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PLAN OF SUNRIVER PHASE II

The following constitutes a statement and declaration of the Plan of Sunriver Properties, Inc., an Oregon corporation ("Developer") for the development of portions of certain real property known as Sunriver Phase II (and so called herein) containing, among other things, provisions which will subject portions thereof to certain easements, restrictions, assessments, liens and covenants.

OBJECTIVES AND RECITALS

Sunriver, Phase I is located in Deschutes County, Oregon, and under development pursuant to a document entitled "Plan of Sunriver" dated June 20, 1968, (the "Plan of Sunriver Phase I"), and recorded in the Deed Records of Deschutes County in Volume 159 at Page 198, and following. The objectives of the Plan of Sunriver Phase I are stated in the preamble thereto and are incorporated herein by reference as stating the objectives in part of this Plan of Sunriver for Phase II.

Sunriver Phase II refers to all of that certain real property more particularly shown and described on the Map thereof, approved by the County of Deschutes, State of Oregon, on December 10, 1975, (the "Phase II Plan Map"), a reduction of which is attached hereto and marked Exhibit A and incorporated herein by reference thereto. Initially,

Developer intends to subject that portion of Sunriver Phase II, more particularly described in Exhibit B, attached hereto and incorporated herein by reference thereto, to the provisions of the Plan of Sunriver Phase II, reserving the right to annex the balance of the Phase II area, as shown on the planning map, from time to time in accordance with the provisions hereof.

The Plan of Sunriver Phase I, and the Plan of Sunriver Phase II are substantially identical in most material respects. The differences which exist relate primarily to the ability of owners of parcels subject to the Plan of Sunriver Phase II to take control of the operation and maintenance thereof, to limit Developer's rights of annexation, and to require or assume conveyance of common areas, as a condition to annexation of such increment.

Subject to the rights of the owners of parcels within Sunriver Phase II as described above, Developer desires that Sunriver Phase II and Sunriver Phase I shall be held, used, operated, and controlled as a unitary recreational resort, residential, and commercial project. Thus reference herein to "Sunriver" shall be deemed to include both phases unless expressly otherwise provided herein. The owners of units within Sunriver Phase I shall have the right to use common areas and facilities within Sunriver Phase II; and the owners of parcels within Sunriver Phase II shall have the right to use the common areas and facilities within Sunriver Phase I upon terms, covenants and conditions substantially identical to those which apply to use of common areas by owners of parcels within the particular

phase in which the common areas are located. This right of use is assured, notwithstanding the right of the owners of parcels within Sunriver Phase II to exercise control over Phase II by means of a certain "Reciprocal Easement Agreement" dated June 24, 1976 (the "Reciprocal Easement Agreement") recorded on 1-7-76 in the Deed Records in the County of Deschutes, State of Oregon, in Volume 233 at Page 822

## THE FOLLOWING IS THE PLAN OF SUNRIVER PHASE II

### SECTION 1

#### Definitions

When used herein, the following terms shall have the following meanings:

Section 1.1 "Administrator, Phase II" shall mean the Sunriver Phase II Association; provided, however, that "Administrator Phase II" shall mean the Administrator of Sunriver as defined in Section 1.1 of the Plan of Sunriver Phase I until such time as the unit owners in Phase II shall have exercised their elective rights pursuant to Section 8.4 hereof to have the powers of the Administrator, Phase II, exercised by the Sunriver Phase II Associations.

Section 1.2 "Common Areas" shall mean any area which is designated as such in a subdivision plat of a village or in a Sunriver Phase II Declaration.

Section 1.3 "Condominium" shall mean any property submitted to unit ownership in the manner provided by ORS 91.505 through 91.675, as such statutes may be amended from time to time.

Section 1.4 "Design Committee" shall mean the

committee appointed pursuant to the provisions of Section 7 herein.

Section 1.5 "Guest" shall mean any person who is in Sunriver at the invitation of a resident of Sunriver and who, to the extent required by the Sunriver rules and regulations, either is accompanied by a resident of Sunriver or has in his possession an unoccupied guest identification card issued by the Administrator Phase II or the Administrator identified in Section 1.1 of the Plan of Sunriver Phase I.

Section 1.6 "Leased scenic area" shall mean any area in Phase II owned and held by the Administrator, Phase II, for the benefit of residents of Sunriver, as provided in Section 3.7 herein.

Section 1.7 "Maintenance Assessment" shall mean any assessment imposed in accordance with the provisions of Section 6 herein.

Section 1.8 "Maintenance Fund" shall mean the fund to be established pursuant to Section 6 herein.

Section 1.9 "Plan of Sunriver Phase I" shall mean that certain instrument dated June 20, 1968 and recorded in the Deed of Records of the County of Deschutes, State of Oregon in Volume 159 at Page 198, following.

Section 1.10 "Plan of Sunriver Phase II" shall mean this instrument, together with any amendments or supplements thereto.

Section 1.11 "Private Area" shall mean any area which is designated as such in a subdivision plat of a village or in a Sunriver Phase II Declaration.



**Section 1.12** "Private Recreational Area" shall mean any portion of a common area which is leased to unit owners for recreational purposes, as provided in Section 3.6 herein and subject to the limitations therein set forth.

**Section 1.13** "Private Way" shall mean any area which is designated as such in a subdivision plat of a village or in a Sunriver Phase II Declaration.

**Section 1.14** "Resident of Sunriver Phase II" shall mean any person who is a unit owner or the lessee of a unit, together with members of his immediate family, (spouse children); provided that a person shall be a "Resident of Sunriver Phase II" only during the periods in which he is in possession of his unit.

**Section 1.15** "Semi-Public Recreational or Service Area" shall mean any area devoted to a service or recreational facility in Sunriver Phase II which is made available for use by the public, as well as by residents of Sunriver Phase II, as provided in Section 3.6 herein.

**Section 1.16** "Sunriver, Phase I" shall mean the real property from time to time made subject to the Plan of Sunriver Phase I, pursuant to the terms thereof.

**Section 1.17** "Sunriver, Phase II" shall mean those portions of the real property described in Exhibit A, attached hereto and incorporated herein by reference thereto, subjected to the provisions hereof by means of a Sunriver Phase II Declaration, filed pursuant to Section 2 hereof.

Section 1.18 "The Sunriver Association" shall mean the Association organized by Developer, pursuant to the Plan of Sunriver, Phase I.

Section 1.19 "The Sunriver Phase II Association" shall mean the Association to be organized pursuant to provisions of Section 9 hereof.

Section 1.20 "Sunriver Phase II Declaration" shall mean an instrument recorded pursuant to Section 2 hereof for the subjection of an area within Sunriver Phase II to the Plan of Sunriver Phase II.

Section 1.21 "The Sunriver Phase II Rules and Regulations" shall mean the rules and regulations adopted as provided in Section 5 herein.

Section 1.22 "Unit" shall mean each lot described in any subdivision plat of a village in Sunriver Phase II which is designated as a private area, any condominium unit within a village, and any single family dwelling unit within any multiple occupancy building contained within a village. Subject to the limitations set forth in Section 2, Developer may specify additional areas which shall constitute units in any Sunriver Phase II Declaration. If in any case a unit owner shall have consolidated a lot or portion thereof with another lot in the manner set forth in Section 4 herein, then the area consolidated shall be considered one unit. Lots may be classified or designated in two parts -- the "buildable area" and the "open area". These designations control the manner in which the portions of the lots so designated may be utilized. "Unit" means both the buildable area and the open area of any lot which otherwise

constitutes a unit.

Section 1.23 "Unit Owner" shall mean the person or persons who hold legal title to any unit, unless provision is made in the Sunriver Phase II Declaration applicable to a village to the effect that a lessee or other person entitled to possession of a unit shall be the unit owner, in which case the person so designated shall be the unit owner. Where units are owned by more than one person, the designation "unit owner" shall be deemed to apply to all such owners collectively.

Section 1.24 "Village" shall mean any area subjected to the Plan of Sunriver Phase II in the manner provided in Section 2, which contains private areas for residential use, together with any areas which may be annexed thereto.

Section 1.25 "Village Association" shall mean any association organized by or with the approval of the Administrator Phase II for a particular village in such manner as to entitle one of the unit owners of each unit within the village to membership in the Village Association by virtue of his being a unit owner. "Village Association" shall include any association of unit owners organized pursuant to the provisions of ORS 91.505 to 91.675 for the administration of a condominium, subject to the Plan of Sunriver, Phase II.

