from the date of conveyance of the first unit in the condominium, whichever is earlier. The three (3) members of the interim board shall also serve as the interim chairman, secretary and treasurer.

10.5 Powers and Duties of the Association. The Association and the Board of Directors shall have the powers and duties granted to them by this Declaration, any applicable Supplemental Condominium Declaration, the Bylaws, and ORS 94.146(4) together with other provisions of the Oregon Condominium Act.

10.6 Covenant to Pay Assessments; Liability for Common Expense. Each owner hereby covenants to pay to the Association annual assessments for common expenses as more fully provided in the Bylaws. No owner may avoid liability for assessments by abandonment of his unit or non-use of the common elements. Except as otherwise provided in this Declaration or the Bylaws, each unit will be liable for the common expense in equal proportion, excepting for fire and casualty insurance (which shall be shared in proportion to the amount of coverage placed on each unit), and the funding of the replacement reserves which shall be apportioned among the units based upon each unit's percentage ownership in the common elements.

10.7 Delegation. Nothing in this Declaration shall be construed to prohibit the Association or the Board of Directors from delegating to persons, firms or corporations of its choice the performance of such duties as may be imposed upon the Association or the Board of Directors by this Declaration, the Bylaws, Association rules or regulations, or applicable law.

11. SERVICE OF PROCESS. The name of the person to receive service of process in cases provided in Subsection 1 of ORS 94.280 is Bill Futrell, whose address in Deschutes County is Sunriver Village Mall, Sunriver, Oregon.

12. MORTGAGEES. In the event of a conflict between this Section 12 and other provisions of this Declaration or any Supplemental Condominium

Declaration, the provisions of this Section 12 will prevail. The terms "mortgage", "mortgagor" and "mortgagee" are defined in Section 1 of this Declaration.

12.1 Notice of Action. Upon written request to the Association identifying the name and address of the mortgagee, and the unit number or address, any mortgagee will be entitled to timely notice of:

- (a) Any condemnation loss or any casualty loss which affects a material portion of the condominium or any unit on which there is a mortgage held, insured, or guaranteed by such mortgagee;
- (b) Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a mortgage, insured or guaranteed by such mortgagee, which remains uncured for a period of sixty (60) days;
- (c) Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association;
- (d) Any proposed action which would require the consent of a specified portion of mortgagees as set forth in this Section 12.

12.2 Mortgagee Exempt from Certain Restrictions. Any mortgagee which comes into possession of the unit pursuant to the remedies provided in the mortgage, or foreclosure of the mortgage, or deed (or assignment) in lieu of foreclosure, shall be exempt from any "right of first refusal" or other restriction on the sale or rental of the mortgaged unit, including but not limited to, restrictions on the age of unit occupants and restrictions on the posting of signs pertaining to the sale or rental of the unit.

12.3 Subordination of Association Lien to Mortgage/Discharge of Lien Upon Foreclosure. The lien of the Association shall be subordinate to a mortgage. Any mortgagee which comes into possession of the unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments or charges against the mortgaged unit which accrue prior to the time such mortgagee comes into possession of the unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to all units, including the mortgaged unit).

12.4 Professional Management. Upon written request of the mortgagees holding at least fifty-one percent (51%) of the mortgages on units in the condominium, the Board of Directors shall employ a professional manager to manage the affairs of the Association. Any agreement for professional management shall provide that the management contract may be terminated for cause on thirty (30) days' written notice. After such mortgagees' request, the Association may not terminate professional management and assume self-management of the condominium without the prior written approval of the mortgagees holding fifty-one percent (51%) of the mortgages on units in the condominium. Additionally, if professional management has previously been required by any mortgagee, any such decision to establish self-management shall require prior

consent of the owners of units to which sixty-seven percent (67%) of the votes in the Association are allocated.

