

FIRST AMENDMENT TO BROOKS RESOURCES DECLARATION  
ESTABLISHING THE SKI HOUSE CONDOMINIUM SECTION

The Brooks Resources Declaration Establishing the Ski House Condominium Section and submitting it to the Mt. Bachelor Village Charter and the Oregon Unit Ownership Law recorded July 15, 1974 in Volume 208, Page 401, and re-recorded July 25, 1974 in Volume 208, Page 972, Deed Records, Deschutes County, Oregon, is hereby amended as follows:

1. Section 8.1 of the Declaration is hereby amended to read as follows:

Amendment and Repeal. This Declaration may be amended or repealed or any provision may be added by unit owners owning 75 percent of the units within Ski House Condominium Section consenting in writing. This Declaration may not be amended so as to remove it from under the provision of the charter except as provided in Section 3 of the Charter.

In addition to the above requirements and except for the amendments to this Declaration or the Bylaws for termination of the property made as a result of destruction, damage, or condemnation, the approval of eligible mortgage holders holding mortgages on at least 67 percent of units subject to eligible mortgage holder mortgages shall be required to terminate the legal status of the property as a condominium or to add or amend any material provisions of the declaration or bylaws which establish, provide for, govern or regulate any of the following: voting, assessments, assessment liens or subordination of such liens, reserves for maintenance, repair and replacement of common areas (or units, if applicable), insurance or fidelity bonds, rights to use of the commons areas, responsibility for maintenance and repair of several portions of the property, expansion or contraction of the property or the addition and annexation or withdrawal of real or personal property to or from the property, boundaries of any unit, the interest in the general limited common areas, convertibility of units in the common areas or of common areas into units, leasing of units, 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,

-1- AMENDMENT

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and any provisions which are or for the express benefit of mortgage holders, eligible mortgage holders, or eligible insurers or guarantors of first mortgages on units.

For purposes of the foregoing paragraph, an addition or amendment to such documents shall not be considered material if it is for the purpose of correcting technical errors, or for clarification only. An eligible mortgage holder who receives a written request to approve additions or amendments who does not deliver or propose to the requesting party a negative response within 30 days shall be deemed to have approved such request.

2. Section 1 of the Declaration is hereby amended by adding a new paragraph 1.13 to read as follows:

1.13 Eligible mortgage holder means a holder of the first mortgage on a unit who has requested notice of certain matters from the association of unit owners in accordance with Section 803.08M of the FMNA Conventional Home Mortgage Selling Contract Supplement.

3. A new Section 18 of the Declaration is hereby adopted to read as follows:

Section 18. Damage or Destruction. If one or more of the buildings within the property are damaged, destroyed or partially condemned, the board of directors shall immediately proceed to rebuild and restore the building or buildings so damaged, destroyed or partially condemned so that the same will be returned to substantially the same condition in which the building or buildings existed prior to such damage, destruction, or partial condemnation. Each unit and the general and limited common elements shall have substantially the same vertical and horizontal boundaries as before, unless at least 90 percent of all the unit owners, plus eligible mortgage holders holding mortgages on at least 51 percent of the units which are subject to eligible mortgage holder mortgages, agree that the property shall not be rebuilt and restored. If the property is to be rebuilt and restored and the insurance proceeds be insufficient to rebuild and restore, the unit owners shall be liable for assessment for any deficiency as a common expense. If 90 percent of all the unit owners agree that the property shall not be rebuilt or restored, the property shall be considered removed from

-2- AMENDMENT

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the provisions of the Oregon Condominium Act in accordance with ORS 94.306. Any election to terminate the legal status of the property after substantial destruction or a substantial taking in condemnation of the property shall require the approval of eligible mortgage holders holding mortgages on at least 51 percent of units subject to eligible mortgage holder mortgages.

The Association of Unit Owners, through a trustee appointed for such purpose, shall represent the unit owners in any condemnation proceedings or in negotiations, settlements and agreements with the condemning authority for acquisition of the common areas or part thereof. In the event of a taking or acquisition of part or all of the common areas by a condemning authority, the award or proceeds of settlement shall be payable to the Association of Unit Owners, or any trustee, for the use and benefit of the unit owners and their mortgagees as their interests may appear.