## SECTION 2

### SUBJECTION OF PROPERTY TO THE PLAN OF SUNRIVER PHASE II

Property may be subjected to the Plan of Sunriver Phase II by annexation as hereinafter provided:

Section 2.1 Developer's Right. All or any portion of the Property described in Exhibit B, attached hereto and incorporated herein by reference thereto, may be subjected and annexed to the Plan of Sunriver Phase II by a Sunriver Phase II Declaration, filed as provided in Section 2.2 hereof by Developer, provided that:

(a) Concurrently with the filing of the Sunriver Phase II Declaration or prior thereto, Developer shall have filed a final subdivision plat applicable to the Property to be made subject to the Plan of Sunriver Phase II; (or, in the case of a condominium, a condominium declaration or floor plans);

(b) The property shown upon the subdivision plat to be subjected to the Plan of Sunriver Phase II shall be subdivided and planned for development substantially in accordance with the Phase II Plan Map;

(c) The addition of the area to be made subject to the plan of Sunriver Phase II, by virtue of such declaration shall not require an increase of five percent (5%) or more in the maintenance assessment applicable to the units subject to the Plan of Sunriver Phase II (and to the extent the units in Sunriver Phase II and the units in Sunriver Phase I are being administered pursuant to a common administration out of a common maintenance fund as provided in Section 10), the units in Sunriver Phase I as well;

(d) The annexation shall occur within three (3) years after the last such annexation.

In the event that the proposed annexation does not conform to the standards set forth above, it shall not take

effect except upon the affirmative vote of unit owners (other than Developer) who hold at least a sixty six and two thirds percent (66-2/3%) majority of the voting power in the Association held by persons other than Developer.

Section 2.2 Sunriver Phase II Declaration. The Sunriver Phase II Declaration applicable to each area to be made subject to the Plan of Sunriver Phase II shall:

(a) Describe the area to be annexed;

(b) Recite the purpose of the Declaration to subject the area to the Plan of Sunriver Phase II;

(c) Certify:

(1) With respect to a declaration which may be filed by Developer without the consent of the unit owners, that the requirements for such filing without such consent as set forth in Section 2.1 have been fulfilled; or

(2) That, with respect to other annexations, the voting requirements hereof have been fulfilled, said certificate to be made by the Administrator, Phase II;

(d) Designate, where applicable, which areas within the area to be annexed are private areas, semi-public recreational or service areas, private recreational areas, or other types of area designations; specify those portions of each unit which are to be designated buildable area or open area or the manner in which such determination is to be made, and impose such other use restrictions consistent with the terms hereof as may be applicable or appropriate to the contemplated

use of the property in a manner consistent with the Phase II Plan Map.

Section 2.3 Effective Date of Annexation. From and after the date each Sunriver Phase II Declaration is filed in the Deed Records of the County of Deschutes, State of Oregon, the area described therein shall be subject to the Plan of Sunriver Phase II, upon all of the terms, covenants and conditions herein contained.

### SECTION 3

#### LAND CLASSIFICATIONS AND USES WITHIN SUNRIVER PHASE II

Section 3.1 Classifications Presently Contemplated. Waiver of Partition. Land classifications presently contemplated within areas to be subjected to the Plan of Sunriver Phase II are private areas, common areas, limited common areas, private ways, public roads and streets, private recreational areas, semi-public recreational or service areas and leased scenic areas, all as shown on the Phase II Plan Map. The Administrator Phase II will acquire title to common areas, private ways and other areas and classifications of property essential to the use and enjoyment of the units prior to or upon conveyance of the first unit in each increment from time to time made subject to the Plan of Sunriver Phase II. Except as expressly otherwise provided herein, or by operation of law, there shall be no partition of common areas, private ways or other property owned by the Sunriver Phase II Association.

Section 3.2 Private Areas. Restrictions on and rules and regulations governing the use of private areas within a particular village shall be set forth in the



Sunriver Phase II Declaration which creates the village. By accepting a deed or lease of a private area within a village the Grantee shall covenant that he shall use and permit the use of the property only in accordance with, and that he shall abide by and cause all those who come upon his premises to abide by the restrictions, covenants and conditions contained in the Plan of Sunriver Phase II and the Sunriver Phase II Declaration creating the village and in the rules and regulations promulgated thereunder, that he will pay to the Administrator Phase II all amounts provided for in the Plan of Sunriver Phase II and in such Sunriver Phase II Declaration, and that his property shall be subject to a lien or liens as provided in such instruments. For the protection of all residents of Sunriver Phase II, the Administrator Phase II shall be generally responsible for the enforcement of such restrictions, covenants, conditions, rules and regulations.

Section 3.3 Private Ways. Each unit owner and each resident of Sunriver Phase II shall have a non-exclusive easement to use private ways for the purpose of pedestrian or vehicular traffic thereon by appropriate means. Each unit owner and each resident of Sunriver Phase II may permit his guests and invitees to use the private ways for such purposes. The easement so created shall be appurtenant to and assignable with the unit with respect to which it is granted, but shall not otherwise be assignable. Use of private ways shall be subject to the Sunriver Phase II rules and regulations. The Administrator Phase II in its discretion may dedicate private ways to the public. The

Administrator Phase II also may grant free access on private ways to police, fire and other public officials, to employees of utility companies serving Sunriver and to such other persons to whom the Administrator Phase II believes access should be given for the benefit of the residents of Sunriver Phase II. Developer may use the private ways for its own purposes and for the purpose of location of utilities thereon, subject to all of the other provisions hereof. By granting the right to each unit owner and residents of Sunriver Phase II and others to use private ways, it is not the intention to dedicate private ways to the public but to preserve the private character of such ways. The Administrator Phase II shall be deemed to have dedicated such ways to the public only if it shall file in the Records of the County of Deschutes, State of Oregon an instrument of grant or dedication clearly and expressly dedicating such ways to the public. No dedication shall otherwise arise by implication, all public users being deemed permissive for the purposes hereof.

Section 3.4 Common Areas. Each resident of Sunriver Phase II shall have a non-exclusive easement to use common areas for such recreational purposes as may be permitted by the Sunriver Phase II rules and regulations and in the manner permitted thereon. Use of the common areas which are located in Sunriver Phase II is available to the residents and unit owners within Sunriver Phase I, pursuant to the terms of the Reciprocal Easement Agreement. Each unit owner and each resident of Sunriver Phase II may permit his guests to use common areas for such purposes and in such

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manner, subject to the terms of the Sunriver Phase II rules and regulations. Common areas shall not be platted or otherwise divided into parcels for residential use. The Administrator Phase II may develop special recreational or service facilities on portions of the common areas for the general use and benefit of all residents of Sunriver Phase II and their guests. The Administrator Phase II may from time to time permit residents of Sunriver Phase II to use designated portions of common areas for recreational or service uses of benefit to such residents only (as for example, maintaining a volleyball or badminton court) provided that such permission shall be revocable at any time. The easement and rights herein granted shall be appurtenant and assignable with the unit in respect to which it is granted, but shall not otherwise be assignable. The Administrator Phase II, in its discretion, may dedicate common areas to the public for park purposes and may use common areas for location of utilities thereon. No such dedication shall be deemed to arise by implication or by user, but only by an instrument of express grant or dedication duly filed in the Deed Records of the County of Deschutes, State of Oregon. Notwithstanding anything to the contrary herein contained, however, the Administrator shall not construct improvements or perform work of capital additions to or alterations in common area, requiring an expenditure from the maintenance fund in excess of Five Thousand Dollars (\$5,000.00) without the prior affirmative vote of unit owners (other than Developer) owning more than fifty percent (50%) of the units.

