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Karen Logan
Virtual Realty Enterprises, L.L.C.
100 S. Brentwood Blvd., Ste 240
Saint Louis, Missouri 63105

SUPPLEMENTAL DECLARATION
TO
TETHEROW
(Trailhead at Tetherow Phase 1)

THIS SUPPLEMENTAL DECLARATION OF TETHEROW (this "Supplemental Declaration") is made by Tetherow Heath, LLC, an Oregon limited liability company ("Declarant") and VRE Tract Y, L.L.C., an Oregon limited liability company ("Neighborhood Declarant").

Recitals

- A. Declarant is the current successor declarant under the Declaration of Covenants, Conditions, Restrictions and Easements for Tetherow recorded October 3, 2007, in the Official Records of Deschutes County, Oregon, as Document No. 2007-53418 (the "Declaration").
- B. Neighborhood Declarant recorded the plat of Trailhead at Tetherow Phase 1 (the "Plat") on April 27, 2017, in the Official Records of Deschutes County, Oregon as Document No. 2017-15943. Pursuant to Section 2.2 of the Declaration, and with the consent of Neighborhood Declarant, Declarant wishes to annex the Additional Property described in **Exhibit A**, attached hereto and incorporated herein by reference, to Tetherow, and subject the same to the Declaration.

NOW, THEREFORE, Declarant and Neighborhood Declarant hereby declare as follows:

1. OWNERSHIP OF ADDITIONAL PROPERTY. Neighborhood Declarant is the owner of the Additional Property and hereby consents to this Supplemental Declaration.
2. PROPERTY ANNEXED. Declarant hereby declares that the Additional Property described in **Exhibit A** shall be annexed to Tetherow and that the Additional Property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to the Declaration, this Supplemental Declaration and the Neighborhood Bylaws (defined in Section 5.8 below).
3. LAND CLASSIFICATIONS. The annexed Additional Property is classified as follows:
 - 3.1 "Member Units," which shall consist of Lots 1-6, inclusive, and 36-40, inclusive, as shown on the Plat. Member Units may take the form of Units, Designated Lodging Units (as

defined in Section 7.2 below), and/or lock-off style vacation rental units that are not separately owned (“VRUs”). The classification of each Member Unit is designated on **Exhibit A**.

3.2 The annexed Additional Property does not contain any Common Areas

3.3 The annexed Additional Property contains Neighborhood Common Areas, which shall be Gateway Loop Road (Private Road Tract Z) as shown on the Plat.

3.4 Neighborhood Declarant does not agree to build any specific future Improvements, but does not choose to limit Neighborhood Declarant’s rights to add Improvements not described in this Supplemental Declaration.

4. NEIGHBORHOOD DESIGNATION. Pursuant to Section 3.1 of the Declaration, the annexed Additional Property is hereby designated as the “Trailhead at Tetherow” Neighborhood.

5. NEIGHBORHOOD ASSOCIATION.

5.1 Pursuant to Section 3.3 of the Declaration, Neighborhood Declarant shall establish a non-profit corporation with members to serve as the Neighborhood Association for Trailhead at Tetherow (the “Trailhead at Tetherow Neighborhood Association”).

5.2 The Trailhead at Tetherow Neighborhood Association is vested with the authority and obligation to maintain any Neighborhood Common Areas, levy Neighborhood Assessments, collect Assessments on behalf of the Association pursuant to Section 11.12 of the Declaration, promulgate and enforce rules and regulations, hold title to and administer, manage, operate, and insure Neighborhood Common Areas and/or easements located within Trailhead at Tetherow, and any other powers afforded a Neighborhood Association under the Declaration, this Supplemental Declaration, and ORS 94.550 to 94.783 (the “Oregon Planned Community Act”). Prior to the formation of the Trailhead at Tetherow Neighborhood Association, Neighborhood Declarant shall be responsible, at its sole cost and expense, for operating, managing, administering, insuring, maintaining, repairing and replacing any Neighborhood Common Areas in accordance with the Declaration and this Supplemental Declaration.

5.3 There shall be one class of membership within the Trailhead at Tetherow Neighborhood Association.

5.4 Each Owner (owners of Designated Lodging Units and VRUs shall also be considered “Owners” as that term is defined in the Declaration), including Neighborhood Declarant, of a Member Unit shall, immediately upon creation of the Trailhead at Tetherow Neighborhood Association and thereafter during the entire period of the Owner’s ownership of a Member Unit within Trailhead at Tetherow, be a member of the Trailhead at Tetherow Neighborhood Association. Such membership shall commence, exist and continue simply by virtue of such ownership, shall expire automatically upon termination of such ownership, and need not be confirmed or evidenced by any certificate or acceptance of membership.

