

After Recording Return to:  
 The Sunriver Owner's Association  
 P.O. Box 3278  
 Sunriver, OR 97707

94-19103

EASEMENT AGREEMENT  
 (BICYCLE PATHS)

DATED: May 13, 1994

BETWEEN: SUNRIVER RESORT LIMITED PARTNERSHIP, ("SRLP")  
 a Delaware limited partnership  
 Administration Office  
 Center Drive  
 PO Box 3589  
 Sunriver, Oregon 97707

AND: THE SUNRIVER OWNERS' ASSOCIATION, ("SROA")  
 an Oregon nonprofit corporation  
 P.O. Box 3278  
 Sunriver, Oregon 97707

Recitals:

A. SROA is the Administrator of the Consolidated Plan of Sunriver, recorded in Book 113, Page 1158, Deschutes County Records ("Consolidated Plan").

B. SRLP owns certain of the property described in the Consolidated Plan upon which bicycle and pedestrian paths ("Paths") are located. All property owned by SRLP from time to time that is subject to the Consolidated Plan and upon which Paths are located is referred to as the "SRLP Property."

C. SROA desires to obtain from SRLP, and SRLP desires to grant to SROA, an easement for bicycle and pedestrian access over and across all Paths located on the SRLP Property, for the benefit of SROA, its members and guests, all in accordance with the terms and conditions of this Easement Agreement (this "Agreement").

D. The parties desire to supersede and terminate the Easement recorded at Book 180, Page 2977, Deschutes County Records.

NOW, THEREFORE, for valuable consideration, the parties agree as follows:

After recording, return to:  
 BEND TITLE COMPANY  
 1105 N.W. WALL BEND

Agreements:SECTION 1 GRANT OF EASEMENT

1.1 SRLP hereby grants and conveys to SROA a perpetual easement and right-of-way on, over, across, and along all Paths located on the SRLP Property ("Bike Paths"), on the terms and conditions of this Agreement.

1.2 Such easement and right-of-way may be used only for bicycle and pedestrian ingress and egress. Use of the easement shall be on a regular, continuous, nonexclusive, nonpriority basis benefiting SROA, its members and guests.

1.3 The easement rights granted under this Agreement are personal to SROA and to any nonprofit successor organization to SROA or municipal corporation, which has substantially similar obligations and responsibilities to SROA and otherwise are not assignable. In the event the SROA property benefitted by this Agreement is conveyed to a third party other than a permitted assignee as described in the proceeding sentence, then this Agreement shall terminate, and SROA shall execute and deliver to SRLP, upon request, a quitclaim deed of any rights in the SRLP Property.

SECTION 2 LOCATION; REMODELING AND RECONFIGURATION

2.1 SROA shall have no right of access on any portion of the SRLP Property other than over the Paths.

2.2 SRLP reserves the right to alter, reconstruct or reconfigure the Paths. In such case, the easement rights of SROA under this Agreement automatically shall be modified to apply to such reconfigured Paths.

2.3 SROA shall have no claim for interference with its rights hereunder arising from any temporary interference or closure of easement areas in connection with any construction activities or as required by law.

SECTION 3 INDEMNITY AND INSURANCE

3.1 SROA hereby indemnifies, defends, protects and holds harmless SRLP and its partners, officers, employees, agents, contractors, tenants, successors and assigns ("Indemnitees") from and against any loss, liability, claim, damage or expense (including reasonable attorneys' fees) arising out of or related to any usage of the Paths by SROA, its members or their guests, except to the extent arising out of the gross negligence or wilful misconduct of any Indemnitee.

3.2 SROA accepts the Paths in their "as is" condition, with all faults, and hereby releases and waives any and all claims that SROA, its members or guests may have or hereafter acquire in connection with usage of the Paths.

3.3 SROA shall maintain commercial general liability insurance with minimum combined limits of not less than \$1,000,000, or such lesser limit as may be reasonably available on the insurance market, in force at all times during the term of this Agreement, relating to all activities, conditions, operations and usages on or about the Paths. Such insurance shall name SRLP and its partners, agents, designees, successors and assigns as additional insureds. SROA shall provide evidence of such insurance to SRLP upon request.

SECTION 4            LIMITATIONS ON SROA'S USE

4.1 SROA shall comply with, and shall cause its members and guests to comply with, the following limitations on SROA's use of the Paths.

4.1.1 No vehicle shall be parked in or left in a dismantled or inoperable condition on or about the Paths.

4.1.2 No motorized vehicle shall be used on the Paths without the prior written consent of SRLP, except maintenance vehicles using the Paths on a reasonable basis.

