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RECORDING COVER SHEET (Please Print or Type)

The information on this sheet is a reflection of the attached instrument for the purpose of meeting first page recording requirements, ORS 205.234.

If this cover page is included with your document, please add \$5.00 to the total recording fees.

AFTER RECORDING RETURN TO:

City Recorder _____
City of Bend _____
710 NW Wall Street _____
Bend, Oregon 97701 _____

1) **TITLE(S) OF THE TRANSACTION(S)** ORS 205.234(a)
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR JUNIPER RIDGE EMPLOYMENT SUB-DISTRICT
EFFECTIVE DATE MARCH 28, 2011

2) **DIRECT PARTY / GRANTOR(S)** ORS 205.125(1)(b) and 205.160
CITY OF BEND

3) **INDIRECT PARTY / GRANTEE(S)** ORS 205.125(1)(a) and 205.160
SUTERRA
PACIFICORP
LES SCHWAB HEADQUARTERS, LLC

4) **TRUE AND ACTUAL CONSIDERATION**
ORS 93.030(5) - Amount in dollars or other
\$ _____ Other

5) **SEND TAX STATEMENTS TO:**

N/A

6) **SATISFACTION of ORDER or WARRANT**
ORS 205.125(1)(e) |
CHECK ONE: FULL
(If applicable) PARTIAL

7) **The amount of the monetary obligation imposed by the order or warrant.** ORS 205.125(1)(c)
\$ _____

8) **If this instrument is being re-recorded, complete the following statement, in accordance with ORS 205.244:**

"Re-recorded at the request of _____ to correct _____
_____ previously recorded in Book _____ and page _____, or as Fee Number _____."

After Recording, Return To:
City of Bend
710 NW Wall Street
Bend, OR 97701
Attn: City Recorder

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR JUNIPER RIDGE EMPLOYMENT SUB-DISTRICT**

EFFECTIVE DATE: March 28, 2010

RECITALS

The City of Bend (the "Declarant") is developing the real property described on attached **Exhibit A** (the "Property") and known as Juniper Ridge Employment Sub-District, which is part of a larger parcel of real property being planned as a mixed use development known as "Juniper Ridge".

By resolution dated July 16, 2008, the City accepted and approved the Juniper Ridge Master Plan (the "Master Plan") as the proprietary, non-regulatory and conceptual master plan for the use and development of Juniper Ridge, which may, in the future, be adopted, amended or refined. The Bend Development Code supersedes and refines the Master Plan. Effective November 18, 2009, the City created Juniper Ridge Overlay Zone within the Bend Development Code for the employment component of the Master Plan.

The Juniper Ridge Overlay Zone, a Special Planned District, contemplates that the Property will be used for employment-type purposes. Such intent is reflected in the proposed zoning being sought by the City for the Property, which is IL (Light Industrial), with an overlay zoning designation of Juniper Ridge Employment Sub-District, which supplements and refines the underlying IL zoning with standards and uses designed to fulfill the City's vision for economic development at Juniper Ridge. Through this Declaration of Covenants, Conditions and Restrictions for Juniper Ridge Employment Sub-District (this "Declaration"), Declarant seeks to ensure, among other things, the compatibility and attractiveness of the individual lots, parcels, buildings and infrastructure facilities that will be developed within the Property and to preserve, protect, and enhance the value and amenities of the Property for lot owners and occupants of the Property.

Now, therefore, Declarant declares that the Property and all parts thereof shall be held, used, mortgaged, conveyed and developed subject to and in accordance with the terms of this Declaration, which shall run with the property and shall be binding upon and inure to the benefit of all owners having or acquiring any right, title or interest in or to the Property or any part thereof. Suterra (as defined below), and PacifiCorp, an Oregon corporation, each own a portion of the Property and are executing this Declaration to evidence their consent to the terms

hereof and not in the capacity as a declarant. Les Schwab Headquarters, LLC, an Oregon limited liability company, owns the LSH Parcel (as defined below), which parcel is otherwise not subject to this Declaration, executes this Declaration for the limited purposes specified herein.