5.5 Members shall be entitled to one (1) vote for each Member Unit owned. When more than one (1) person holds an interest in any Member Unit, all such persons shall be

members. The vote for such Member Unit shall be exercised as they among themselves determine, but in no event shall more than one (1) vote be cast with respect to any Member Unit. If the Owners of a Member Unit cannot agree upon how to exercise their vote, then the vote for that Member Unit shall be disregarded completely in determining the proportion of votes given with respect to such matter, unless a valid court order establishes the authority of a co-Owner to vote.

5.6 Neighborhood Declarant shall produce an initial reserve study consistent with ORS 94.595 and establish a reserve fund on behalf of the Trailhead at Tetherow Neighborhood Association to fund major maintenance, repair, or replacement of Neighborhood Common Areas that will normally require replacement in whole or in part in more than one (1), but less than thirty (30), years. The Trailhead at Tetherow Neighborhood Association shall annually review and update the reserve study to determine assessments for the reserve fund.

5.7 Neighborhood Declarant shall produce an initial maintenance plan consistent with ORS 94.595 and establish an operating fund on behalf of the Trailhead at Tetherow Neighborhood Association to fund all maintenance, repair, or replacement obligations. The Trailhead at Tetherow Neighborhood Association shall annually review and update the maintenance plan to determine assessments for the operating fund.

5.8 Subject to Section 6 below, Neighborhood Declarant shall convey the Neighborhood Common Areas, if any, to the Trailhead at Tetherow Neighborhood Association on or before the Turnover Meeting held in accordance with the Bylaws of the Trailhead at Tetherow Neighborhood Association (the "Neighborhood Bylaws").

5.9 The Neighborhood Bylaws shall be recorded.

6. NEIGHBORHOOD DECLARANT CONTROL. Neighborhood Declarant shall have perpetual control over the Trailhead at Tetherow Neighborhood Association. Nothing herein shall prevent Neighborhood Declarant from turning over control to the Owners of Trailhead at Tetherow. If Neighborhood Declarant elects to turn over control of the Trailhead at Tetherow Neighborhood Association, Neighborhood Declarant shall complete turnover in a manner consistent with the Oregon Planned Community Act and shall convey the Neighborhood Common Areas, if any, at that time.

7. ADDITIONAL RESTRICTIONS.

7.1 Trailhead at Tetherow shall be subject to all of the terms and provisions of the Declaration except as modified or supplemented by this Supplemental Declaration.

7.2 All Owners acknowledge DCC 19.106.060(J)(6)(b)(ii), which requires that individually-owned Units designated as overnight lodging units (each, a "Designated Lodging Unit") must be available for rental at least 38 weeks each year through a central reservation service operated by the resort operator or by a real estate property manager as defined in ORS 696.010. Moreover, the conditions of approval for the Designated Lodging Units may require repair/replacement of any damaged/destroyed Designated Lodging Units to meet such availability requirements. Failure of a Designated Lodging Unit to meet the overnight availability requirement is a violation of Deschutes County Code and this Supplemental

Declaration. Such violations are subject to code enforcement proceedings by Deschutes County and applicable penalties under the Declaration.

(a) Neighborhood Declarant shall designate a Unit as a Designated Lodging Unit by recording an instrument approved by Deschutes County in the deed records of the Unit. After Neighborhood Declarant has conveyed a Unit to an Owner other than Neighborhood Declarant, no designation shall occur for that Unit without the Owner's permission.

(b) Any rental management contract for a Designated Lodging Unit shall require that the Designated Lodging Unit be available for rental at least 38 weeks each year through a central reservation service operated by the resort operator or by a real estate property manager as defined in ORS 696.010. Failure to include such a provision is a violation of Deschutes County Code, the Declaration, and this Supplemental Declaration. Such violations are subject to code enforcement proceedings by Deschutes County and applicable penalties under the Declaration and this Supplemental Declaration.