Section 3.5 Limited Common Areas. Limited common areas are areas so designated in a Sunriver Phase II Declaration subject to non-exclusive use by owners of units benefitted by the limited common areas as so designated on the Sunriver Phase II Declaration. In all other respects, the limited common areas shall be treated as common areas hereunder.

owners or groups of unit owners, shall be permitted to use portions of the common area to develop facilities such as a swimming pool or tennis court for private use upon terms and conditions hereinafter set forth. The Administrator Phase II may lease a portion of the common areas to a group of not less than five (5) unit owners who wish to develop the same for their private recreational use, subject to the following conditions:

- (a) Any such lease shall be first approved by vote of a majority of unit owners (other than Developer) in the village where the private recreational area is located;
- (b) Rentals received pursuant to the Lease must be added to the Maintenance Fund;
- (c) Not more than ten percent (10%) of the common area in any village may be so leased at any one time;
- (d) The proposed use shall conform to the restrictions of the applicable zoning plan for Sunriver Phase II;
- (e) The Lease shall provide that the lessees shall use the leased area solely for the development of a recreational facility thereon for the private, non-commercial use of the lessees;
- (f) The Lease shall preclude the lessees from operating a private recreational facility on the leased premises for profit or from permitting anyone other than residents of Sunriver and their guests from using the facility;
- (g) The Lease shall provide that the lessees shall erect or construct a designated recreational facility on the leased premises within a specified time in accordance with standards to be fixed by the Design

Committee Phase II and that they shall maintain the improvements at their own cost and expense in accordance with standards which shall be fixed by the Design Committee Phase II;

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(h) The Lease shall provide that (i) ad valorem real property taxes assessed against any improvement constructed on a private recreational area shall be borne by the lessees, (ii) payment of rental shall be made to the Administrator Phase II on terms absolutely net to the Administrator, and (iii) with a full indemnification against any responsibility by reason of the private recreational facility or activities conducted therein supported by liability insurance in companies and amounts approved by the Administrator Phase II, with a certificate of insurance coverage protecting against termination without prior notice to the Administrator Phase II;

(i) No person shall be excused from paying any part of the maintenance assessment by virtue of his use of a private recreational area in lieu of a facility available to all residents of Sunriver Phase II. No lessee of a private recreational facility shall be entitled to any offset or reduction of maintenance assessments by reason of his maintenance and/or operation of a private recreational facility.

Section 3.7 Semi-Public Recreational or Service Areas. Certain kinds of recreational and service facilities can only be made available to the unit owners and residents of Sunriver Phase II on an economical basis if the general public is allowed to use the facilities along with the unit owners and residents of Sunriver. For example, it may be advantageous to residents of Sunriver Phase II to establish a facility which may only be operated of a self-supporting

basis if fees can be collected from the general public for use thereof. Therefore, Developer may designate certain areas in the Plan of Sunriver Phase II as constituting "semi-public recreational or service areas" if each of the following conditions is met:

(a) Provision must be made for use of the facility by the residents of Sunriver Phase II and their guests in the manner permitted by the Sunriver Phase II Rules and Regulations;

(b) Fees charged unit owners and residents of Sunriver Phase II and their guests for use of the facility may be no higher than those charged members of the public for an equivalent use or service;

(c) Gross cash proceeds from the operation of the facility shall be added to the Maintenance Fund after deduction of all expenses attributable to such operation; and

(d) The recreational or service area shall conform to the zoning plan of Sunriver Phase II in all respects.

Section 3.8 Leased Scenic Areas. It may add to the quality of Sunriver Phase II to devote areas within Sunriver Phase II to uses normal to or traditional in Central Oregon, even though such uses are of a nature which requires that residents of Sunriver be barred from the areas while they are being so used. For example, lease of areas within Sunriver Phase II for the grazing of cattle or farming may add to the attractiveness of Sunriver Phase II. Therefore, areas may be designated "leased scenic areas" under the Plan



of Sunriver Phase II on the following conditions:

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(a) The Administrator Phase II may lease such areas to private parties, if it deems this to be to the advantage of residents of Sunriver Phase II;

(b) The Administrator Phase II shall be responsible for the maintenance of and payment of taxes on such areas;

(c) During periods in which such areas are not leased or held for lease, they shall be deemed common areas;

(d) Any net cash profits from the leasing of such areas shall be paid into the Maintenance Fund; and

(e) Any leases executed with respect to such areas shall impose upon the lessee the full burden of maintenance and otherwise protect the unit owners from and indemnify them against any liability arising out of or in any way related to such activity.

Section 3.9 Use Restrictions. All portions

of Sunriver Phase II shall be used subject to the following use restrictions:

(a) No Nuisance. No excessive or unnecessary noise shall be generated by any vehicles, appliances, tools or nets. Each Owner shall be responsible for compliance with this covenant with respect to his own behavior and that of his guests, licensees and invitees on the private areas, common areas, private ways, private recreational areas, semi-public recreational or service areas and leased scenic areas.

(b) Restrictions on Motorized Vehicles. Except with respect to golf cars or carts specifically approved by the Administrator, no motorized

vehicle shall be operated anywhere except upon a surfaced roadway, nor shall it be parked in other than a designated parking area.

(c) Restrictions on Bicycle Paths. Bicycle paths shall be used solely for non-motorized cycles and pedestrian use.

(d) No Motor Homes, Campers, Trailers And Camping Equipment.

Motor homes, campers, trailers or other camping equipment shall not be used for overnight living accommodations at Sunriver without the prior written permission of the Administrator.

(e) Control of Pets. No pets or domestic animals shall be permitted to run loose or unattended. Pets shall be leashed or under Owner's voice control or confined to the Owner's private area. No animals other than pets shall be kept or raised upon any private area except household pets and domestic animals not used for any commercial purpose. Any pets or domestic animals running loose or unattended outside the private area of the Owner thereof may be impounded by the Administrator and the cost of such impoundment may be assessed to the Owner thereof as a special assessment hereunder. Any pets or domestic animals which create a nuisance or disturb the peace shall be removed from Sunriver upon written demand by the Administrator.

(f) No Firearms or Other Weapons. No firearms, air pistols, archery, slingshots, fireworks or any other weapons or projectiles shall be used or discharged anywhere within Sunriver Phase II, except in such areas as may be designated in writ-

ing by the Administrator with appropriate controls and constraints imposed in connection therewith.

(g) No Littering. Each Owner shall be responsible for maintenance of his private area in a manner which keeps it clean of rubbish and debris, brush and dried grass or other material likely to create or cause a nuisance or fire hazard. No person shall litter or dispose of trash or rubbish anywhere within Sunriver Phase II except in appropriate trash receptacles or disposal areas designated by the Administrator.

#### SECTION 4

##### CONSOLIDATION OF LOTS WITHIN PRIVATE AREAS

Whenever a person (other than Developer) shall own all of a lot restricted to single-family residence use within a private area (the "basic lot"), together with one or more contiguous lots or contiguous portions thereof also restricted to single-family residential use (the "additional lot" or "additional portion"), and shall wish to consolidate the basic lot and the additional lot or additional portion, he may do so if such consolidation conforms to the other provisions hereof. The consolidation shall be affected by filing in the deed records of the County of Deschutes, State

of Oregon a declaration stating that the two areas are consolidated.

The consolidation provided for in this section shall have the following effects:

(a) The consolidated areas shall constitute one unit for all purposes under the Plan of Sunriver Phase II and under the Sunrive Phase II Declaration, pursuant to which the village in which the consolidated areas are located was created, including the payment of maintenance assessments;

(b) The entire consolidated area may be used for the construction of only one residence;

(c) No residence or other structure may be placed upon the remainder of a lot, a portion of which was consolidated with another lot, but which remainder has not been consolidated with another lot unless the area of such remainder constitutes at least ninety-five percent (95%) of the original area of the lot; and

(d) Areas which have once been consolidated may at no time in the future be partitioned.

#### SECTION 5

##### SUNRIVER PHASE II RULES AND REGULATIONS

In the exercise of its powers and in the performance of its obligations pursuant to the Plan of Sunriver Phase II and of any Sunriver Phase II Declaration, the Administrator Phase II may adopt, amend or repeal rules and regulations to be known as the Sunriver Phase II rules and regulations, to provide for the manner in which common areas (including special recreational facilities established

thereon), private ways, semi-public recreational or service areas, and any other areas which all residents of Sunriver Phase II are entitled to use shall be so used. To the extent provided in a Sunriver Phase II Declaration, the Sunriver Phase II Rules and Regulations may provide for the manner in which private areas may be used.

The Sunriver Phase II Rules and Regulations may, among other things, provide for any of the following:

(a) For speed and other traffic controls, safety controls, parking controls and restrictions upon the type of vehicles which may use private ways;

(b) As to the spaces within common areas which may be used for particular recreational or service purposes and as to the times and manner in which such spaces may be used;

(c) For charges for use of recreational facilities and for services to be supplied by the Administrator, Phase II, to be applied uniformly to all residents of Sunriver Phase II, unit owners and their guests;

(d) For the control of noise, for litter control and trash disposal and for the personal conduct of residents of Sunriver Phase II, unit owners and their guests while in the common areas, private ways, and semi-public recreational or service areas;

(e) For the conditions upon which guests or residents of Sunriver shall be entitled to use common areas, private ways, semi-public recreational or service areas and for the terms and conditions upon which

guest cards, passes or other rights of use should be issued.

All Rules and Regulations must be applicable on a non-discriminatory basis. However, provisions uniformly applicable to a class of persons, such as children of particular ages, will not be deemed discriminatory. A current copy of the Sunriver Phase II Rules and Regulations shall be kept on file at the principal office of the Administrator at all times. The Sunriver Phase II Rules and Regulations shall have the same force and effect as if set forth herein as part of the Plan of Sunriver Phase II.