12.5 Consent of Mortgagees to Change Percentage Ownership in Common Elements. The unit owners may not reallocate the percentage interest in the common elements attributable to any unit without prior approval of mortgagees holding fifty-one percent (51%) of the mortgages on units in respect to which the percentage ownership is proposed to be altered. Nothing in this Section 12.5 shall be construed to give the owners, the Association, or the Board of Directors any specific authority to alter such percentage ownership, and if any attempt is made to do so, full compliance shall be made with the Declaration, any applicable Supplemental Condominium Declaration, the Bylaws and the Oregon Condominium Act.

12.6 Consent of Mortgagees Required to Terminate Project. Except with respect to termination of the condominium as a result of destruction, damage or condemnation, any termination of the condominium shall require the approval of mortgagees holding fifty-one percent (51%) of the mortgages on units in the condominium. Additionally, any such terminations shall be carried out by the owners pursuant to provisions of the Declaration, any applicable Supplemental Condominium Declaration, Bylaws and the Oregon Condominium Act, and only after vote of the owners as provided therein.

12.7 Limited Right of Amendment. Except upon the approval of mortgagees who hold fifty-one percent (51%) of the mortgages on units in the condominium, no amendments may be made to the Declaration or Bylaws which add to or amend any material provision of the Declaration or Bylaws which establish, provide for, govern or regulate any of the following:

- (a) Voting;
- (b) Assessments, assessment liens or subordination of liens;
- (c) Reserves for maintenance, repair and replacement of the common elements (or units, if applicable);
- (d) Insurance or fidelity bonds;
- (e) Rights to use of the common elements;
- (f) Responsibility for maintenance and repair of the several portions of the condominium;
- (g) Expansion or contraction of the condominium, or the addition, annexation or withdrawal of property to or from the condominium;
- (h) Boundaries of any unit;
- (i) The interests in the general or limited common elements;
- (j) Convertibility of units into common elements, or of common elements into units;

(k) Leasing of units;

(l) Imposition of any right of first refusal or similar restriction on the right of a unit owner to sell, transfer or otherwise convey his or her unit; and

(m) Any provisions which are for the express benefit of mortgagees.

The provisions of this paragraph are intended only to be a limitation on the right of the unit owners, Board of Directors and Association to amend the Declaration and Bylaws, and are not intended to give any such parties any specific rights to effect any amendments. Any such amendments to the Declaration or Bylaws shall be made only upon full compliance with the provisions of the Declaration and Bylaws of the condominium and the Oregon Condominium Act relating to the procedure and percentage of votes required for such amendment. An addition or amendment to the Declaration or Bylaws shall not be considered material so as to require the consent or approval of mortgagees, if it is for the purpose of correcting technical errors or if it is for clarification only.

12.8 Request for Approval of Mortgagees. Any mortgagee who receives a written request to approve additions or amendments to the Declaration or Bylaws, or to any other action to be taken by the Board of Directors, Association or unit owners, shall be considered to have given such approval unless a negative response is delivered or posted by such mortgagee within thirty (30) days after such request is received.

12.9 Proxy Held by Mortgagee in Certain Cases. A mortgagee may attend a meeting of the Association of Unit Owners and may cast the vote of the mortgagor of said unit for the purpose of voting to paint or otherwise maintain the common elements. Provided, however, such right shall arise only in the event the mortgagee reasonably believes that the Association of Unit Owners has failed to maintain the common elements in sufficient manner to prevent excessive wear and tear.

12.10 Right to Examine Documents. The Association shall make available to unit owners and lenders and to mortgagees current copies of the Declaration, Bylaws, other rules concerning the condominium, and the books, records and financial statements of the Association.

12.11 Right to Annual Reports. Upon request of the holders of at least fifty-one percent (51%) of the mortgages on units in the Condominium, such requesting mortgage holders shall be entitled to have an audited financial statement prepared at their expense if such statement is not otherwise available. The Association, its officers and directors and manager (if any), shall cooperate with such mortgage holder and their auditors to facilitate the necessary auditing and review process. Such financial statement shall be furnished within a reasonable time following request.

