

SR: PLAN II
3/12/76RECIPROCAL EASEMENT AGREEMENT

THIS RECIPROCAL EASEMENT AGREEMENT is created by SUNRIVER PROPERTIES, INC., an Oregon corporation (hereinafter called "Properties") as of this 24 day of June, 1976, with and for the benefit of the persons referred to herein.

RECITALS:

This Agreement is entered into upon the basis of the following facts, understandings and intentions:

- A. Properties is the owner of fee title to all that certain real property (the "Property") more particularly shown and described on that certain planning map entitled Sunriver, Phase II, (the "Phase II Plan Map") adopted by and on file with the County of Deschutes, State of Oregon, (excepting that portion thereof owned by the United States and administered by the Department of Agriculture, U.S. Forest Service).
- B. Properties is the developer of an existing recreational, resort, residential, and commercial project known as Sunriver. All of the property located within Sunriver is held, conveyed, occupied, used, maintained, and controlled pursuant to the terms of a document creating covenants running with the land and equitable servitudes entitled Plan of Sunriver (the "Phase I Plan"), dated June 20, 1968, which was recorded in the Deed of Records of the County of Deschutes, State of Oregon, in Volume 159 at Page

198. The Phase I Plan has been supplemented from time to time by recordation of additional declarations which subject various portions of the property described in the Plan to additional covenants and restrictions in connection with activation of the Plan as to said properties. The Properties from time to time made subject to the Phase I Plan, pursuant to Section 2 thereof shall be referred to herein as "Sunriver Phase I".

C. Properties desires to undertake development activity in Sunriver Phase II in a manner compatible with development in Sunriver Phase I. Because Properties is required to establish an entity which will have the right to govern and control Sunriver Phase II in a manner and on a basis different than the arrangements for government and control of Sunriver Phase I under the Phase I Plan, Properties intends to subject Sunriver Phase II to the terms of a Plan different only in the respects pertaining to government and control but otherwise substantially identical to the Phase I Plan, said Plan being referred to herein as the "Phase II Plan." To protect against the possibility that the entity responsible for government and control of Sunriver Phase II may represent interests divergent from those interests represented by the entity governing and controlling Sunriver Phase I, and to require that, notwithstanding any such divergences or differences, the common areas, utility installations, roads and recreational facilities in the respective phases of Sunriver shall be available for use on the same terms for the benefit of the owners of interests in each phase (their guests, invitees

and licensees on the same terms and conditions), and to assure an equitable arrangement for assessments, Properties desires to establish reciprocal easements, covenants, and conditions applicable to Sunriver Phase I and Sunriver Phase II in order to achieve the foregoing objective.

NOW, THEREFORE, Properties declares and establishes the following as a plan for reciprocal easement and covenants between landowners, to run with the land and to be binding upon and inure to the benefit of the successors and assigns of Properties, the owners of any part of Sunriver Phase I and Sunriver Phase II, or any part thereof or interest therein, pursuant to a plan for enhancement of the value of the respective properties and improving the usefulness thereof, it being the intent of Properties to have Sunriver Phase I and Sunriver Phase II operate with respect to the matters hereinafter set forth as a single, unitary project.

1. ~~Easements Appurtenant to Sunriver Phase I.~~
Sunriver Phase II shall be subject to easements appurtenant to Sunriver Phase I, allowing non-exclusive use of all common areas, private ways, roads, trails, pedestrian rights-of-way, bicycle paths, semi-public recreational or service areas, and utility installations within Sunriver Phase II, to the same extent and upon the same basis as the right to use said facilities, improvements, areas and ways is available to and reserved for the benefit of the owners of lots or property within Sunriver Phase II. The easement herein reserved is intended to and shall be construed so as to grant to owners of lots or property within Sunriver Phase

I, or any part thereof or interest therein, a right of use with respect to the interests and properties from time to time made a part of Sunriver Phase II, on the same basis and to the same extent as those rights are possessed by the owners or holders of comparable interests in Sunriver Phase II on a non-discriminatory basis. The easement rights herein conferred are created for the benefit of the owners of lots and properties in Sunriver Phase I, their lessees, tenants, licensees, invitees, and guests, to be exercised and used on the same basis as said rights may be used and exercised by the lessees, tenants, licensees, invitees, and guests of an owner of lots or properties within Sunriver Phase II, subject to all of the limitations applicable to such use and rules, regulating the same as applied on a non-discriminatory basis.

2. EASEMENTS APPURTENANT TO SUNRIVER PHASE II.

Sunriver Phase I shall be subject to easements appurtenant to Sunriver Phase II, allowing non-exclusive use of all common areas, private ways, roads, trails, pedestrian rights-of-way, bicycle paths, semi-public recreational or service areas, and utility installations within Sunriver Phase I to the same extent and upon the same basis as the right to use said facilities, improvement areas, and ways as available to and reserved for the benefit of the owners of lots or property within Sunriver Phase I. The easement herein reserved is intended to and shall be construed so as to grant to owners of lots or property within Sunriver Phase II, or any part thereof or interest therein, a right to use with respect to the interest and properties from time to

also made a part of Sunriver Phase I on the same basis and to the same extent as those rights are possessed by the owners or holders of comparable interests in Sunriver Phase I on a non-discriminatory basis. The easement rights herein conferred are created for the benefit of the owners of lots and properties in Sunriver Phase II, their lessees, tenants, licensees, invitees, and guests, to be exercised and used on the same basis as said rights may be used and exercised by the lessees, tenants, licensees, invitees, and guests of an owner of lots or properties within Sunriver Phase I, subject to all of the limitations applicable to such use and rules, regulating the same as applied on a non-discriminatory basis.