## SECTION 6

### MAINTENANCE AND DEVELOPMENT FUND

#### Section 6.1 Imposition of Regular Assessments.

The Administrator Phase II shall have the right to impose an assessment against each unit owner within Sunriver Phase II in an amount not in excess of <sup>FIFTEEN</sup> AND 50/100 Dollars (\$15.50) a month for each unit owned by each unit owner, unless such amount shall be increased as provided in Section 7.3 or 7.4 herein or relieved as provided in Section 7.2 hereof. Such assessments shall be applied uniformly to all unit owners, subject to the provisions hereinafter set forth. On or before December 1 of each year, the Administrator Phase II shall fix the amount of the assessment to be imposed during the ensuing calendar year and shall notify each unit owner of the amount of the assessment to be imposed for such year. Any unit owner who shall pay the assessment to be imposed for all twelve (12) months of the ensuing calendar year prior to January 1 of such year shall be entitled to a



discount in the amount of three percent (3%) of the gross amount assessed for such twelve (12) month period.

Assessments which are not so prepaid shall be paid in monthly installments of one-twelfth (1/12) of the annual assessment amount on or before the first (1st) day of each calendar month thereafter. In the event that a person shall acquire a unit or his unit shall first become subject to assessment during the course of a calendar year, his first assessment shall come due on the first day of the month following month during which he has acquired his unit or during which the unit first became subject to assessment. No unit owner who disposes of his entire interest in a unit shall be liable for assessments against that unit levied or assessed after the date of sale or disposition thereof.

Section 6.2 Payment of Assessment Amounts by Developer. Notwithstanding the provisions of Section 6.1, so long as Developer remains the unit owner of fifty percent (50%) or more of the units subject to the Plan of Sunriver Phase II and Sunriver Phase II Declarations, Developer may elect to pay all of the costs and expenses required to be paid by the Administrator pursuant to the terms of Section 6.6. In the event of such election and for the term thereof, none of the units within Sunriver Phase II and subject to a Sunriver Phase II Declaration shall be subject to assessment during the term thereof. Developer shall exercise the election set forth in this section by notice in writing given to the Administrator Phase II, specifying the period for which the election is exercised. The amounts to be paid by the Developer to the Administrator Phase II shall

be deemed to be debts of Developer and assessments against the property of Developer subject to the Plan of Sunriver Phase II and a Sunriver Phase II Declaration. Developer shall have no right to exercise the election until Developer has presented to the Board of the Sunriver Phase II Association:

(a) A contract, specifying in detail, the obligations which Developer will undertake including provision for accumulation of appropriate reserves and a monthly accounting to the Board setting forth the cost of all work performed; and

(b) A bond or other security device in support of Developer's obligation pursuant to the contract referred to in subparagraph (a) in a penal sum estimated to equal the total amount to be paid by Developer for the estimated term of the Agreement.

Section 6.3 Cost of Living Adjustment In Maximum Amount of Maintenance Assessments. The maximum amount of the maintenance assessments provided in Section 6.1 shall be increased by five percent (5%) for each five percent (5%) increase occurring after January 1, 1976 over the level on January 1, 1976 of the United States Department of Labor, Bureau of Labor Statistics Consumer Price Index, (All Items) United States City Average (1957-59 = 100), or the successor of such index.

Section 6.4 Increase in Maximum Amount of Maintenance Assessments With Consent of Units Owners. In the event that the Administrator Phase II shall deem the maintenance fund to be inadequate for the purposes for which it is

to be maintained, taking into account the need for reasonable reserves for special purposes, the annual maintenance assessment may be increased above the amounts provided for in Sections 6.1 and 6.3 hereof; provided, however, that such increase shall have first been approved by a vote of unit owners holding sixty percent (60%) of the units within Sunriver Phase II which are subject to assessment, other than the units which are owned by Developer.

Section 6.5 Special Purpose Assessments. In the event that the Administrator Phase II deems it to be to the advantage of the residents of Sunriver Phase II to impose a special purpose assessment to provide funds for the development of a particular recreational facility, it may impose such a special assessment; provided, however, that the amount of the assessment and the terms upon which it will be imposed have been approved by a vote of the unit owners owning at least sixty percent (60%) of the units within Sunriver Phase II which will be subject to such assessment, other than Developer. All special purpose assessments shall be applied uniformly to all unit owners, including Developer; provided, however, that no vote to impose a special assessment which will result in a total charge upon Developer in an amount exceeding One Thousand Dollars (\$1,000.00) shall be binding without Developer's consent in writing. In the event that such an assessment is imposed, the Administrator Phase II shall add the monies derived therefrom to the maintenance fund, but shall keep the same in a special account and shall use the same only for the purposes approved by the unit owners when they

consented to the special assessment. Notwithstanding the foregoing, however, no vote of the members or consent by Developer shall be required in the case of special assessments levied against a unit owner to cure or otherwise correct a failure on the part of the unit owner to perform obligations on his part to be performed hereunder, so long as the special assessment is levied for that purpose pursuant to the provisions hereof.

Section 6.6 Maintenance Fund. The Administrator Phase II shall keep all monies which it may collect for maintenance assessments, together with all other monies which it is required to add to the Maintenance Fund pursuant to the provisions hereof or of any Sunriver Phase II Declaration in a separate fund to be called the "Maintenance Fund", and shall use the monies in the Maintenance Fund only for the following purposes:

(a) Payment of the cost of maintaining private ways (including street lights, entrance and other signs), common areas, semi-public recreation or service areas, leased scenic areas and special recreational and other facilities on common areas or semi-public recreational or service areas, available for use by all of the residents of Sunriver Phase II;

(b) Payment of taxes and assessments levied against private ways, common areas, semi-public recreational or services areas, leased scenic areas and the improvements thereon;

(c) Payment of the cost of providing patrol and fire prevention and control service, garbage and

trash disposal, if provided, and such other utility and public services as may be required to be provided from time to time to serve the common areas, semi-public recreational or service areas and are not otherwise available through public entities or licensed public utilities;

(d) Payment of the cost of insurance, including insurance protecting the Administrator Phase II, the design committee, the association and any village association against liability arising out of performance of their functions and activities in the administration of the Plan of Sunriver Phase II;

(e) Payment of the cost of enforcing the provisions contained in the Plan of Sunriver Phase II, the Sunriver Phase II Rules and Regulations and the covenants and provisions contained in any Sunriver Phase II Declaration;

(f) Payment to the Association or to a village association of costs incurred in the performance of any obligation of the Administrator Phase II which has been delegated to the Association Phase II or to any village association;

(g) Payment of fees of the professional members of the Design Committee and of expenses incurred by the Design Committee;

(h) Payment for other services which the Administrator Phase II deems to be of general benefit to residents of Sunriver Phase II;

(i) Payment of costs incurred in collection

of maintenance assessments;

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(j) Payment of any expense reasonably incurred by the Administrator Phase II in carrying out any function for which it has been given responsibility hereunder;

(k) Payment of legal costs and accounting costs incurred by the Administrator Phase II in performance of its functions hereunder;

(l) Payment of the costs of fidelity bonds and faithful performance bonds with respect to the cash handling functions of the Administrator Phase II and such employees thereof as are responsible for collection and handling of cash to be deposited into the Maintenance Fund; and

(m) Payment of amounts required to be paid under the Reciprocal Easement Agreement.

Included among the monies which are to be paid into the Maintenance Fund are all maintenance assessments, fees for use of recreational or service facilities located on common areas or semi-public recreational or service areas, Design Committee fees, rentals from leases of private recreational areas or leased scenic areas, interest on amounts payable into the Maintenance Fund and payments to reimburse Administrator Phase II for monies expended from the Maintenance Fund. No part of the Maintenance Fund shall inure to the benefit of Developer. Notwithstanding anything to the contrary herein contained, however, the Administrator Phase II shall have no power to make expenditures from the Maintenance Fund for capital, improvements and additions (other than for replacement of capital assets) without the affirmative vote of owners of sixty percent (60%) of the



units, other than Developer. In addition, the Administrator Phase II shall have no power to enter into any contract for the provision of services or the purchase of goods having a term in excess of one (1) year with the exception of (i) the Reciprocal Easement Agreement, (ii) contracts for provision of public utilities services by a regulated public utility company (with the services contracted for being within the purview of the regulations), and (iii) contracts for insurance from insurance companies of good reputation at rates publicly available in the marketplace.