AGREEMENTS

SECTION 1 DEFINITIONS

The following terms have the following meanings when used in this Declaration:

1.1 Ancillary Parcel. "Ancillary Parcel" means the portion of the Property described on attached **Exhibit E**.

1.2 Assessment. "Assessment" means any assessment levied against any Owner by the Association for payment of expenses relating to the Property and includes General, Special and Limited Assessments.

1.3 Association. "Association" means the Juniper Ridge Employment Sub-District Owners Association, Inc., an Oregon nonprofit corporation formed or to be formed to serve as the association of Members and such corporation's successors and assigns.

1.4 Board. "Board" means the Board of Directors of the Association.

1.5 Bylaws. "Bylaws" means the Bylaws of the Association, as amended from time to time.

1.6 City. "City" means the City of Bend.

1.7 Code. "Code" means the Bend Code, as the same may be amended by the City of Bend from time to time. "Bend Development Code" means Section 10 of the Bend Code, as the same may be amended from time to time.

1.8 Common Areas. "Common Areas" means those portions of the Property owned by the Association, or designated by Declarant as "common areas" either on a Plat established by Declarant or in a deed conveying the same to the Association and that are made available for the common use and benefit of all Owners and their Permitted Users, including but not limited to, private roads, open space, bicycle and pedestrian trails and paths, parks and recreational facilities. The Common Areas shall not include any parking lots or other parking areas regardless of whether or not such parking lots or other parking areas are made available for the common use and benefit of all or some of the Owners and their Permitted Users. The Common Areas shall be maintained, repaired and insured by the Association. Nothing herein shall obligate Declarant to establish any Common Areas.

1.9 Common Maintenance Areas. "Common Maintenance Areas" means the Common Areas and any portions of the Property, any public rights-of-way or any other property that the Association is required to maintain pursuant to this Declaration or a Declaration of Annexation or that the Board deems necessary or appropriate for the Association to maintain for the common benefit of the Owners.

1.10 Declarant. "Declarant" means the City of Bend, and its successors and assigns if such successor or assign acquires Declarant's rights under this Declaration pursuant to a recorded instrument executed by Declarant. If the City of Bend assigns its rights as Declarant hereunder to a third party, the City shall have the right to retain those Declarant rights hereunder as it may specifically reserve pursuant to the recorded assignment.

1.11 Declaration. "Declaration" means this Declaration of Covenants, Conditions and Restrictions for Juniper Ridge Employment Sub-District effective as of the Effective Date, as the same may be amended from time to time.

1.12 Declaration of Annexation. "Declaration of Annexation" means a supplemental declaration executed by Declarant that annexes additional property to this Declaration, as provided in Section 10 below.

1.13 Design Review. "Design Review" means the process of obtaining prior Design Review Committee approval of the design of Improvements to be built on the Property, pursuant to Section 8.

1.14 Design Review Committee. The "Design Review Committee" or "Design Committee" or "Committee" means the committee appointed pursuant to Section 8.

1.15 Design Guidelines. "Design Guidelines" means those design guidelines and procedures adopted pursuant to Section 8. Prior to Turnover, the Design Guidelines will be adopted and amended by the Declarant. After Turnover, the Design Guidelines may be amended by the Board.

1.16 Directors. "Directors" means the duly elected and/or appointed members of the Board of the Association.

1.17 Effective Date. "Effective Date" means the date this Declaration is recorded.

1.18 General Assessment. "General Assessment" means an Assessment levied against an Owner pursuant to Section 4.3.

1.19 Improvement. "Improvement" means every structure or other exterior improvement of any kind to be built, constructed, or installed after the Effective Date, including but not limited to buildings, sidewalks, fences, benches, walls, outdoor works of art, trees, hedges, plantings, poles, changes in exterior color or shape, and site work (such as, without limitation, excavation, grading, road construction, and utility improvements).

1.20 Juniper Ridge Transportation Management Committee or JRTMC. "Juniper Ridge Transportation Management Committee" or "JRTMC" means the committee of the Association established pursuant to Section 3.9.2.

