

WTC 1396-9691

2008-009877

Klamath County, Oregon



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AFTER RECORDING, RETURN TO:

07/08/2008 11:26:20 AM

Fee: \$51.00

Ms. Karen Smith  
Resort Resources, Inc.  
PO Box 1466  
Bend, OR 97709

AMERITITLE has recorded this instrument by request as an accommodation only, and has not examined it for regularity and sufficiency or as to its effect upon the title to any real property that may be described therein.

**FIRST AMENDMENT TO DECLARATION ANNEXING  
PHASE 1 OF ASPEN RUN  
TO RUNNING Y RANCH RESORT**

**THIS AMENDMENT TO THE DECLARATION** is made this 30<sup>th</sup> day of June, 2008, by **RUNNING Y RANCH RESORT OWNERS ASSOCIATION**, an Oregon nonprofit mutual benefit corporation (the "**Association**").

**RECITALS**

A. Aspen Run is a Project within Running Y Ranch Resort established pursuant to Declaration Annexing Phase 1 of Aspen Run to Running Y Ranch Resort dated October 23, 2007 and recorded October 25, 2007 as Document No. 2007-018406 in the Records of Klamath County, Oregon (the "**Declaration**"). The property annexed to Running Y Ranch Resort pursuant to the Declaration is collectively referred to in this First Amendment as "**Aspen Run**".

B. In accordance with the Declaration, by affirmative vote or written consent of Owners owning not less than seventy-five percent (75%) of the Lots within Aspen Run, together with the written consent of the Class B member of the Association, the Owners wish to amend the Declaration.

**AMENDMENT**

1. Paragraph 6.8(a) is deleted in its entirety and a new Paragraph 6.8(a) is substituted therefore as follows:

"(a) **Exterior Maintenance**. The Association shall provide exterior maintenance upon each Living Unit as follows: paint, caulk, repair, replace and care for roofs, roof overhangs, eaves, gutters, downspouts, flashings, exterior building surfaces, patios, decks, exterior lights (except light bulbs) and other exterior improvements. Such exterior maintenance does not include repair or replacement of exterior light bulbs, doors, windows and other glass surfaces, except to the extent of the proceeds of the Association's insurance. The Association shall also maintain party walls as

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provided in Section 7.2. The Association shall maintain walkways, driveways, parking areas and all landscaping within the Lots, including landscape irrigation systems and water and power for such systems, and will be responsible for snow removal on such walkways, driveways and parking areas, and installation and removal of foundation vent covers and outdoor faucet covers. The decision as to the nature and extent of exterior maintenance required for each Living Unit and the timing of such maintenance shall be solely within the discretion of the Board of Directors. The cost of such maintenance by the Association shall be assessed as provided in Section 6.15. In the event, however, the need for such maintenance or repair is caused by the willful or negligent act or omission of an Owner, his or her family, tenants, guests or invitees, and to the extent such maintenance or repair is not covered by the Association's insurance policy, the costs of such maintenance and repair may, in the discretion of the Board of Directors, be charged to the Owner as an Individual Assessment.

2. Paragraph 6.8(b) is deleted in its entirety and a new Paragraph 6.8(b) is substituted therefore as follows:

“(b) **Maintenance and Lighting of Project Common Areas.** In addition to the exterior maintenance as set forth in Section 6.8(a), the Association shall maintain any exterior lighting for and perform all maintenance upon the Project Common Areas and the improvements located thereon, including, without limitation, sidewalks, parking areas, landscaping and irrigation systems.”

3. Paragraph 6.8(c) is deleted in its entirety and a new Paragraph 6.8(c) is substituted therefore as follows:

“(c) **Maintenance of Utilities.** The Association shall perform or contract to perform maintenance of any utilities, such as sanitary sewer service lines and pumps, domestic water service lines and storm drainage lines, located in the Project Common Areas and Lots. Each Owner shall maintain at such Owner's expense utility lines to the extent located within the Living Unit.

4. Paragraph 6.8(d)(ii) is deleted in its entirety and a new Paragraph 6.8(d)(ii) is substituted therefore as follows:

“(ii) Maintain exterior window casements, sashes and frames, window screens, storm windows, hose bibs, exterior doors, door sills and thresholds and garage doors, if applicable;”

5. Paragraph 6.9 is deleted in its entirety and a new Paragraph 6.9 is substituted therefore as follows:

“6.9 **Insurance.** The Association, through the Board of Directors, shall obtain and maintain at all times and shall pay for out of Project Assessments the following insurance covering both the Project Common Areas and the Living Units within Aspen Run:

(a) Property insurance covering loss or damage from perils normally covered by “special” form policy or the equivalent, including, to the extent available at a reasonable cost, earthquake and flood. With respect to the Living Units, the policy shall include the Living Unit and

all fixtures, equipment and fixed finishes therein, exclusive of personal property, any hot tubs placed on outdoor decks and any improvements or betterments installed by an Owner;

(b) Insurance covering the legal liability of the Association, including but not limited to, the Association Board of Directors. There may be excluded from this insurance any liability covering an Owner for liability arising out of the acts or omissions of that Owner. Liability insurance required under this subsection shall be issued on a comprehensive liability basis and shall provide a cross liability endorsement providing that the rights of named insured under the policy shall not prejudice any action against another named insured.

(c) Each Owner shall be responsible for insuring all portions of the Living Unit not covered by the Association's policy, including personal property, any hot tubs placed on outdoor decks and any improvements or betterments installed by an Owner. The Owner may also be responsible for certain "loss assessments".