12.12 Right to Receive Written Notice of Meetings. Upon request, the Association of Unit Owners shall give all mortgagees written notice of all

meetings of the Association, and such mortgagees shall be permitted to designate a representative to attend all such meetings.

12.13 List of Mortgagees. The Association shall maintain at all times a list of mortgagees who have made any written request pursuant to any provision of Section 12 of this Declaration, their names, addresses, the units and mortgagors affected, and the matters with respect to which such mortgagees have requested notice.

13. AMENDMENTS TO DECLARATION. Except where a larger vote is required by law, this Declaration may be amended from time to time by consent or approval of the unit owners holding seventy-five percent (75%) or more of the voting rights as otherwise set forth in this Declaration. Provided, however, no amendment of this Declaration reducing or eliminating the right of any mortgagee shall be made without the prior written consent of all such mortgagees.

13.1 Declarant's Approval Required. Declarant's prior written consent shall be required for any amendment to the Declaration until the earlier of the conveyance to owners other than the Declarant of seventy-five percent (75%) or more of the units in the last stage in the condominium, or seven (7) years after conveyance of the first unit in the condominium. Provided, however, even after such time, no amendment may limit or reduce any of the Declarant's special rights, whether reserved herein or otherwise provided by law. Except with respect to permitted Supplemental Condominium Declarations annexing additional property to the condominium, no amendment may change the size, location, percentage interest in the common elements, method of determining liability for common expenses, right to common profits or voting power of any unit(s) unless such amendment has been approved by the owners of the affected unit(s) and the mortgagees of such unit(s).

13.2 Recordation. An amendment to the Declaration shall be effective upon recordation in the Deed Records of Deschutes County, certified to by the chairman and secretary of the Association and approved by the County Assessor and the Real Estate Commissioner.

13.3 Supplemental Declarations. At the Declarant's sole option, the Declarant may execute and record such Supplemental Condominium Declaration(s) consistent with Section 3.4 above as the Declarant may choose, without requiring the consent or approval of the Board of Directors, the Association, the unit owners, or any mortgagee(s).

14. SUBDIVISION. No unit may be subdivided into divisions of any nature.

15. AUTHORITY TO GRANT EASEMENTS, RIGHTS-OF-WAY, LICENSES AND OTHER SIMILAR INTERESTS.

15.1 General. The Association shall have the authority to execute, acknowledge, deliver and record on behalf of the unit owners, easements, rights-of-way, licenses and other similar interests affecting the general common elements. The granting of any such interest shall first be approved by at least

seventy-five percent (75%) of the unit owners. The instrument granting any such interest shall be executed by the chairman and secretary of the Association and acknowledged in the manner provided for acknowledgment of such instruments by such officers and shall state that such grant was approved by at least seventy-five percent (75%) of the unit owners.

15.2 Utility Easements; Dedications. Anything in this Declaration to the contrary notwithstanding, the Declarant shall have the right to execute, deliver and record on behalf of the Association and the unit owners such documents as may be required in order to grant easements, rights of way and licenses over the common elements for the installation, maintenance and repair of public utilities serving the condominium or adjacent property. The Declarant shall also have the right to execute, deliver and record on behalf of the Association and the unit owners such deeds and other documents as may be required to convey, dedicate, or to grant such easements, rights of way or licenses over common elements, as may be required by any government or governmental agency in order to complete development of the condominium. In order to effect the intent of this Section 15.2, each unit owner, by acceptance of a deed or contract to a unit whether or not it shall be expressed in such deed or contract for himself and his successors in interest, irrevocably appoints Bill Futrell of Sunriver, Oregon, or his nominee, as his lawful attorney-in-fact for the purpose of executing any and all documents required or permitted to be executed hereunder.

16. DECLARANT'S SPECIAL RIGHTS. The Declarant shall have the following special rights:

16.1 Sales Office and Model. The Declarant shall have the right to maintain a sales or rental office and a sales or rental model in one or more of the units which the Declarant owns. The Declarant and prospective purchasers and their agents shall have the right to park automobiles in the parking area on the common elements and to use and occupy the sales office and models during reasonable hours any day of the week.