(c) The availability of a Designated Lodging Unit shall be annually reported to Neighborhood Declarant by the Owner of the Designated Lodging Unit at a time designated by Declarant. Failure to report the availability of a Designated Lodging Unit is a violation of the Declaration, and this Supplemental Declaration and subject to applicable penalties under the Declaration and this Supplemental Declaration. Upon receipt of each Owner's annual report, Neighborhood Declarant shall then promptly report the availability of each Designated Lodging Unit within Trailhead at Tetherow to Declarant.

(d) Notwithstanding any other provision of the Declaration or this Supplemental Declaration to the contrary, the provisions of this Section 7.2 shall be irrevocable in accordance with DCC 19.106.060.

(e) Neighborhood Declarant and each Owner within Trailhead at Tetherow shall indemnify, defend, and hold Declarant harmless for, from and against all claims, actions, proceedings, damages (including consequential and special damages), liabilities, and expenses of every kind, whether known or unknown, including, without limitation, attorney fees and costs, resulting from or arising out of breaches and defaults by Neighborhood Declarant or Owner, as the case may be, under this Section 7.2.

7.3 The Trailhead at Tetherow Neighborhood Association shall be solely responsible for the design, installation and maintenance of all landscaping on each Member Unit, including, but not limited to lawns, flower beds, gardens, trees, shrubbery, fencing, fire pits, patios, and hardscaping. Each Owner grants Neighborhood Declarant and the Trailhead at Tetherow Neighborhood Association an easement over the Owner's Member Unit for the installation, maintenance, repair, and replacement of landscaping on the Member Unit. Expenses for landscape maintenance shall be an Owner expense, assessed as an Individual Assessment to each Owner separately, and not a Neighborhood Expense.

7.4 The exteriors of the Member Units, including but not limited to painting, windows, doors, siding, decks, gutters, drain pipes, lighting, roofing, Wi-Fi antennae and other communications equipment, and anything else affixed to the exterior of a Member Unit, shall be designed, installed, maintained, repaired, and replaced by the Trailhead at Tetherow Neighborhood Association. Each Owner grants Neighborhood Declarant, Declarant, and the Trailhead at Tetherow Neighborhood Association an easement over such Owner's Member Unit for the installation, maintenance, repair, and replacement of Member Unit exteriors. Expenses for exteriors shall be an Owner expense, assessed as an Individual Assessment to each Owner separately, and not a Neighborhood Expense.

7.5 Pursuant to Sections 3.11 and 4.3 of the Declaration, all Owners within Trailhead at Tetherow must maintain at least a Social/Athletic Membership in the Club. Owners of Designated Lodging Units and VRUs shall similarly be obligated to maintain at least a Social/Athletic Membership in the Club.

7.6 Subject to Section 7.2, a Unit may be rented or leased for residential purposes if: (i) there is a written rental or lease agreement specifying that the tenant shall be subject to all provisions of the Governing Documents (including any rules and regulations promulgated by the Trailhead at Tetherow Neighborhood Association) and a failure to comply with any provision of the Governing Documents (including any rules and regulations promulgated by the Trailhead at Tetherow Neighborhood Association) shall constitute a default under the agreement; (ii) the period of the rental or lease is not less than thirty (30) days; (iii) the Owner gives notice of the tenancy to the Board and a copy of the lease, if requested, and the Owner has otherwise complied with the Governing Documents (including any rules and regulations promulgated by the Trailhead at Tetherow Neighborhood Association); (iv) the Owner gives each tenant a copy of the Governing Documents (including any rules and regulations promulgated by the Trailhead at Tetherow Neighborhood Association); and (v) the Unit is rented to not more than one (1) family at any time. Upon satisfaction of the foregoing conditions, all rights to the use and enjoyment of the Common Areas and Neighborhood Common Areas shall be exercised by the tenant rather than the Owner of the lease or rented Unit; however, the Owner shall not be relieved of the obligations and duties imposed by the Declaration or Supplemental Declaration. The Owner may be fined for any violations of the Governing Documents (including any rules and regulations promulgated by the Trailhead at Tetherow Neighborhood Association) committed by the tenant. No Owner may lease or rent an unimproved Unit.

7.7 Only Designated Lodging Units and VRUs may be used or rented for overnight lodging purposes. The Owner of any Designated Lodging Unit or VRU used or rented for overnight lodging purposes shall comply with all laws and regulations applicable to such use including, but not limited to, payment of transient occupancy taxes.