3. No Restraints Upon Use. The private ways, trails, bicycle paths, utilities, and semi-public recreational and service areas, subject to the easements conferred in paragraphs 1 and 2 above, shall be maintained in good condition and repair by the owners thereof to fulfill the purposes of the easements; and there shall be no restrictions imposed upon use or enjoyment thereof, nor shall any portion thereof be obstructed or rendered inoperative, except to the extent necessary to effectuate needed repairs or as otherwise provided in the Phase I Plan and Phase II Plan. Nothing herein contained shall be deemed to prevent the set aside of certain facilities or areas pursuant to the Phase I Plan so long as any such set aside or restriction is made pursuant to a legitimate purpose of the Plans (such as to provide for limited recreational facilities available to the owners of a particular village

of condominium project), and so long as any such arrangement shall not discriminate between or create classes of right of use based upon the division between Sunriver Phase I and Sunriver Phase II.

4. Maintenance, Replacement, and Operation

Obligations. The respective entity or agency responsible for maintenance, repair, replacement and operation of the facilities and improvements subject to the easements created pursuant to Paragraphs 1 and 2 within Phase I and Phase II shall undertake such burdens for the benefit of the owners of the rights created pursuant to Paragraphs 1 and 2 above.

5. Payment and Assessment For Right To Use

Facilities. The owner of each unit (as that term is defined in the Phase II Plan) located within Sunriver Phase II, shall pay to the responsible body in Sunriver Phase II an amount to be paid over to the responsible body in Sunriver Phase I equal to that portion of the assessment then being levied by the responsible body in Sunriver Phase I against the unit owners in that phase representing the cost of maintenance, repair, replacement, and operation of the lands, common areas, and improvements referred to in Paragraph 2 above.

The owner of each unit (as that term is defined in the Phase I Plan), located within Sunriver Phase I shall pay to the responsible body in Sunriver Phase I an amount to be paid over to the responsible body in Sunriver Phase II, equal to that portion of the assessment then being levied by the responsible body in Sunriver Phase II against the unit owners in that phase, representing the cost of maintenance,

repair, replacement, and operation of the lands, common areas and improvements referred to in Paragraph 1 above.

Said amounts shall be assessed, collected, and paid over monthly in the same manner as is provided in each of the phases of Sunriver with respect to collection and payment of assessments, and the amount thereof shall be added to the assessments, enforceable by a lien against the unit to which they are subject.

6. Successors and Assigns. The terms, covenants, and conditions herein contained shall run with the land and be binding upon and inure to the benefit of the successors and assigns of the parties hereto. The provisions hereof are intended to run with the land as equitable servitudes and as running covenants.

7. Interpretation. The provisions hereof shall be interpreted in a manner which facilitates joint use of the property, facilities, and improvements described in Paragraphs 1 and 2 to facilitate and harmonize the interests of the owners of units in Sunriver Phase I and Sunriver Phase II, facilitating joint use thereof.

8. Severability. The provisions hereof shall be deemed independent and severable. In the event any provision is declared invalid, in whole or in part, the remainder hereof shall be enforced, notwithstanding such declaration.

9. No Waiver. The failure on the part of any party to enforce any provision hereof shall not constitute a waiver of that provision or of any other provision. The provisions hereof may be enforceable in law or in equity by

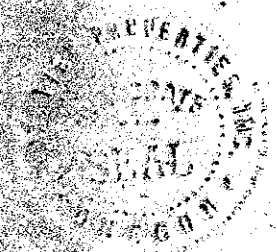
any action appropriate to the breach which has occurred.

IN WITNESS WHEREOF, Properties has executed this Reciprocal Easement Agreement the day and year first above written.

SUNRIVEN PROPERTIES, INC.

BY R.C. Anderson
Its President

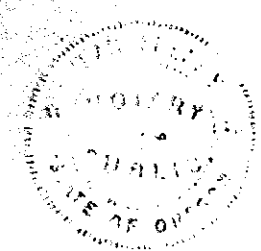
BY R.K. Duplanty
Its Vice Pres.



STATE OF OREGON)
County of Deschutes) ss.

On this 24 day of June, 1976, personally appeared before me R. C. ANDERSON and R. K. DUPLANTY, who, being duly sworn, did say that they are the President and the Vice President, respectively, of SUNRIVEN PROPERTIES, INC., a corporation, 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.

Jean Sperry
Notary Public for Oregon.
My Commission Expires: 8-6-78



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STATE OF OREGON
County of Deschutes

I hereby certify that the within instrument of writing was received for Record the 7 day of July A.D. 1976 at 11:30 o'clock A. M. and recorded in Book 233 on Page 823 Records of Woods

ROSEMARY PATTERSON
County Clerk
By Dennis P. ... Deputy