Notwithstanding any of the foregoing provisions and requirements relating to property or liability insurance, there may be listed as an additional insured, on behalf of the Association, the Association's authorized representative.

Each Owner appoints the Association an attorney-in-fact for the purpose of purchasing and maintaining such insurance, including: the collection and appropriate disposition of the proceeds thereof; the negotiation of losses and execution of releases of liability; the execution of all documents; and the performance of all other acts necessary to accomplish such purpose. The Association shall receive, hold, or otherwise properly dispose of any proceeds of insurance in trust for Owners and their first mortgage holders, as their interests may appear."

6. Paragraph 6.14 is deleted in its entirety and a new Paragraph 6.14 is substituted therefore as follows:

**"6.14 Damage, Destruction or Partial Condemnation.** If any Living Unit within Aspen Run is damaged, destroyed or partially condemned and the Owners of all Living Units situated in the affected building elect not to rebuild and if the election not to rebuild is approved by a seventy-five percent (75%) vote of the Owners within Aspen Run, the affected Lots shall be cleared of debris and Living Units of an alternate design may be constructed subject to approval of Declarant and the Architectural Review Committee. If restored, the Association shall be responsible for restoring those portions of the Living Unit covered by the Association's insurance policy to substantially the same condition in which the building or buildings existed prior to such damage, destruction or partial condemnation. The Owner shall be responsible for the remainder of the Living Unit, any restoration costs in excess of the insurance proceeds and the deductible under the Association's insurance policy."

7. Except as set forth in this First Amendment, the Declaration Annexation Phase 1 of Aspen Run to Running Y Ranch Resort shall continue in full force and effect without any change whatsoever.

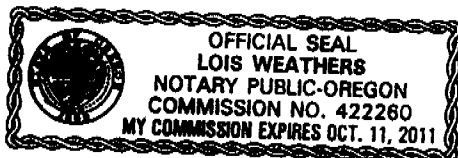
IN WITNESS WHEREOF, the parties have caused this First Amendment to Declaration Annexing Phase 1 of Aspen Run to Running Y Ranch Resort to be executed as of the day and year first above written.

**RUNNING Y RANCH RESORT OWNERS ASSOCIATION**, an Oregon nonprofit mutual benefit corporation

By: *John L. Anhorn* President  
By: *Karen L. Smith* Secretary

STATE OF OREGON           )  
  )ss.  
County of *Jackson*        )

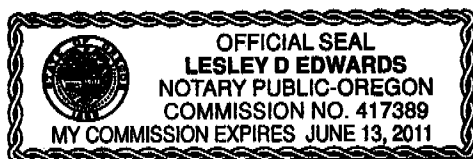
The foregoing instrument was acknowledged before me this *1* day of *July*, 2008, by *JOHN L. ANHORN*, the President of Running Y Ranch Resort Owners Association, on its behalf.



*Lois Weathers*  
Notary Public for Oregon  
My commission expires:

STATE OF OREGON           )  
  )ss.  
County of *Deschutes*        )

The foregoing instrument was acknowledged before me this *30th* day of *June*, 2008, by *Karen L. Smith*, the Secretary of Running Y Ranch Resort Owners Association, on its behalf.



*Lesley D. Edwards*  
Notary Public for Oregon  
My commission expires:

CONSENT

Sage Builders, LLC, as Owner of all Lots within Aspen Run, hereby consents to the within First Amendment to Declaration Annexing Phase 1 of Aspen Run to Running Y Ranch Resort and subjects the Lots within Aspen Run to such First Amendment.

SAGE BUILDERS, LLC, an Oregon limited liability corporation

By *Paul A. Whitaker*  
Its MEMBER

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF OREGON                     )  
  )ss.  
COUNTY OF DESCHUTES        )

This instrument was acknowledged before me on JULY 02, 2008 by  
PAUL A. WHITAKER and //////////////////// as  
MEMBER and ////////////////////, respectively, of Sage Builders,  
LLC, an Oregon corporation.

*Annette Martinez*  
Notary Public for Oregon  
My commission expires: 07/22/2011



CONSENT

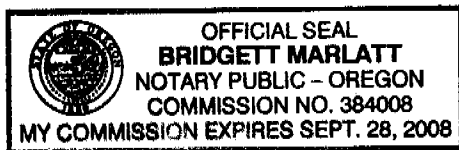
HomeStreet Bank, as a trust deed beneficiary of the Additional Property, hereby consents to the within First Amendment to Declaration Annexing Phase 1 of Aspen Run to Running Y Ranch Resort and subjects the Lots within Aspen Run to such First Amendment.

HOMESTREET BANK

By BH, Vice President  
Its Bruce Hardy, Vice President

STATE OF Oregon )  
 )ss.  
County of Marion )

The foregoing instrument was acknowledged before me this 7th day of July,  
20 08, by Bruce Hardy, Vice President of HomeStreet Bank, on  
its behalf.



Bridgett Marlatt  
Notary Public for Oregon  
My commission expires: 09/28/08

**CONSENT**

Running Y Resort, Inc., as "Class B member" of the Association, hereby consents to the within First Amendment to Declaration Annexing Phase 1 of Aspen Run to Running Y Ranch Resort.

**RUNNING Y RESORT, INC.**, an Oregon corporation

By *Todd C. Andres*  
its Asst Sec.

STATE OF OREGON            )  
  )ss.  
County of Klamath        )

The foregoing instrument was acknowledged before me this 2<sup>nd</sup> day of July, 2008, by Todd Andres, the Asst Secretary of Running Y Resort, Inc., on its behalf.



*Mechelle D. Phillips*  
Notary Public for Oregon  
My commission expires: 5-9-2010