7.8 Subject to Section 7.2, and approval by Neighborhood Declarant, Designated Lodging Units and VRUs may be used for residential purposes and may be rented or leased for residential purposes. Designated Lodging Units and VRUs rented or leased for residential purposes shall be subject to the same requirements as the rental or leasing of Units for residential purposes. This Neighborhood Declarant special right may be exercised by Neighborhood Declarant, its successors and assigns, irrespective of Neighborhood Declarant's ownership of any real property within Trailhead at Tetherow. Neighborhood Declarant may assign its right to any

person or entity responsible for managing overnight lodging accommodations within Trailhead at Tetherow.

7.9 Except where this Supplemental Declaration provides otherwise, VRUs, Designated Lodging Units, and the owners of Designated Lodging Units and VRUs, are charged with the same obligations and entitled to the same rights under the Declaration and this Supplemental Declaration as if they were a Unit or an Owner, respectively.

7.10 Subject to the restrictions in this Supplemental Declaration, any use permitted under then current applicable land use regulations, shall be permitted within Trailhead at Tetherow.

8. NEIGHBORHOOD DECLARANT.

8.1 For the purposes of the Declaration and this Supplemental Declaration, VRE Tract Y, L.L.C., is designated Neighborhood Declarant. Any Neighborhood Declarant special rights provided by, or any responsibilities created under, the Declaration or this Supplemental Declaration shall be exercised or performed exclusively by VRE Tract Y, L.L.C., its successors and assigns. Neighborhood Declarant shall have the right to assign its special declarant rights hereunder separately or together to one or more assignees.

8.2 Except as otherwise expressly provided in this Supplemental Declaration, and notwithstanding any contrary provision in the Declaration, neither Declarant nor the Association shall delegate, to Neighborhood Declarant or the Trailhead at Tetherow Neighborhood Association, any obligations under the Declaration with respect to the Additional Property or any other Common Area that the Owners within Trailhead at Tetherow have access to, without the written consent of Neighborhood Declarant, as long as Neighborhood Declarant owns any portion of the Additional Property.

9. ANNEXATION OF ADDITIONAL PROPERTY INTO NEIGHBORHOOD.

9.1 Neighborhood Declarant reserves the right to annex any and all real property, subject to approval of Declarant, into Trailhead at Tetherow.

9.2 There is no limit on the number or type of Member Units Neighborhood Declarant may annex or create from annexed real property nor the amount or nature of Neighborhood Common Areas that Neighborhood Declarant may create from the annexed real property.

9.3 Neighborhood Declarant shall annex real property into Trailhead at Tetherow through the procedures for annexation prescribed in the Declaration.

9.4 Upon annexation, Neighborhood Assessments shall be reallocated proportionately among the Member Units within Trailhead at Tetherow.

9.5 Upon annexation, each Member Unit shall be entitled to the same voting rights as existing Member Units within Trailhead at Tetherow.

10. NEIGHBORHOOD ASSESSMENTS.

10.1 Each Member Unit within Trailhead at Tetherow shall be subject to assessment in the manner and to the extent provided in Article 11 of the Declaration, except as modified or supplemented by this Supplemental Declaration. The costs of operating, managing, administering, insuring, maintaining and replacing the Neighborhood Common Areas within Trailhead at Tetherow, if any, and administering the Trailhead at Tetherow Neighborhood Association shall be a Neighborhood Expenses of the Trailhead at Tetherow Neighborhood Association and such Neighborhood Expenses shall be assessed to each Member Unit and the Owner thereof. The Trailhead at Tetherow Neighborhood Association shall have the power and obligation to levy, enforce and collect such Neighborhood Assessments from the Owners and to collect Assessments on behalf of the Association pursuant to Section 11.12 of the Declaration. Each Owner of a Member Unit, by acceptance of a conveyance thereof, whether or not so expressed in any such conveyance, shall be deemed to covenant to pay to the Trailhead at Tetherow Neighborhood Association all Assessments or other charges as may be fixed, established and collected from time to time in the manner provided in the Declaration, this Supplemental Declaration or the Bylaws of Trailhead at Tetherow Neighborhood Association. Such Assessments and charges, together with any interest, late charges, expenses, or attorneys' fees imposed, shall be a charge on the land and shall be a continuing lien upon the Member Unit against which each such assessment or charge is made. Such assessments, charges, and other costs shall also be the personal obligation of the person who was the Owner of such Member Unit at the time when the assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in the Oregon Planned Community Act.