1.21 Les Schwab. "Les Schwab" means Les Schwab Headquarters, LLC, an Oregon limited liability company.

1.22 Limited Assessment. "Limited Assessment" means an Assessment levied against Owner by the Association pursuant to Section 4.4 for costs and expenses incurred by the Association for enforcement or corrective action undertaken or performed pursuant to this Declaration which is required as a result of the willful or negligent actions or omissions of such Member or such Member's Permitted Users.

1.23 Lot. "Lot" means any portion of the Property that constitutes a platted lot or a partitioned parcel, together with all Improvements located thereon. "Lot" shall specifically exclude the Common Areas and areas dedicated to the public or deeded to a governmental authority or utility.

1.24 LSH Parcel. "LSH Parcel" means the portion of the Property described on attached **Exhibit C-3**.

1.25 Master Plan. "Master Plan" means the Master Plan for Juniper Ridge accepted and approved by the City of Bend on July 16, 2008, as the same may be amended from time to time.

1.26 Member. "Member" or "Members" means the members of the Association and shall include every Owner of a Lot. Additionally, Declarant shall be a Member as long as Declarant owns any portion of the Property, whether or not that portion is a Lot. There shall be two (2) classes of membership in the Association, Class A and Class B, as described in Section 3.3 of this Declaration and the Bylaws.

1.27 Owner. "Owner" means the record owner, whether one or more persons or entities, of fee simple title to any Lot, including contract sellers, but excluding those having an interest merely as security for the performance of an obligation.

1.28 PacifiCorp. "PacifiCorp" means PacifiCorp, an Oregon corporation.

1.29 Permitted Users. "Permitted Users" means any person or entity legally using or occupying a portion of the Property which is not the Owner of such portion.

1.30 Plat. "Plat" means any duly recorded partition or subdivision plat of any portion of the Property.

1.31 Property. "Property" means the real property in Deschutes County, Oregon legally described on the attached **Exhibit A**, together with any additional real property annexed to this Declaration pursuant to Section 10.

1.32 Rules and Regulations. "Rules and Regulations" means any rules and regulations governing the use and operation of the Property adopted by the Board or the Design Review Committee pursuant to this Declaration or the Bylaws, as the same may be amended from time to time.

1.33 South Parcel. "South Parcel" means the portion of the Property described on attached **Exhibit D**.

1.34 Special Assessments. "Special Assessments" means an Assessment levied against all Owners for specific one-time purposes, such as responding to emergencies or undertaking unusual or extraordinary repairs to Common Areas.

1.35 Suterra. "Suterra" means Suterra LLC, a Delaware limited liability company ("Suterra LLC") so long as Suterra LLC owns an interest in the Property, or, in the event that Suterra LLC has transferred or conveyed all of its ownership interest in the Property to an affiliate, subsidiary or parent company of Suterra LLC, then such transferee shall be "Suterra" for purposes of this Declaration during the transferee's period of ownership. To the extent that Suterra LLC transfers all of its rights to purchase a portion of the Property to a non-related entity solely as an exchange accommodation titleholder (the "Accommodator") for purposes of completing an exchange pursuant to Internal Revenue Code Section 1031, then upon the Accommodator's acquisition of title to a portion of the Property, "Suterra" shall mean such Accommodator until such time as the Accommodator transfers or conveys all of its ownership interest in the Property to Suterra LLC or an affiliate of Suterra LLC, which transferee shall then be "Suterra" for purposes of this Declaration.

1.36 TDM Provisions. "TDM Provisions" means transportation demand management provisions imposed on any Lot, as described in Section 3.9.

1.37 Turnover. "Turnover" means the date that is sixty (60) days after the date on which the Class B Membership ceases to exist in accordance with Section 3.3. At Turnover, certain Declarant rights shall terminate as provided in Section 3.11.

1.38 West Parcel. "West Parcel" means the portion of the Property described on attached **Exhibit C-1**.

SECTION 2 DECLARATION

2.1 Property Covered. The property which is covered by and is made subject to this Declaration is the Property.

2.2 Purpose. The purposes of this Declaration are: to set forth standards pursuant to which the Property is to be developed, maintained and used, and pursuant to which Improvements are to be designed, constructed and used; to provide for Assessments of the Owners to enable the Association to carry out the purposes of this Declaration; and to set forth other terms and conditions governing the use and enjoyment of the Property.