Upon written request to the Association of Unit Owners, identifying the name and address of the holder, insurer or guarantor and the unit number or address, any such eligible mortgage holder or eligible insurer or guarantor shall be entitled to timely written notice of:

- a. Any condemnation loss or any casualty loss which affects a material portion of the property or any unit on which there is a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, as applicable;
- b. Any delinquency in the payment of assessments or charges owed by an owner of a unit subject to a first mortgage held, insured or guaranteed by such eligible mortgage holder or eligible insurer or guarantor, which remains uncured for a period of 60 days;
- c. Any lapse, cancellation or material modification of any insurance policy or fidelity bond maintained by the Association of Unit Owners;
- d. Any proposed action which would require the consent of a specified percentage of eligible mortgage holders as specified herein.

4. Section 5.6 of the Declaration is hereby amended to read as follows:

-3- AMENDMENT

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Section 5.6. Insurance. The Association of Unit Owners, by and through the board of directors, shall obtain and keep in effect at all times insurance coverage as specified in the Bylaws.

The board of directors shall not be responsible for procuring fire and extended coverage insurance covering the furniture, fixtures, equipment, or contents located in the individual units.

The insurance obtained by the Association of Unit Owners, by and through the board of directors, as required by this section shall be a common expense.

DATED this 15<sup>th</sup> day of December, 1986.

ASSOCIATION OF UNIT OWNERS OF  
SKI HOUSE CONDOMINIUM SECTION

By: Dennis B. McKenna  
President

By: Mary C. Barnes  
Secretary

The President and Secretary of the Association of Unit Owners of Ski House Condominium Section, hereby certify that the above amendments to the Brooks Resources Corporation Declaration Establishing the Ski House Condominium Section and submitting it to the Mt. Bachelor Village Charter and the Oregon Unit Ownership Law recorded July 15, 1974 in Volume 208, Page 401, and re-recorded July 25, 1974 in Volume 208, Page 972, Deed Records,

-4- AMENDMENT

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not less than 75% of all of the owners of units within the condominium.

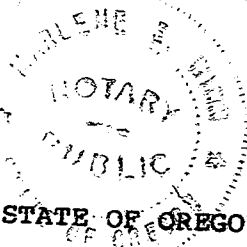
ASSOCIATION OF UNIT OWNERS OF  
SKI HOUSE CONDOMINIUM SECTION

By: Dennis W. McKenna  
President

By: Mary C Baines  
Secretary

STATE OF OREGON, County of Deschutes, ss.

The foregoing instrument was acknowledged before me this 10th day of December, 1986, by Dennis W. McKenna President of the Association of Unit Owners Of Ski House Condominium Section.



NOTARY PUBLIC FOR OREGON  
My Commission Expires: 3/4/87

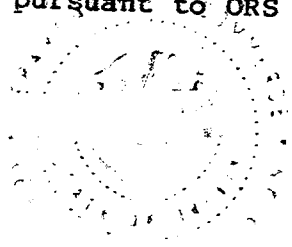
Merrily J. Ferabee  
NOTARY PUBLIC-OREGON  
My Commission Expires 3/4/87

STATE OF OREGON, County of multnomah Deschutes, ss.

The foregoing instrument was acknowledged before me this 17th day of December, 1986, by Mary C Baines Secretary of the Association of Unit Owners Of Ski House Condominium Section.

Marlene E. Davis  
NOTARY PUBLIC FOR OREGON  
My Commission Expires: 1/13/88

The foregoing Amendments to the Declaration are hereby approved pursuant to ORS 94.152 this 20th day of January, 1987.



MORELLA LARSEN  
Real Estate Commissioner

BY Alberta Raethke

-5- AMENDMENT

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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:

1987 JAN 23 PM 3:38

MARY SUE PENHOLLOW  
COUNTY CLERK

BY. P. L. Lick DEPUTY

NO. 87- 1433 FEE 21-  
DESCHUTES COUNTY OFFICIAL RECORDS