10.2 As provided in Section 11.2(a) of the Declaration, no assessments (other than Individual Assessments) shall be levied against a Unit within Trailhead at Tetherow owned by Neighborhood Declarant until such time as the Unit is occupied for residential use.

10.3 Designated Lodging Units within Trailhead at Tetherow owned by Neighborhood Declarant shall not be assessed (other than Individual Assessments) until such time as the Designated Lodging Unit is used for either residential purposes or overnight lodging.

10.4 VRUs within Trailhead at Tetherow owned by Neighborhood Declarant shall not be assessed (other than Individual Assessments) until such time as the VRU is used for overnight lodging.

11. DESIGN GUIDELINES. The "Design Guidelines" applicable to Trailhead at Tetherow shall be the Tetherow Architectural and Landscape Design Guidelines, as the same may be amended from time to time. Notwithstanding the foregoing, Neighborhood Declarant, with the consent of Declarant, shall have the right to adopt additional guidelines applicable specifically to the Member Units within Trailhead at Tetherow. Owners of Member Units within Trailhead at Tetherow shall obtain the written consent of Neighborhood Declarant prior to commencing, erecting, placing, or altering any Improvement, including painting and roof replacement. Should the proposed Improvements require application to the Architectural Review Committee pursuant to Section 8.1 of the Declaration, Owner shall obtain, and include in the application materials, Neighborhood Declarant's written consent. Neighborhood Declarant may withhold any consent required under this Section 11 at its sole discretion.

12. ENFORCEMENT OF DECLARATION. The Trailhead at Tetherow Neighborhood Association shall have a non-exclusive right, but no obligation, to enforce the terms and provisions of the Declaration and Supplemental Declaration, including any rules and regulations of the Association promulgated under the Declaration or this Supplemental Declaration, as against any Owner of a Member Unit within Trailhead at Tetherow. The Trailhead at Tetherow Neighborhood Association shall be entitled to the same remedies as the Association under the Declaration in connection with the exercise of any such enforcement rights. Nothing in this Section 12 shall be construed as to limit, restrict or otherwise affect any of the enforcement rights of the Association under the Declaration.

13. AMENDMENT.

13.1 Except as otherwise expressly provided herein, this Supplemental Declaration may be amended in the manner provided for amendment of the Declaration, and in accordance with the terms thereof. No amendment hereto may alter or exempt application of any provision of the Declaration.

13.2 In no event shall an amendment under this Section 13 create, limit or diminish Declarant's special rights without Declarant's written consent.

13.3 In no event shall an amendment under this Section 13 create, limit or diminish Neighborhood Declarant's special rights without Neighborhood Declarant's written consent.

13.4 Declarant and Neighborhood Declarant may not amend this Supplemental Declaration to increase the scope of their respective special rights after the sale of the first Member Unit within Trailhead at Tetherow unless Owners representing 75 percent of all the Units subject to the Declaration, including at least 75 percent of the Member Units within Trailhead at Tetherow, other than Declarant or Neighborhood Declarant, agree to the amendment.

13.5 No change shall be made in the boundaries of any Member Unit or any uses to which any Member Unit is restricted under this Supplemental Declaration or change in the method of determining liability for common expenses, the method of determining the right to common profits or the method of determining voting rights of any Member Unit unless the Owners of the affected Member Units unanimously consent to the amendment.

13.6 Notwithstanding any contrary provision in this Supplemental Declaration, during the period of Neighborhood Declarant control, Neighborhood Declarant shall have the right to amend this Supplemental Declaration in order to comply with the requirements of the Federal Housing Administration, the United States Department of Veterans Affairs, the Farmers Home Administration of the United States, the Federal National Mortgage Neighborhood Association, the Government National Mortgage Neighborhood Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon that insures, guarantees or provides financing for a planned community or lots in a planned community. After the period of Neighborhood Declarant control, any such amendment shall require the approval of a majority of the voting rights of the Trailhead at

Tetherow Neighborhood Association, voting in person, by proxy or by ballot, at a meeting or ballot meeting of the Trailhead at Tetherow Neighborhood Association at which a quorum is represented. Provided, however, no amendment under this Section 13.6 may conflict with or be contrary to any provisions of the Declaration.