SECTION 3 THE ASSOCIATION, OWNER'S MEMBERSHIP

3.1 Organization. Declarant has or will organize the Association as a nonprofit corporation pursuant to the Oregon Nonprofit Corporation Act under the name "Juniper Ridge Employment Sub-District Owners Association, Inc."

3.2 Membership. Each Owner shall, immediately upon creation of the Association and thereafter during the entire period of such Owner's ownership of a Lot, be a Member of the

Association. Additionally, Declarant shall be a Member as long as Declarant owns any portion of the Property, whether or not that portion is a Lot. 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. A subsequent Owner of any Lot shall become a Member of the Association upon its acquisition of a Lot.

3.3 Voting Rights. The Association shall have two classes of voting membership:

Class A. Class A Members shall be all Members with the exception of Declarant (except that beginning on the date on which the Class B membership is converted to Class A membership, and thereafter, Class A Members shall consist of all Members, including Declarant). Class A Members shall be entitled to one vote for each full acre of land contained in such Member's Lot(s) and each additional half or more acre less than a full acre. For example, the Owner of a Lot of 4.6 acres shall have five votes and the Owner of a Lot of 4.4 acres shall have four votes. There shall be no fractional votes. In the event that a Lot is owned by more than one entity or individual, a majority must agree upon how to cast their vote. In the event that such multiple Owners attempt to cast their vote(s) discordantly, the Association shall disregard all such votes.

Class B. The Class B Member shall be the Declarant, and Declarant shall be entitled to a number of votes equal to ten (10) votes per full acre of land owned by Declarant and for any additional half or more acre less than a full acre owned by Declarant. For purposes of calculating Declarant's votes, land owned by Declarant that is annexed to the Property and this Declaration pursuant to Section 10.1 shall count upon recordation of the applicable Declaration of Annexation. Declarant's votes shall be determined by reference to total gross acreage without regard to Lot lines or whether such acreage is platted or served by roads.

The Class B membership shall cease and be converted to Class A membership upon the earlier to occur of the following: (i) the date of the Declarant's election in writing to terminate the Class B membership; or (ii) sixty (60) days after the Declarant no longer owns any of the Property. Once the Class B membership has been converted, it shall not be reinstated for any reason, regardless of whether Declarant subsequently annexes additional property to the Property subject to this Declaration.

3.4 Suspension. All voting rights of an Owner shall be suspended during any period in which such Owner is delinquent in the payment of any Assessment or is otherwise in material default under this Declaration, the Bylaws or the Rules and Regulations.

3.5 Board of Directors.

3.5.1 Size of Board. The Board shall consist of seven (7) Directors.

3.5.2 Election. All Directors, other than the Directors appointed by Suterra and PacifiCorp as provided in Sections 3.5.3 and 3.5.4 below, shall be elected by the Members in accordance with the Bylaws. No cumulative voting shall be permitted in connection with the election of Directors. Prior to Turnover, at least two (2) Directors shall be Class A Members.

3.5.3 Suterra's Right to Appoint a Director. Suterra shall have the right to appoint one (1) Director to the Board during the period from the initial formation of the Association until the date which is two (2) years after the admission of a Class A Member to the Association other than Suterra, Les Schwab or PacifiCorp. Suterra's right to appoint a Director shall be contingent on Suterra's ownership of a Lot, shall not be assignable and shall not run with the ownership of any Lot. The Director appointed by Suterra shall be a member, officer, director or employee of Suterra. The term of any Director appointed by Suterra shall automatically terminate upon the sooner to occur of (i) the date on which Suterra no longer owns a Lot or (ii) the date which is two (2) years after the admission of a Class A Member to the Association other than Suterra, Les Schwab or PacifiCorp. The Director appointed by Suterra shall be deemed a Class A Member for the purpose of determining the number of Class A Members serving on the Board.