Section 6.7 Annual Accounting. Within sixty (60) days following the closing of each calendar year, the Administrator Phase II shall render to each unit owner an accounting which shall set forth the amount and source of all income received in the Maintenance Fund and all disbursements from the Maintenance Fund during the previous calendar year, together with a statement of the assets of and liabilities of the Maintenance Fund at the close of the last calendar year. The Administrator Phase II shall maintain books and records in a manner consistent with customary and usual accounting standards of all amounts received into the Maintenance Fund, and of all disbursements therefrom, which records shall be open to inspection by any unit owner or by the officer of any village association or of the Association Phase II at any reasonable time during the normal business hours. The accounting to be provided pursuant to the provisions hereof shall be prepared by a certified public accountant of good reputation on the basis of an audit of the records of the Maintenance Fund, in

accordance with accepted auditing standards and generally accepted accounting principles in a manner sufficient to permit said auditing accountant to provide certified statements of account; and the Administrator Phase II shall maintain books and records to a standard sufficient to permit such an audit.

## SECTION 7

### DESIGN COMMITTEE

Section 7.1 Function of Design Committee. The Design Committee shall exercise the functions for which it is given responsibility in any Sunriver Phase I Declaration and in this Plan of Sunriver Phase II. Generally, the Design Committee will be responsible for the approval of plans and specifications for the development of private areas and for the promulgation and enforcement of rules and regulations governing the use and maintenance of private areas and the improvements thereon. Reference to the "Design Committee" herein shall mean the "Design Committee" hereby created which shall not be confused with the Design Committee created pursuant to the Plan of Sunriver Phase I.

Section 7.2 Members: Term and Removal. The Design Committee shall consist of as many persons, not less than three, as the Administrator Phase II may from time to time appoint subject to the provisions of the Sunriver Phase II Association, Articles and By-Laws. The Administrator Phase II may remove any member of the Design Committee from office at any time and may appoint new or additional members at any time. The Administrator Phase II shall keep on file at its principal office a list of the names and addresses of

the members of the Design Committee.

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Section 7.3 Action. Except as otherwise provided herein, members comprising a majority of the Design Committee shall have the power to act on behalf of the Design Committee, without the necessity of a meeting. The Committee may render its decision only by written instrument, setting forth the action taken by the members consenting thereto.

Section 7.4 Failure to Act. If at any time the Design Committee shall fail to function for any reason, the Administrator Phase II shall have the right to serve and act in the place and stead of the Design Committee.

Section 7.5 Duties and Rules. The Design Committee shall consider and act upon all matters properly submitted to it pursuant to the Plan of Sunriver Phase II or in any Sunriver Phase II Declaration. The Design Committee may by unanimous vote, from time to time and in its discretion, adopt, amend and repeal rules and regulations to be known as the "Design Committee Rules" establishing its operating procedures and interpreting, detailing and implementing the provisions of the instrument pursuant to which it is charged with responsibility. The Design Committee may establish a reasonable fee to be paid to it to cover its costs incurred in considering and acting upon matters submitted to it. Such fees shall be paid into the Maintenance Fund. A current copy of the Design Committee rules shall be kept on file at the principal office of the Administrator Phase II at all times. Such rules shall have the same force and effect as if set forth herein as a part of the Plan of Sunriver Phase II.

**Section 7.6 Non-Waiver.** Consent by the Design Committee to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

**Section 7.7 Estoppel Certificates.** Within thirty (30) days after written demand therefor by a unit owner, the Design Committee shall execute and deliver to the unit owner requesting the same an estoppel certificate certifying with respect to the unit of such unit owner that as of the date of the certificate either (a) all improvements and other work within or upon said unit comply with the Plan of Sunriver Phase II and with all restrictions and rules and regulations adopted in or pursuant to any Sunriver Phase II Declaration, or (b) that such improvements and work do not so comply for reasons specified in the certificate. Any purchaser or mortgagee of the unit may rely on such certificate with respect to the matters set forth therein, such matters being conclusive against the Administrator Phase II and all unit owners in Sunriver Phase II.

**Section 7.8 Liabilities.** Neither the Design Committee nor any member thereof shall be liable to any unit owner or the Administrator Phase II for any damage, loss or prejudice suffered or claimed on account of any action or failure to act of the Design Committee or member thereof, provided only that the Design Committee member, in accordance with actual knowledge possessed by him, has acted in good faith.

SECTION 8

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ADMINISTRATOR PHASE II

Section 8.1 Powers and Responsibilities of the Administrator Phase II. In addition to such other powers and responsibilities as shall be granted to or imposed upon it by this Plan of Sunriver Phase II and by any Sunriver Phase II Declaration, the Administrator Phase II shall have the following powers and responsibilities:

- (a) Maintenance of all private ways, common areas, semi-public recreational or service areas, leased scenic areas and the improvements thereon;
- (b) Construction of such improvements on the private ways, common areas, leased scenic areas and semi-public recreational or service areas as it deems to be of benefit to the residents of Sunriver Phase II and their guests in accordance with the Sunriver Phase II Rules and Regulations; provided, however, that nothing herein contained shall be deemed to confer upon the Administrator Phase II power to incur capital expenditures or levy special assessments except as expressly herein provided and subject to the limitations herein set forth;
- (c) Responsibility for the enforcement of all covenants and restrictions contained in the Plan of Sunriver Phase II and in any Sunriver Phase II Declaration;
- (d) Responsibility for the promulgation and enforcement of the Sunriver Phase II Rules and Regulations and the enforcement of the Design Committee

rules and the decisions of the Design Committee;

(e) Responsibility for payment of all ad valorem taxes and assessments imposed on any of the common areas, private ways, leased scenic areas or semi-public recreational or service areas within Sunriver Phase II;

(f) Responsibility for the provision of such services to the residents of Sunriver Phase II as shall be deemed to be of benefit to the residents of Sunriver Phase II;

(g) Responsibility for procurement and maintenance of insurance on all improvements constructed on the common areas, leased scenic areas or semi-public recreational or services areas;

(h) Responsibility for collection of maintenance assessments, fees and charges and such assessments as may be levied within any village in the manner provided in a Sunriver Phase II Declaration;

(i) Responsibility for fixing of fees for use of recreational and service facilities within the common areas and in the semi-public recreational or service areas and for the collection thereof for payment into the administrative fund; and

(j) The organization of village associations, committees, and advisory groups as may be required from time to time to assist the Administrator Phase II in the performance of its functions.

Section 8.2 Delegation of Functions: Appointment of Manager. The Administrator Phase II may, from time to

time, delegate all or portions of its responsibilities hereunder to a manager pursuant to an appropriate management contract; provided, however, that in no event shall any such management contract, or contract for services equivalent to management services, have a term in excess of one (1) year. The Administrator Phase II may delegate to any village association responsibility for the performance of any duty or function of the Administrator Phase II with respect to the applicable village; provided, however, that the Administrator Phase II shall arrange to pay to the particular village association expenses which it shall reasonably incur in the performance of such duty or function.

Section 8.3 Limitation of Liability. The Administrator Phase II shall not be liable for failure to carry out or perform any duty or responsibility required by it to be performed pursuant to this Plan of Sunriver Phase II where such performance is made impossible or unfeasible by lack of sufficient funds in the Maintenance Fund. Where such insufficiency exists, the Administrator Phase II shall have discretion to determine for which authorized purposes monies in the Maintenance Fund shall be spent, including the power to determine how much shall be held in reserve. Neither the Administrator Phase II nor any officer or director thereof shall be liable to any unit owner, to any resident of Sunriver or to any village association on account of any action or failure to act of the Administrator Phase II; provided, however, that the action has been taken in good faith in accordance with the actual knowledge possessed by the Administrator Phase II.



Section 8.4 Performance of Functions and Required Transfer. The functions of the Administrator Phase II shall be performed by the Administrator Phase I; provided, however, that title to the private ways, common areas, private recreational areas and semi-public recreational or service areas shall be transferred to the Sunriver Phase II Association with respect to each portion of the area subject to the Plan of Sunriver Phase II made subject to a Sunriver Phase II Declaration upon filing of each such Sunriver Phase II Declaration (except as expressly otherwise provided in an applicable Sunriver Phase II Declaration) and provided further that the functions to be performed by the Administrator Phase II hereunder shall be transferred to and performed by the Phase II Association upon sixty (60) days' prior written notice of the Phase II Association to the Administrator Phase I. Upon such transfer, the Administrator Phase I shall turn over to the Phase II Association the Phase II Maintenance Fund with a complete accounting therefor and shall be relieved of any further obligations with respect to performance of the functions of the Administrator Phase II from and after the date of the transfer. Developer is the Administrator Phase I as of the date hereof and commits for itself, its successors and assigns to turn over the administrative functions as herein contemplated in accordance with the provisions of this paragraph. The provisions of this paragraph, providing for unified management of Sunriver Phase I and Sunriver Phase II, are for purposes of convenience and to achieve efficiencies and economies of scale, and not for purposes of retaining



unreasonable control on the part of the Developer; and it is for this reason that the functions of Administrator Phase I and Administrator Phase II are combined but may be separated at the sole discretion of the Phase II Association upon sixty (60) days' prior written notice.

