



AFTER RECORDING, RETURN TO:

Karen Smith
Resort Resources, Inc.
PO Box 1466
Bend, OR 97709

**SUPPLEMENT TO DECLARATION OF
PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS
AND EASEMENTS
FOR THE RIDGE AT EAGLE CREST**

Delegation of Powers to The Falls Owners Association

THIS SUPPLEMENT TO DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR THE RIDGE AT EAGLE CREST (this "**Delegation Declaration**") is dated as of November 1, 2002 (the "**Effective Date**"), by **EAGLE CREST, INC.**, an Oregon corporation ("**Declarant**"), and **THE RIDGE AT EAGLE CREST OWNERS ASSOCIATION**, an Oregon nonprofit corporation ("**the Master Association**"), in favor of **THE FALLS OWNERS ASSOCIATION**, an Oregon nonprofit corporation (the "**Project Association**").

Recitals

A. Declarant is the declarant of the Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Ridge at Eagle Crest recorded June 5, 1996 in the Records of Deschutes County, Oregon, as Document No. 96-20423 (the "**Master Declaration**"). Master Association is the association of the owners established pursuant to the Master Declaration.

B. The Falls is a Project within The Ridge at Eagle Crest established pursuant to the Amended and Restated Declaration Annexing Phase 1 of The Falls to The Ridge at Eagle Crest, recorded June 4, 1998, as Document No. 98-23450; Declaration Annexing Phase 2 of The Falls to The Ridge at Eagle Crest, recorded May 24, 1999, as Document No. 99-25616; Declaration Annexing Phase 3 of The Falls to The Ridge at Eagle Crest, recorded May 18, 2000, as Document No. 2000-19580; Declaration Annexing Phase 4 of The Falls to The Ridge at Eagle Crest, recorded October 3, 2001, as Document No. 2001-48713; Declaration Annexing Phase 5 of The Falls to The Ridge at Eagle Crest, recorded December 27, 2001, as Document 2001-64035; and Declaration Annexing Phase 6 of The Falls to The Ridge at Eagle Crest, recorded May 22, 2002, as Document No. 2002-27934; and any further declarations

annexing additional phases to The Falls, as the same may be amended or supplemented (collectively, the "**Project Declaration**").

C. Pursuant to Section 6.11 of the Project Declaration, Declarant has established The Falls Owners Association as a Project Association by filing the Articles of Incorporation of The Falls Owners Association and recording the Initial Bylaws of The Falls Owners Association on November 1, 2002, in the Records of Deschutes County, Oregon, as Document No. 2002-61058.

D. Pursuant to Section 6.11 of the Project Declaration, Declarant and Master Association wish to delegate to The Falls Owners Association certain of the duties, powers and responsibilities of the Master Association under the Master Declaration as they pertain to The Falls. Such delegation shall become effective as of the Effective Date.

Delegation of Powers

1. **Covenants and Restrictions.** Master Association hereby delegates to the Project Association the power to monitor and enforce all of the covenants and restrictions applicable to The Falls under Sections 5 and 6 of the Project Declaration; provided, however, that Master Association shall retain the powers, along with the Project Association, to independently enforce on its own behalf the covenants and restrictions contained in the Master Declaration and made applicable to The Falls pursuant to Section 5 of the Project Declaration. In addition, the Architectural Review Committee established under the Master Declaration shall retain the exclusive architectural review powers established under Article 8 of the Master Declaration with respect to The Falls, and Master Association shall retain the exclusive power to enforce the restrictions on parking and street obstructions contained in Section 7.7 of the Master Declaration.

2. **Easements.** Declarant, Master Association, the Master Association Architectural Review Committee, Project Association and the Project Declarant designated under the Articles of Incorporation of the Project Association ("**Project Declarant**") shall all share the easements established under Sections 5.2 and 4.5 of the Master Declaration as they pertain to The Falls.

3. **Policies and Procedures.** Master Association hereby delegates to the Project Association the power to adopt, modify or revoke policies and procedures pertaining to The Falls, provided that such policies and procedures are consistent with and do not conflict with, the Master Association Policies and Procedures. Master Association shall continue to have the power to adopt, modify or revoke Policies and Procedures applicable to all of The Ridge at Eagle Crest, including The Falls.

4. **Project Common Areas.** Master Association hereby delegates to the Project Association the responsibility for owning, operating, repairing and maintaining the Project Common Areas of The Falls.

5. **Project Assessments.** Master Association hereby delegates to Project Association the responsibility for levying, assessing, collecting and enforcing the payment of Project Assessments for The Falls for the purposes of carrying out the powers and responsibilities of the Project Association as delegated to it pursuant to this Delegation

Declaration or as authorized by the Articles of Incorporation of Project Association, including, without limitation, maintaining, repairing and replacing the Project Common Areas (including reserves for the same) enforcing the Project Declaration, Articles of Incorporation and Bylaws of the Project Association and Project Association Policies and Procedures. Master Association shall retain the power to levy, assess, collect and enforce Master Association Assessments with respect to the Lots within The Falls, other than those Assessments pertaining to matters delegated to Project Association pursuant to this Delegation Declaration or any subsequent Delegation Declaration.

6. **Delivery of Funds and Documents.** Prior to the Effective Date, the Master Association shall convey to Project Association fee title to any Project Common Areas owned by Master Association and shall deliver to Project Association all funds and documents in possession of Master Association pertaining to those matters delegated to Project Association pursuant to this Delegation Declaration.

7. **Retained Powers.** Master Association shall retain all duties, powers and responsibilities under the Master Declaration not expressly delegated to Project Association by this Delegation Declaration or any subsequent Delegation Declaration, including, without limitation, those powers under Sections 9.12 and 10.5 of the Master Declaration to perform the duties of the Project Association if the Project Association fails to do so itself.

EAGLE CREST, INC., an Oregon corporation

By Joel E. Andres
Its President

THE RIDGE AT EAGLE CREST OWNERS
ASSOCIATION, an Oregon nonprofit corporation

By Jim Zantley
Its PRESIDENT

STATE OF OREGON)
)ss.
County of Deschutes)

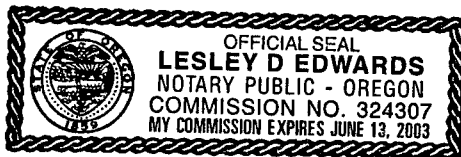
The foregoing instrument was acknowledged before me this 24th day of September, 2002, by Terol E. Andrus, President of Eagle Crest, Inc., an Oregon corporation, on its behalf.



Karen L. Smith
Notary Public for Oregon
My commission expires: 10-17-2004

STATE OF OREGON)
)ss.
County of Deschutes)

The foregoing instrument was acknowledged before me this 14th day of November, 2002, by Stuart Woolley, President of The Ridge At Eagle Crest Owners Association, an Oregon nonprofit corporation, on its behalf.



Lesley D. Edwards
Notary Public for Oregon
My commission expires: 6/13/2003