3.5.4 PacifiCorp's Right to Appoint a Director. PacifiCorp shall have the right to appoint one (1) Director to the Board during the period from PacifiCorp's initial acquisition of a Lot until the date which is two (2) years after the admission of a Class A Member to the Association other than Suterra, Les Schwab or PacifiCorp. PacifiCorp's right to appoint a Director shall be contingent on PacifiCorp's ownership of a Lot, shall not be assignable and shall not run with the ownership of any Lot. The Director appointed by PacifiCorp shall be an officer, director or employee of PacifiCorp. The term of any Director appointed by PacifiCorp shall automatically terminate upon the sooner to occur of (i) the date on which PacifiCorp no longer owns a Lot or (ii) the date which is two (2) years after the admission of a Class A Member to the Association other than Suterra, Les Schwab or PacifiCorp. The Director appointed by PacifiCorp shall be deemed a Class A Member for the purpose of determining the number of Class A Members serving on the Board.

3.5.5 Rights of Suterra and PacifiCorp After Termination of Term of Initial Appointments. Upon the automatic termination of the right of each of Suterra (pursuant to Section 3.5.3) and PacifiCorp (pursuant to Section 3.5.4), to appoint a Director, nothing in this Declaration shall prevent PacifiCorp or Suterra from seeking a seat on the Board of Directors for a representative in accordance with the Bylaws in the same manner as any other Member.

3.5.6 Liability. No Director shall have any personal liability to any Owner or any other person for the acts or omissions of the Board if such acts or omissions were committed in good faith. The Association shall defend any action brought against the Association, the Board or any Director arising from such good faith acts or omissions to the fullest extent permitted by the Oregon Nonprofit Corporation Act.

3.6 Powers and Obligations. The Association shall have, exercise, and perform, with respect to the Property: (i) the powers, duties, and obligations granted to the Association by this Declaration; (ii) the right to control or prohibit activities on the Property that constitute a nuisance; and (iii) the powers and obligations of a nonprofit corporation pursuant to the Oregon Nonprofit Corporation Act. Without limiting the generality of the foregoing, the Association shall have the following powers:

3.6.1 To execute all declarations of ownership for tax assessment purposes with regard to the Common Areas, if any, on behalf of all Owners.

3.6.2 To borrow funds to pay for costs of operation secured by an assignment or pledge of the Association's right to receive Assessments from the Owners;

3.6.3 To enter into contracts, maintain one (1) or more bank accounts, and generally to have all the power necessary or incidental to the operation and management of the Association;

3.6.4 To protect or defend the Common Areas and Common Maintenance Areas from loss or damage by suit or otherwise, and, if desired, to provide adequate reserves for replacement;

3.6.5 To adopt and amend the Bylaws of the Association;

3.6.6 To make reasonable Rules and Regulations, as described in Section 3.7, and to enforce the same in the Board's reasonable discretion;

3.6.7 To make available for inspection by the Owners, upon request, the following books and records of the Association at reasonable times: contracts with third parties, income statements, balance sheets and records of cash deposits.

3.6.8 To grant such utility and other easements over the Common Areas as the Board may deem necessary or advisable;

3.6.9 To improve the Common Areas, including the construction and/or installation of Improvements, as the Board may deem necessary or advisable;

3.6.10 To enter into such maintenance agreements, management contracts or other agreements with third parties to provide goods and services as the Board deems reasonable and necessary, which third parties may be an independent contractors or employees. The foregoing may include, without limitation, professional management services, legal services and accounting services;

3.6.11 To provide and pay for the following out of Assessment revenue for the benefit of the Owners:

(i) Taxes, assessments and other liens or encumbrances that are properly assessed or charged against the Common Areas;

(ii) Maintenance, repair, enhancement of Common Maintenance Areas, including any Improvements in, on or under the same, for which the Association is responsible;

(iii) Such insurance policies as the Board is required to carry under this Declaration or pursuant to the Bylaws and such other insurance as the Board deems reasonable and necessary. The insurance to be carried shall include, without limitation, liability insurance with respect to the operations of the Association, liability and casualty insurance with respect to the Common Areas, and, if the Association has employees, worker's compensation insurance. Such insurance shall be in commercially reasonable amounts and in such forms and from such

companies as the Board may reasonably determine. The Board shall use commercially reasonable efforts to obtain a policy that contains, if available, cross-liability endorsements or other appropriate provisions for the benefit of the Board, the Owners and other named insureds, as their interests may be determined by the Board, insuring each named insured against liability from the other named insured as well as from other third parties. Any proceeds of insurance policies owned by the Association shall be received, held in a segregated account and distributed to all interested parties, as determined by the Board;

and (iv) Such fidelity bonds as the Board may determine to be advisable;

