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K-48982-D

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ROAD MAINTENANCE AGREEMENT

The undersigned, being the owners of the real property described in Exhibit "A", attached hereto and by this reference incorporated herein, hereby subject the above described real property to the terms, covenants, conditions and restrictions as imposed by the Road Maintenance Agreement. Additional owners may become part of the Road Maintenance Agreement by executing an Addendum to this Road Maintenance Agreement acknowledging that they have agreed to subject their real property to the terms, covenants and conditions and restrictions of this Road Maintenance Agreement.

1. **ROADWAY.** The roadway consists of all ingress-egress to Glenridge Way, from property addressed as Lot #3 Block #3 Tract 1152 including Parcel 2 & 3 of Partition No. 65-95 and will consist of any other additions or improvements as may be approved by a majority of the owners of the above-described real property.

2. **REPAIRS AND MAINTENANCE.**

a. Each of the owners of the above described real property agree to share equally the costs of the maintenance and repair of the above described roadway to standards existing at the time of signature of this agreement or such other standard as shall be agreed to by a majority of the owners. The owner of each legal lot of record shall be responsible for their share of the costs of maintenance and repair based on the total number of lots subject to this agreement.

b. In order to facilitate payment of each prorata share of the maintenance and repair costs, the Manager shall prepare a budget each year for the anticipated expenses of maintenance and repair. The budgeted amount shall be divided by the number of owners subject to the Road Maintenance Agreement. The payment shall then be due and payable monthly.

c. The road shall be maintained in its current condition, and shall include reasonable costs for snow removal. Notwithstanding paragraph 6 below, it shall require unanimous consent of the owners to increase the level of development for the road, such as a decision to asphalt the road.

3. **MANAGER**

a. A majority of the owners shall appoint a manager whose responsibility will be to maintain and repair the road and to collect the assessments for the maintenance and repair of the road from the owners. Each party to this agreement agrees to indemnify and hold said manager harmless from his activities as manager, so long as they have been performed in good faith. The total number of votes entitled to be cast for the manager's position shall be based upon the total number of lots which are subject to this agreement. Each lot owner shall have the right to cast one vote for each lot owned.

b. The manager shall have the right to impose an assessment against each owner in an amount necessary to provide for the repair and maintenance of the road. This fund shall include the costs of annual maintenance and repair, costs of snow removal and the imposition of a reserve fund for the long-term repair and replacement of the roadway. These assessments shall be paid on a monthly basis, payable on the first day of the month with respect to which they are imposed. The manager shall keep all monies which are collected from assessments in a separate fund to be called the "maintenance fund" and shall use the monies in the maintenance fund only for the purposes specified herein.

4. **DEFAULT AND PAYMENT OF MAINTENANCE ASSESSMENTS.**

Each maintenance assessment shall be a separate, distinct and personal debt and obligation of the owner against whom the maintenance assessment is levied or imposed or from whom the amount is due. If the owner fails to pay any assessment or charge thereof when due, the owner shall be in default and the assessment or charge not paid, together with interest thereon at the rate of 12 percent and costs and attorney's fees as provided for herein, shall become a lien upon the property owned by the person from whom the assessment is due upon the filing by the manager in the official records of Klamath County,

4. (cont.)

RETURN TO:
PAUL CAHILL
63765 DESCHUTES MARKET RD.
BEND, OREGON 97701

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Oregon, a notice of lien setting forth the amount due and the description of the property against which the lien is imposed. Such lien shall not take effect until notice thereof has been so filed. Such lien shall be subordinated to any lien of any mortgage upon any owner which is accepted in good faith and for value and which was recorded prior to the filing of the notice of lien. The manager may commence proceedings to foreclose any such lien in the same manner as real property mortgages at any time within three years following the date of such filing.

5. **EXPENSES AND ATTORNEY'S FEES.** In the event that the manager shall bring any suit or action to enforce any provision contained in this agreement to collect any money due hereunder or to foreclose a lien, the defendant in such suit or action shall pay to the manager all costs and expenses which the manager shall incur in connection with such suit or action, including a foreclosure title report, and such amount as the court may determine to be reasonable as attorney's fees therein, including attorney's fees in connection with any appeal from a decision of the trial court or an intermediate appellate court.

6. **NONEXCLUSIVENESS AND ACCUMULATION OF REMEDIES.** Election by the manager to pursue any remedy provided for the violation of any provision of this agreement shall not prevent concurrent or subsequent exercise of another remedy permitted thereunder or which is permitted by law. The remedies provided in this agreement 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.

7. **AMENDMENT AND REPEAL.** Any provision of this agreement may at any time be amended or repealed or provisions may be added by the following method:

a. Property owners owning two-thirds of the lots must consent in writing to the amendment or repeal of a provision or to the addition of a new provision.

Any amendment or repeal of a provision of this agreement or any additional provision shall become effective only upon the filing in the official records of Klamath County, Oregon, of a certificate of the manager setting forth in full the amendment, amendments, additional provision or repeal approved as provided in this section and certifying that said amendment, amendments, additional provision or repeal have been approved in the manner required therefor herein.

John J. Novak

Paul C. Cahill
John M. Novak

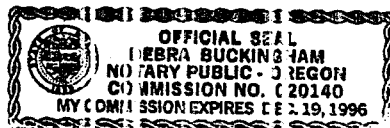
STATE OF OREGON, County of Klamath, ss:

The foregoing instrument was acknowledged before me this 4 day of June, 1996.

by JOHN J. NOVAK, ANI M. NOVAK AND PAUL C. CAHILL

Debra B. Buckingham
Notary Public for Oregon
My Commission expires 12-19-96

OFFICIAL STAMP



STATE OF OREGON: COUNTY OF KLAMATH: ss.

Filed for record at request of Klamath County Title the 4th day
of June A.D., 1996 at 3:42 o'clock PM., and duly recorded in Vol. M96
of Deeds on Page 16358

FEE \$15.00

By *Bernetha G. Leisch*
Bernetha G. Leisch, County Clerk