SECTION 5            CONDEMNATION

In the event any portion of the Paths is taken by power of eminent domain, or is conveyed under threat of condemnation, this Agreement shall terminate as to the portion so taken or conveyed. Proceeds from any such condemnation shall belong exclusively to SRLP.

SECTION 6            BREACH OF OBLIGATIONS

If either party shall fail to perform its obligations under this Agreement, the other party shall be entitled to require such performance by suit for specific performance or, where appropriate, through injunctive relief. Such remedies shall be in addition to any other remedies afforded under Oregon law or under this Agreement.

SECTION 7 MISCELLANEOUS7.1 Waiver

Failure of either party at any time to require performance of any provision of this Agreement shall not limit such party's right thereafter to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach or a waiver of such provision itself.

7.2 Severability

If any term or provision of this Agreement shall to any extent be held invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and each term or provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

7.3 No Third Party Beneficiaries

There are no intended third party beneficiaries of this Agreement, and no party other than SRLP and SROA shall be entitled to enforce or claim reliance on any provision of this Agreement.

7.4 Exhibits

All exhibits attached to this Agreement are incorporated herein by this reference.

7.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon.

7.6 Attorneys' Fees

If a suit, action, or other proceeding of any nature whatsoever (including any proceeding under the U.S. Bankruptcy Code) is instituted in connection with any controversy arising out of this Contract or to interpret or enforce any rights hereunder, the prevailing party shall be entitled to recover its attorneys', paralegals', accountants', and other experts' fees and all other fees, costs, and expenses actually incurred and reasonably necessary in connection therewith, as determined by the court at trial or on any appeal or review, in addition to all other amounts provided by law.

7.7 Complete Agreement

This Agreement constitutes the complete agreement of the parties with respect to the subject matter of this Agreement, and supersedes and replaces all prior oral and written agreements.

7.8 Termination of Prior Instrument

This Agreement supersedes in its entirety the Easement recorded at Book 180, Page 2977, Deschutes County records ("Prior Easement"), and the Prior Easement is hereby terminated and of no further force or effect.

7.9 Notices

Notices under this Agreement shall be in writing and shall be effective when actually delivered by personal delivery or facsimile transmission, or two business days after deposit in the United States mail, certified, return receipt requested, directed to the other party at the address set forth above, or to such other address as such party may indicate by written notice to the other party.

7.10 Counterparts

This Agreement may be executed in counterparts, which when taken together shall constitute an original.

7.11 Successors

Subject to Section 1.3, the rights, covenants and obligations contained in this Agreement shall bind, burden and benefit each party's successors and assigns.

IN WITNESS WHEREOF, the undersigned have executed this document as of the year and date first hereinabove written.

SRLP:

SUNRIVER RESORT LIMITED  
PARTNERSHIP, a Delaware limited  
partnership

By: Lowe Sunriver, Inc., a  
California corporation,  
general partner

By Andrew D. [Signature]

Its Sr Vice Pres.

339 - 0831

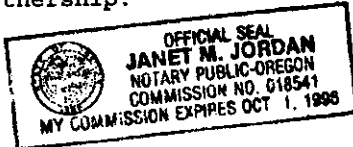
SROA:

THE SUNRIVER OWNERS' ASSOCIATION,  
an Oregon nonprofit corporation

By Barbara Wade  
Its President

STATE OF OREGON )  
 ) ss.  
County of Deschutes )

The foregoing instrument was acknowledged before me on this 13th day of May, 1994 by Andrew D. Norris, III who is the Senior Vice President of Lowe Sunriver, Inc., a California corporation, general partner of Sunriver Resort Limited Partnership, a Delaware limited partnership, on behalf of the partnership.



Janet M. Jordan  
Notary Public for Oregon  
My Commission Expires: \_\_\_\_\_

STATE OF OREGON )  
 ) ss.  
County of Deschutes )

The foregoing instrument was acknowledged before me on this 13th day of May, 1994 by Barbara Wade who is the President of the Sunriver Owners' Association, an Oregon nonprofit corporation, on behalf of the corporation.



Janet M. Jordan  
Notary Public for Oregon  
My Commission Expires: \_\_\_\_\_

\\NF:\APPS\WPS1\ATTYS\0021-03\04

339 - 0832

STATE OF OREGON )  
COUNTY OF DESCHUTES ) SS.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND  
RECORDER OF CONVEYANCES, IN AND FOR SAID  
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN  
INSTRUMENT WAS RECORDED THIS DAY:

94 MAY 13 PH 3:36

MARY SUE PENHOLLOW  
COUNTY CLERK

BY Wallace DEPUTY

NO. 94-19103 FEE 630

DESCHUTES COUNTY OFFICIAL RECORDS