13.7 Any amendment shall become effective only upon recordation in the Official Records of Deschutes County, Oregon of a certificate of the president and secretary of the Association setting forth in full the amendment so approved and certifying that such amendment has been approved in the manner required by the Declaration, this Supplemental Declaration, the Oregon Planned Community Act, and acknowledged in the manner provided for acknowledgment of recorded instruments.

14. MISCELLANEOUS

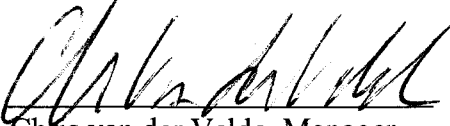
14.1 Unless expressly defined in this Supplemental Declaration, capitalized terms shall have the definition assigned such terms in the Declaration.

14.2 If any provision of this Supplemental Declaration is found by a court with competent jurisdiction to be unenforceable in any respect, such unenforceability shall not impair the enforceability of the provision in any other respect, or the enforceability of the remaining terms.

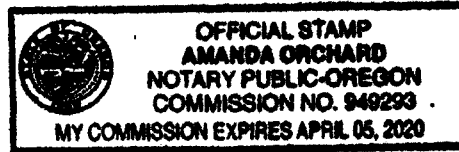
14.3 Trailhead at Tetherow is subject to Oregon Planned Community Act. This Supplemental Declaration is intended to be consistent with the, the Oregon Planned Community Act, which shall supplement any omission from, and control over any conflict with, this Supplemental Declaration.

IN WITNESS WHEREOF, Declarant has executed this Supplemental Declaration, and Neighborhood Declarant has consented thereto, as of the day it is recorded in the Official Records of Deschutes County, Oregon.

Tetherow Heath, LLC

By: 
Chris van der Velde, Manager

STATE OF OREGON)
) ss.
COUNTY OF DESCHUTES)



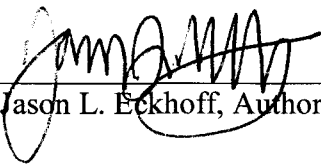
The foregoing instrument was acknowledged before me this 6th day of November, 2017, by Chris van der Velde, Manager of Tetherow Heath, LLC, an Oregon limited liability company.


Notary Public for Oregon

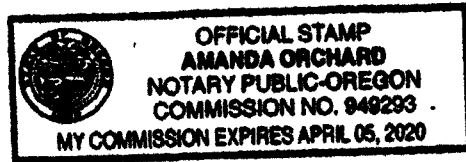
CONSENT OF PROPERTY OWNER/NEIGHBORHOOD DECLARANT

VRE Tract Y, L.L.C., an Oregon limited liability company, as owner of the Additional Property described on **Exhibit A** hereto, and as Neighborhood Declarant, hereby consents to subjecting the Additional Property to the terms of the Declaration and this Supplemental Declaration. Neighborhood Declarant represents and warrants to Declarant, that Neighborhood Declarant is authorized to execute this instrument, that the execution of this instrument does not breach any agreement, judgment, or arrangement to which Neighborhood Declarant is a party, and that no third-party consent is required to make this Supplemental Declaration binding for all purposes on the Additional Property.

VRE Tract Y, L.L.C.,
an Oregon limited liability company

By: 
Jason L. Eckhoff, Authorized Signatory

STATE OF OREGON)
) ss.
COUNTY OF DESCHUTES)



The foregoing instrument was acknowledged before me this 6th day of November 2017, by Jason L. Eckhoff, authorized signatory of VRE Tract Y, L.L.C., an Oregon limited liability company.

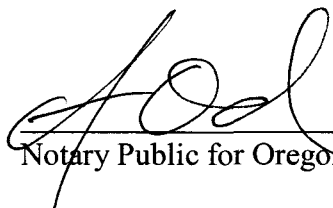

Notary Public for Oregon

EXHIBIT A

Lots 1 through 6 and 36 through 40, Gateway Loop Road (Private Road Tract Z) as shown on the Trailhead at Tetherow Phase I subdivision plat recorded as Document No. 2017-15943 in the Official Records of Deschutes County, Oregon.

Neighborhoods and Land Classifications within the Additional Property

<u>Neighborhood:</u>	Trailhead at Tetherow
<u>Units/ Designated Lodging Units/VRUs:</u>	Lots 1 through 6 and 36 through 40
<u>Common Areas:</u>	None
<u>Neighborhood Common Areas:</u>	Gateway Loop Road (Private Road Tract Z)
<u>Restricted Areas:</u>	None