#### SECTION 9

##### SUNRIVER PHASE II ASSOCIATION

The Association shall be formed for the purpose of being in a position to act as the Administrator Phase II.

The Association shall have the following attributes:

(a) Membership in Association.

(i) Every unit owner shall be a member of the association. Status as a unit owner is the sole qualification for membership.

(ii) Rights to a membership and status as a member terminate upon termination of status as a unit owner. Upon conveyance, sale or assignment of the unit owner's interest, the selling unit owner or unit owners shall be relieved of liability for assessments levied from and after the date of such sale.

(iii) No unit owner may avoid the obligations of membership during the period when he is a unit owner by non-use of private ways, common areas, private recreational areas or semi-public recreational or service areas, renunciation or abandonment of his unit or any other act of abandonment or renunciation.

(b) Voting Rights. There shall be two (2) classes of voting rights:

(i) All members other than Developer shall have class A voting rights, entitling them to one (1) vote for each unit they own. When more than one (1) person holds an interest in a unit, the vote for such unit shall be exercised as the unit owners thereof determine, but the vote attributable to the unit shall be cast by only one (1) person.

(ii) Developer shall have Class B voting rights entitling it to three (3) votes for each unit of which it is the owner.

(iii) Class B voting rights then existing shall be converted to Class A voting rights upon the earliest to occur of the following events:

(1) When the total class A votes then existing equal the total Class B votes then existing; provided however, that Class B voting rights shall be restored upon annexation of additional property by filing of an additional Sunriver Phase II Declaration pursuant to Section 2 hereof, resulting in a number of Class B voting rights greater than the number of Class A voting rights;

(2) The expiration of seven (7) years from the date hereof; or

(3) The expiration of three (3) years after the date of the latest filing of

(c) The Sunriver Phase II Association shall be incorporated as a non-profit corporation under the general non-profit corporation laws of the State of Oregon.

(d) The Articles of Incorporation of the Sunriver Phase II Association shall provide for its perpetual existence, but in the event the Sunriver Phase II Association shall at any time be dissolved, whether inadvertently or deliberately, it shall immediately be succeeded by an unincorporated association of the same name. In that event, all of the powers and obligations of the incorporated association existing immediately prior to its dissolution shall thereupon automatically vest in the successor unincorporated association which vesting shall thereafter be confirmed and evidenced by appropriate conveyances and assignments by the incorporated association. To the greatest extent possible, any such successor unincorporated association shall be governed by the Articles of Incorporation and By-Laws of the incorporated association as if they had been made to constitute the governing documents of the unincorporated association.

(e) The Articles of Incorporation shall provide that the Sunriver Phase II Association shall exercise and perform all of the powers, obligations and duties delegated to it pursuant to the Plan of Sunriver Phase II and any additional or different powers and

obligations necessary or desirable for the purpose of carrying out the functions of the Sunriver Phase II Association pursuant to the Plan of Sunriver Phase II or otherwise promoting the general benefit of unit owners within Sunriver Phase II.

#### SECTION 10

##### ENFORCEMENT

Section 10.1 Enforcement of Sunriver Phase II Rules and Regulations. The Sunriver Phase II Rules and Regulations shall be enforced in as impartial and uniform a manner as practicable. The Administrator Phase II may impose penalties for the violation of the Sunriver Phase II Rules and Regulations subject to the following limitations and conditions:

(a) The Administrator Phase II may impose a fine upon the resident of Sunriver Phase II who has violated or whose guest has violated a rule or regulation in an amount not to exceed the sum of \$35.00 for any one violation; provided, however, that if the violation is of a rule or regulation pertaining to the use of private ways, the Administrator Phase II may impose a penalty or fine in the amount equal to the amount which could be imposed under applicable laws if the private ways were public streets and highways. If such fine is not paid by the person upon whom it is imposed, it shall be paid by the unit owner who, by virtue of his ownership of a unit, cause the person upon whom the fine was imposed to be a resident of Sunriver Phase II.

(b) The Administrator Phase II may provide that a person who has violated a rule or regulation shall be deprived of his right to use the common areas, semi-public recreational or service areas or any specified parts of either for a period of not to exceed six (6) months on account of any one violation.

Section 10.2 Violation of Sunriver Phase II

Declaration by Prohibited Activity. In the event that any unit owner shall violate a provision of a Sunriver Phase II Declaration relating to activities which may be conducted on his unit or if any person on the unit with the permission of the unit owner shall violate such a provision, the Administrator Phase II may impose a fine upon such unit owner in an amount not to exceed \$35.00 for any one violation, subject to all of the limitations and conditions hereinafter set forth.

Section 10.3 Payment of Fines. Each fine imposed pursuant to Section 10.1 and 10.2 shall become payable by the person upon whom it is imposed, 10 days after delivery by the Administrator Phase II of notice thereof to the person by whom it is payable. Each notice of fine shall refer to the rule, regulation or provision which has been violated and set forth a statement of the conduct which the Administrator Phase II claims has violated such rule, regulation or restriction describing the date and the events constituting the violation. All fines shall be paid into the maintenance fund.

Section 10.4 Right To Notice, Opportunity To Be Heard and Appeals In Connection With Fines. No person shall be subject to fines or penalties pursuant to Section 10.1 or 10.2 hereof without prior notice of the offense and an opportunity to be heard. Any person upon whom a notice of fine or penalty has been imposed pursuant to Sections 10.1 and 10.2, who deems that such fine or penalty was unfairly imposed, either because he did not violate a rule, regulation or provision as charged or because the fine or penalty imposed is unduly severe, may appeal from the imposition of the fine or penalty by filing a statement to that effect with the Administrator Phase II within thirty (30) days after notice of the fine or penalty has been served. All appeals shall be determined by a body to be known as the "Sunriver Phase II Judicial Council" in accordance with such rules of procedure as such council may adopt from time to time. The Sunriver Phase II Judicial Council shall consist of not less than three (3) residents of Sunriver Phase II who shall be elected by the unit owners other than Developer. The Administrator Phase II shall keep on file at its principal office a list of the names and addresses of the members of the Sunriver Phase II Judicial Council. Any two members of the council may act for the council. The council shall render its decisions on appeals determined by it in writing and notice thereof shall be given to the persons upon whom the fine or penalty was imposed. Pending a decision on appeal, collection of a fine or imposition of penalty shall be stayed. The decision of the council

shall be binding on the Administrator Phase II and shall be binding on the persons upon whom the fine or penalty is imposed to the extent permitted by Oregon law. Prior to any determination, the council shall hear evidence from the person upon whom the fine or penalty is imposed shall have the right to confront the Administrator Phase II, hear the charges against him and be heard fully in refutation thereof. The council shall base its decision upon substantial, relevant evidence and render its decisions in writing.

Section 10.5 Violation of Sunriver Phase II

Declaration by Non-Qualifying Improvement. In the event that any unit owner constructs or permits to be constructed on his unit an improvement contrary to the provisions of a Sunriver Phase II Declaration or in the event that a unit owner maintains or permits any improvement, condition or other thing on his unit contrary to the provision of a Sunriver Phase II Declaration, the Administrator Phase II, may, no sooner than sixty (60) days after delivery to such unit owner of written notice of the violation, enter upon the offending unit and remove the cause of violation, or alter, repair or change the item which is in violation of such Sunriver Phase II Declaration in such manner as to make it conform thereto; provided, however, that if the unit owner objects to such entry, no such entry shall occur without prior resort to appropriate judicial process. The Administrator Phase II shall charge such unit owner for the entire cost of the work done by it pursuant to this Section. Such



amount shall become payable upon delivery by the Administrator Phase II to the unit owner of notice of the amount due and shall be paid into the Maintenance Fund. The amounts to be so paid pursuant to the terms hereof shall constitute a special assessment against the unit owner.