16.2 "For Sale" Signs. The Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the condominium property.

16.3 No Capital Assessments Without Consent. Neither the Association nor the Board of Directors shall make any assessments for new construction, acquisition or otherwise without the prior written consent of the Declarant, as long as the time period for annexing units has not expired or as long as the Declarant owns the greater of two units or five percent (5%) of the total number of units in the condominium. Nothing contained in this Section 16.3 shall be construed as a limitation on the Declarant's obligation to pay assessments for common expenses on units owned by the Declarant pursuant to requirements of the Oregon Condominium Act.

16.4 Common Element Maintenance By The Association. The Association shall maintain all common elements in a clean and attractive manner. Should the Association fail to do so, the Declarant may perform such maintenance at the expense of the Association.



16.5 Declarant's Easements. The Declarant, its agents and employees, shall have an easement on and over the common elements for the completion of any portion of the condominium, including the furnishing and decoration of any unit, sales office or model and the right to store materials on the common elements at reasonable places and for reasonable lengths of time.

16.6 Other Declarant Rights. The rights reserved to the Declarant in this Section 16 shall in no way limit any other special Declarant rights the Declarant may have, whether pursuant to the Oregon Condominium Act or otherwise. Upon the expiration of any or all special Declarant rights, the Declarant will have the same rights as any other owner in the condominium in respect to such ownership.

16.7 Assignment of Declarant's Rights. The Declarant shall have the right to assign any and all of its rights, including without limitation Declarant's special rights as set forth in Section 16 hereof, or to share such rights with one or more other persons exclusively, simultaneously, or consecutively.

16.8 Expiration of Declarant's Special Rights. Unless otherwise provided, the Declarant's special rights reserved in this Section 16 shall expire upon the conveyance by the Declarant of the last unit owned by the Declarant or seven (7) years after conveyance of the first unit in the condominium, whichever is earlier.

17. RIGHT TO MAKE ADDITIONS TO COMMON ELEMENTS. The Declarant is reserving the right to construct a swimming pool, whirlpool-spa, cabana and one or more tennis courts, a maintenance and housekeeping building, room or facility and annex them as a part of the common elements in subsequent stages of the condominium.

#### 18. GENERAL PROVISIONS.

18.1 Interpretation. The rights and obligations of all members of the Association and any person dealing with the Association or any of its members in respect to matters pertaining to the Declaration, any Supplemental Condominium Declaration and Bylaws shall be interpreted and governed by the laws of the State of Oregon.

18.2 Severability. Each provision of the Declaration, any Supplemental Condominium Declaration and Bylaws is independent and severable. The invalidity or partial invalidity of any provision thereof shall not affect any of the remaining portions of that or any other provision of this Declaration, any Supplemental Condominium Declaration or the Bylaws.

18.3 Waiver of Rights. The failure of the Association, Board of Directors, an officer or a unit owner to enforce any right, provision, covenant or condition of the Declaration and Bylaws shall not constitute a waiver of the right of any such party to enforce such right, provision, covenant or condition in the future.

18.4 Legal Proceedings. Failure to comply with any of the terms of the Declaration, any Supplemental Condominium Declaration, Bylaws and any rules or regulations adopted thereunder shall be grounds for relief which may include, without intending to limit the same, an action to recover money due, damages or a suit for injunctive relief, to foreclose a lien, or any combination thereof. Relief may be sought by the Association, Board of Directors, an officer, a professional manager or management firm, or, if appropriate, by an aggrieved unit owner.

18.5 Costs and Attorneys' Fees. In any proceeding arising because of alleged default by a unit owner, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorneys' fees as may be determined by the trial court in any trial or by the appellate court in any appeal thereof.

18.6 Compliances. Each unit owner shall comply with the Declaration, any Supplemental Condominium Declaration and Bylaws and with the administrative rules and regulations adopted thereunder, and with all other applicable covenants, conditions and restrictions of record. Failure to comply therewith shall be grounds for suit or action maintainable by the Association or any unit owner in addition to other sanctions which may be provided by the Bylaws or by any existing administrative rules and regulations.