Section 10.6 Violation of Sunriver Phase II

Declaration Relating to Landscaping. In the event that any unit owner fails to comply with the provisions of a Sunriver Phase II Declaration limiting the removal of trees and shrubs, the Administrator Phase II may, no sooner than sixty (60) days after delivery to such unit owner of written notice of the violation, enter upon the offending unit and replace appropriate trees and shrubs in a manner deemed sufficient, in the Administrator Phase II's sole discretion to remedy the effects of the violation; provided, however, that if the unit owner objects to such entry, then the Administrator Phase II shall enforce the provisions hereof by appropriate legal process. The Administrator Phase II shall charge the unit owner and the unit owner shall pay the entire cost involved in such restoration by it in order to enforce the provisions hereof. Such costs shall become payable upon delivery by the Administrator Phase II to the unit owner of notice of the amount thereof and the amount thereof shall be paid into the maintenance fund. Any such charges so levied shall become a special assessment against the unit of the unit owner.

Section 10.7 Violation of Sunriver Phase II

Declaration By Prohibited Activity. Any activity prohibited by the provisions hereof or by any Sunriver Phase II



Declaration may be enjoined by appropriate equitable proceedings and the unit owner guilty of such prohibited activity shall also be liable for damages therefor or arising therefrom.

Section 10.8 Default In Payment of Maintenance Assessments, Special Assessments and Charges. Each maintenance assessment, special assessment or charge levied or imposed pursuant to the Plan of Sunriver Phase II or any Sunriver Phase II Declaration, together with interest thereon at the rate of ten percent (10%) per annum from the date of the charge until the date of payment, shall be a separate, distinct and personal debt and obligation of the unit owner or resident of Sunriver against whom the maintenance assessment, special assessment or charge is levied or imposed or from whom the amount is due. If a unit owner fails to pay any such assessment or charge or any installment thereof when due, the unit owner shall be in default and the amount of the assessment or charge not paid together with interest, costs and attorneys' fees as elsewhere provided for herein, shall become a lien upon the unit or units owned by the person from whom the assessment or charge is due, upon filing by the Administrator Phase II in the records of mortgages of the County of Deschutes, State of Oregon, of a notice of lien, which said notice shall set forth the amount due, a description of the unit against which the lien is imposed, the provisions under which the lien is claimed, and the fact that, unless the amount is paid, the unit subjected to the lien shall be sold in satisfaction thereof. Any such lien shall not take

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affect until notice thereof has been so filed. Thus, such lien shall be subordinate to the lien of any mortgage upon any unit which is accepted in good faith and for value and which was recorded prior to the filing of the notice of lien. The Administrator Phase II may commence proceedings to foreclose any such lien at any time within three (3) years following the date of such filing and foreclosure shall occur in a manner provided for foreclosure of a mortgage under the laws of the State of Oregon.

Section 10.9 Expenses and Attorneys' Fees. In the event that the Administrator Phase II shall bring any suit or action to enforce any provision herein contained in the Plan of Sunriver Phase II or in a Sunriver Phase II Declaration, to collect any money due to it thereunder or to foreclose a lien, the Defendant in such suit or action shall pay to the Administrator Phase II all costs and expenses which the Administrator Phase II shall incur in connection with such suit or action, including a foreclosure title report, in such amount as the Court may determine to be reasonable as attorneys' fees therein, including attorneys' fees incurred in connection with any appeal or decision of the trial court or an intermediate appellate court.

Section 10.10 Non-Exclusiveness and Cumulation of Remedies. Election by the Administrator Phase II to pursue any remedy provided for the violation of any provision of the Plan of Sunriver Phase II or of a Sunriver Phase II Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted thereunder or permitted by law. The remedies provided in the Plan of Sunriver Phase II and

at any Sunriver Phase II Declaration are not intended to be exclusive but shall be in addition to all other remedies, including actions for damages or suits for injunctions or for specific performance available under applicable law.

Section 10.11 Right of Entry. The Administrator Phase II, or any member of the Design Committee authorized by the Administrator Phase II may, at any reasonable time, and from time to time at reasonable intervals, enter upon any unit within Sunriver Phase II for the purpose of determining whether or not the use of such unit or any improvement thereon is then in compliance with the Plan of Sunriver Phase II or any Sunriver Phase II Declaration. No such entry shall be deemed to constitute a trespass or otherwise to create any right of action in the unit owner or occupant of such parcel.

## SECTION 11

### MISCELLANEOUS PROVISIONS

Section 11.1 Amendment. The provisions hereof may be amended by an instrument in writing, signed and acknowledged by a majority of the members of the Board of Directors of the Sunriver Phase II Association, certifying under penalty of perjury that the amendment set forth therein was duly adopted with written consent of unit owners entitled to exercise sixty-six and two-thirds percent (66-2/3%) of each class of the total voting power of the Sunriver Phase II Association, except where a greater percentage or different vote is required hereunder. Any amendment or repeal of a provision of the Plan of Sunriver Phase II or additional provision shall become effective only

upon the filing in the records of Deeds of Deschutes County, Oregon of such certificate, setting forth in full the amendment, amendments, additional provision or repeal approved as provided in this section.

Section 11.2 Joint Owners. In any case in which two (2) or more persons share the ownership of any unit, regardless of the form of ownership, the responsibility of such persons to comply with the provisions of the Plan of Sunriver Phase II and any Sunriver Phase II Declaration shall be a joint and several responsibility. The act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event that such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Administrator Phase II and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter.

Section 11.3 Construction; Severability; Numbers; Captions. The Plan of Sunriver Phase II shall be construed as an entire document to accomplish the purpose stated in the introductory paragraphs. Nevertheless, each provision of the Plan of Sunriver Phase II 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. As used herein the singular shall include the

plural, and the plural the singular. The masculine and neuter shall each include the masculine, feminine and neuter as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions hereof.

Section 11.4 Original Subdivision and Development Work. Nothing herein contained shall be deemed to limit or restrict the right of Developer, or its designated successors, their contractors, employees, materialmen or assigns from entering upon all or any portion of Sunriver Phase II for the purpose of conducting therein and thereon such work of subdivision, improvement, construction and development as Developer may deem necessary or desirable; provided, however, that all such work shall be performed in accordance with the Phase II Plan and without cost or expense to any unit owner other than Developer or Developer's designated successor, except in such instance where another unit or unit owners have expressly contracted for the performance of said work. Developer shall have a non-exclusive easement for use of the private ways for ingress to and egress from those portions of the real property owned by Developer in the vicinity of and adjacent to Sunriver Phase II for purposes of ingress to and egress from said property to perform work of construction thereon and for other work or activity associated with ownership of said property. Portions of the roads from time to time included within Sunriver Phase II are acknowledged to be roads which provide a principal means of ingress to and egress from property in the vicinity of Sunriver Phase II and the roads

and private ways may be utilized for that purpose by Developer, its agent, contractors and employees, lessees, invitees and licensees of commercial areas and other uses permitted under the Plan of Sunriver Phase I and the Plan of Sunriver Phase II, all on a nonexclusive and reasonable basis.

Section 11.5 .Notices. Any notice permitted or required by the Plan of Sunriver Phase II or any Sunriver Phase II Declaration may be delivered either personally or by mail. Delivery by mail shall be by certified or registered mail, postage prepaid and addressed as follows:

If to Developer:

c/o Sunriver Properties, Inc.  
Sunriver, Oregon 97701

If to the Administrator Phase II,  
at the address established as the  
principal place for the conduct of  
its business.

If to a Unit Owner, at the address given  
by him at the time of his purchase of a  
unit.

The address of any person may be changed at any time by notice in writing delivered as provided herein.

IN WITNESS WHEREOF, Sunriver Properties, Inc. has caused this Declaration setting forth the Plan of Sunriver Phase II to be executed this 24 day of June, 1976.

SUNRIVER PROPERTIES, INC.

By

[Signature]

Its

President

By

[Signature]

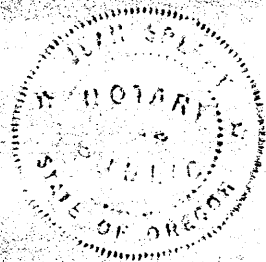
Its

Vice Pres.

STATE OF OREGON       )  
                              ) ss.  
COUNTY OF DESCHUTES )

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On this 24 day of June, 1976,  
personally appeared R. C. Anderson  
and R. K. Duplanty, who, being  
duly sworn, did say that they were the President and ~~Secretary~~ Vice  
President  
~~Secretary~~ of Sunriver Properties, Inc., respectively, and that  
the seal affixed to the foregoing instrument is the corpor-  
ate seal of said corporation and that said instrument was  
signed and sealed on behalf of said corporation by authority  
of the Board of Directors; and they acknowledge said instru-  
ment to be said corporation's voluntary act and deed.



Before me Jean L. Perry  
Notary Public for Oregon, My  
Commission expires 8-6-78.





**EXHIBIT A**  
**SLAYTON MASTER PLAN**  
PHASE I  
OCTOBER 1971  
GENERAL LAND USE & DEVELOPMENT PLAN  
EDMAN/INC.

1:4000  
• Proposed Road  
• Proposed Road  
• Proposed Road  
• Proposed Road





RECEIVED  
JAN 10 1964

## TERMINATION

[illegible]

THE NEW YORK PUBLIC LIBRARY  
ASTOR LENOX TILDEN FOUNDATION  
500 5TH AVENUE  
NEW YORK 17, N.Y.

ACKNOWLEDGEMENT

STATE OF CONNECTICUT

THIS IS TO CERTIFY that on this 4 day of December, 1976, before me the undersigned, a  
Notary Public, personally appearing JOHN EDWARD K. KENNEDY and CHARLES W. LARLEY, known and Vice  
President of BUSINESS OPPORTUNITIES, INC., to me known to be the individuals who composed the foregoing  
declaration and acknowledged to me that they signed said declaration as the true and authentic and duly  
authorized and authorized to sign said declaration and that they were authorized to act as attorney of said Corporation.  
In testimony whereof I have set my hand and affixed seal of said office and date on this 4th day of December, 1976.

James Rogers

NOTARY PUBLIC for the STATE OF OREGON  
My Comm. expires 2-6-78

APPROVALS

APPROVED

APPROVED \_\_\_\_\_  
*James* 26 19 27/2

1940-1941

MEMORANDUM FOR THE DIRECTOR

COUNTY PUBLIC WORKS DIRECTOR

*[Handwritten signature]*

1

10

VILLAGE I

SECTION 29

AND THE EAST 1/2 OF SECTION 30.

TABLE 19. AGE 11 E. J. 22.

DECATUR COUNTY OREGON

DESCHUTES COUNTY PLAY No. 248

EXHIBIT B

**AFFIDAVIT**

1. Edward L. Brown, being first duly sworn, on hereby certifies that I have correctly surveyed and marked with proper monuments the lands shown on this plan located in Sections 29 and 30, Township 28 South, Range 11 East, W.M., in Deschutes County, Oregon and as follows:

[illegible]

Tuesday 10/11/68 = 34.37 hours

REGISTERED  
PROFESSIONAL  
LAND SURVEYOR  
OREGON  
MAY 17, 1964  
RICHARD L. DRYANT  
920

I hereby certify that this is a true

and Grand Canyon of the Head of  
RIVER VILLAGE

Richard R.

Subscribed and sworn to before me this 4 day of March 1972

Grand Canyon

Master, Pictorial for the State of Oregon  
My corresponding number 816-78

# AGENCY'S CERTIFICATE

best public schools and the best police and fire departments and the best health care system in the country. And that's why we're going to have the best economy in the country. And that's why we're going to have the best quality of life in the country. And that's why we're going to have the best future for our children. And that's why we're going to have the best future for our country.

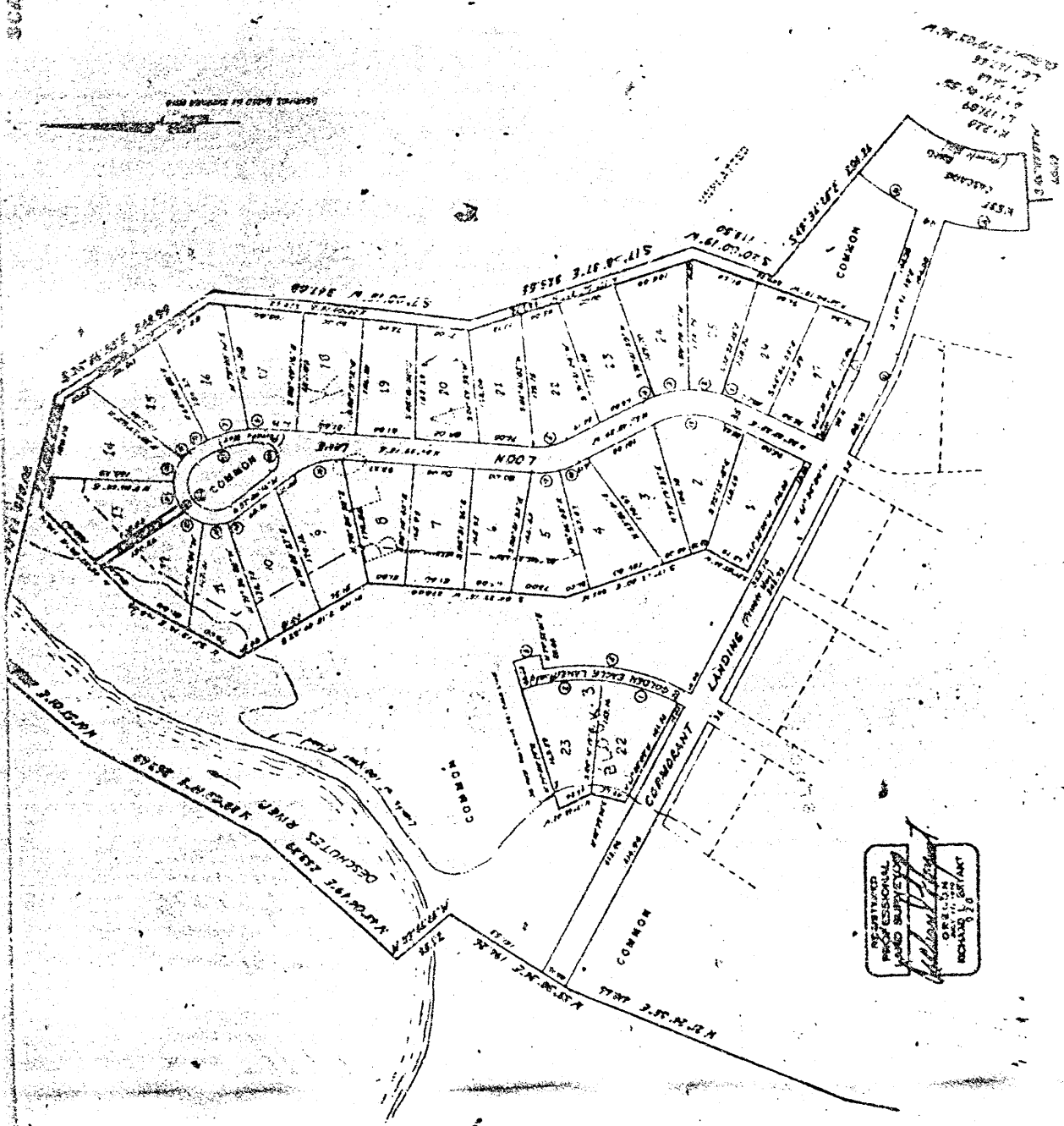
217-1-2234311876



EXHIBIT B

CURVE DATA		TAN CHORD CLOSING	
NO	RADIUS ARC 4	NO	CHORD CLOSING
1	41.50	20.10	27.52
2	41.50	46.21	47.07
3	41.50	49.22	50.07
4	41.50	49.22	50.07
5	41.50	49.22	50.07
6	41.50	49.22	50.07
7	41.50	49.22	50.07
8	41.50	49.22	50.07
9	41.50	49.22	50.07
10	41.50	49.22	50.07
11	41.50	49.22	50.07
12	41.50	49.22	50.07
13	41.50	49.22	50.07
14	41.50	49.22	50.07
15	41.50	49.22	50.07
16	41.50	49.22	50.07
17	41.50	49.22	50.07
18	41.50	49.22	50.07
19	41.50	49.22	50.07
20	41.50	49.22	50.07
21	41.50	49.22	50.07
22	41.50	49.22	50.07

CURVE DATA		TAN CHORD CLOSING	
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6	41.50	49.22	50.07
7	41.50	49.22	50.07
8	41.50	49.22	50.07
9	41.50	49.22	50.07
10	41.50	49.22	50.07
11	41.50	49.22	50.07
12	41.50	49.22	50.07
13	41.50	49.22	50.07
14	41.50	49.22	50.07
15	41.50	49.22	50.07
16	41.50	49.22	50.07
17	41.50	49.22	50.07
18	41.50	49.22	50.07
19	41.50	49.22	50.07
20	41.50	49.22	50.07
21	41.50	49.22	50.07
22	41.50	49.22	50.07



REGISTERED  
PROFESSIONAL  
LAND SURVEYOR  
J. H. H. H.  
J. H. H. H.  
J. H. H. H.

338

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 11:31 o'clock A M., and recorded in Book 233 on Page 131 Records of Deschutes

ROSEMARY BATTERSON  
County Clerk

By Ann L. Ballou Deputy