18.7 Conflicting Provisions. In the event of a conflict between or among the Declaration, Bylaws and any administrative rules and regulations, the provisions of the Declaration shall be paramount to the Bylaws and the rules and regulations, and the Bylaws shall be paramount to the rules and regulations. For purposes of this section, the term "Declaration" shall include all amendments and Supplemental Declarations, and the term "Bylaws" shall include all amendments.

18.8 Section and Paragraph Captions. Section and paragraph captions are not a part hereof unless the context otherwise requires. In construing this Declaration, it is understood that if the context so requires, the singular pronouns shall be taken to mean and include the plural, the masculine, feminine and neuter, and that generally, all grammatical changes shall be made, assumed and implied to make the provisions hereof apply equally to individuals, trusts, estates, personal representative, trustees and corporations.

IN WITNESS WHEREOF, the undersigned fee owner of the subject property has caused this Declaration to be executed this 10<sup>th</sup> day of June, 1988.

WIERGATE CORPORATION

By

Cathleen E. Londahl  
Cathleen E. Londahl  
Its Attorney-in-Fact

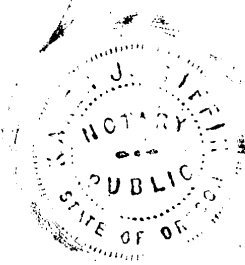
STATE OF OREGON

County of Deschutes

} ss. June 10<sup>th</sup>, 1988

Personally appeared Cathleen E. Londahl, who, being duly sworn, did say that she is the Attorney-in-Fact of Wiergate Corporation, and that the foregoing instrument was signed in behalf of said corporation by authority of its Board of Directors; and she acknowledged said instrument to be its voluntary act and deed.

BEFORE ME:



Karen A. Tiffin  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 7/19/88

## EXHIBIT "A"

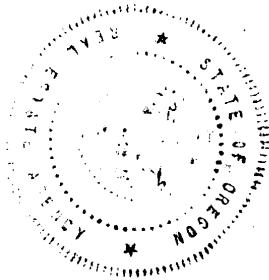
## THE RIDGE CONDOMINIUM

A portion of Tract A, Mountain Village East V, a subdivision of record in the Southeast one-quarter of Section 32, Township 19 South, Range 11 East, Willamette Meridian, Deschutes County, Oregon, more particularly described as follows:

Beginning at the initial point of this plat, said point being the most southerly point of said Tract A; thence North  $60^{\circ} 14' 13''$  West on the South line of said Tract A, 150.34 feet; thence North  $26^{\circ} 30' 29''$  East, leaving said South line, 250.06 feet; thence South  $63^{\circ} 30' 13''$  East, 228.11 feet to a point on the East line of said Tract A, said point also being on the West right-of-way line of Beaver Drive; thence on said Tract right of-way line the following course: South  $38^{\circ} 00' 00''$  West, 196.15 feet; thence on the arc of a 100-foot radius curve to the right, 50.62 feet, the long chord bears South  $52^{\circ} 30' 09''$  West, 50.08 feet; thence on the arc of a 400.72 foot radius curve to the left, 27.38 feet, the long chord bears South  $65^{\circ} 3' 09''$  West, 27.37 feet to the point of beginning, containing 1.17 acres, more or less.

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The foregoing Declaration and Bylaws are approved pursuant  
to ORS 94.036 this 6th day of July, 1988.



MORELLA LARSEN  
Real Estate Commissioner

By

*Stan F. Mayfield*

STATE OF OREGON ) ss.  
COUNTY OF DESCHUTES )

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:

88 JUL -7 PM 3:28

MARY SUE PENHOLLOW  
COUNTY CLERK

BY: *P. Leach* DEPUTY

NO. 88-14595 FEE 105-

DESCHUTES COUNTY OFFICIAL RECORDS