(v) Any other materials, supplies, insurance, furniture, labor, services, maintenance, repairs, alterations, taxes or assessments, which the Board is required to obtain or pay for pursuant to this Declaration or applicable law or which in the Board's opinion is necessary or proper for the purposes of this Declaration, the Bylaws and the Rules and Regulations.

3.6.12 To adjust the amount, collect and use any insurance proceeds to repair damage or replace lost property, and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency;

3.6.13 To establish one or more reserve funds for repairs and replacement of Common Maintenance Areas, including Improvements located thereon, if the Board so elects and, in connection therewith, to conduct such reserve studies as the Board may deem necessary or desirable from time to time. If established by the Board, reserves may be funded out of General or Special Assessments, at the Board's discretion; and

3.6.14 To collect all Assessments and enforce all penalties for non-payment, which may include the filing of liens and the institution of legal proceedings.

3.7 Association Rules and Regulations. The Board from time to time may adopt, modify, or revoke such Rules and Regulations governing the conduct of persons and the operation and use of the Property as the Board may deem necessary. Without limiting the generality of the foregoing, such Rules and Regulations may be directed toward preventing or eliminating a trespass on the Property, the discharge of stormwater on the Property, or an activity emanating from any Lot that constitutes a nuisance or unreasonably interferes with any other Owner's use and enjoyment of its Lot. Notwithstanding the foregoing, the Board may not adopt Rules and Regulations prohibiting lawful activities within the Property if such activities are not otherwise expressly prohibited in this Declaration. Nothing herein shall be construed as obligating the Association to prevent or eliminate trespass on individual Lots. A copy of the Rules and Regulations (or a notice indicating where the same may be viewed on the Internet), upon adoption, and a copy of each amendment, modification, or revocation thereof (or a notice indicating where the same may be viewed on the Internet), shall be delivered by the Board promptly to each Member and shall be binding upon all Members and occupants of the Property upon the date of delivery. The method of adoption of such Rules and Regulations shall be as provided in the Bylaws.

3.8 Board Power Exclusive. The Board shall have the exclusive right to contract for all goods, services and insurance on behalf of the Association and the exclusive right and obligation to perform the functions of the Association except as otherwise provided in this Declaration.

3.9 Transportation Demand Management; Transportation Management Association.

3.9.1 Through land use approval processes, including zone changes and site review, portions of the Property have or will become subject to various transportation-related development conditions and/or transportation mitigation obligations, including, without limitation, trip caps. Each Owner shall comply with all such limitations and obligations to the extent applicable to their respective Lot(s), and the failure to do so shall constitute a default hereunder, giving the Association or the JRTMC (as defined in Section 3.9.2 below) the right, but not the obligation, to take action to enforce the same.

3.9.2 The Association shall establish a committee of the Association, the Juniper Ridge Transportation Management Committee ("JRTMC") which shall function as a Transportation Management Association to enforce transportation demand management conditions and/or mitigation measures ("TDM Provisions") imposed on any Lot to reduce Peak Hour (4 p.m. to 6 p.m. week days) traffic. It shall be the JRTMC's obligation to assure a ten percent (10%) reduction in peak hour traffic within the Juniper Ridge Employment Subdistrict from the traffic that would otherwise be generated absent the existence or enforcement of TDM Provisions; provided, however, neither the JRTMC nor the Association shall have the authority to impose additional transportation-related development conditions or mitigation measures on any Lot, including, without limitation, the collection of transportation-related fees. The JRTMC shall operate in accordance with operating guidelines established, and amended from time to time, by the Board of Directors of the Association, subject to the approval of the City of Bend, which approval shall not be unreasonably withheld, conditioned or delayed.

3.9.3 The conditions and measure that the JRTMC may enforce shall be limited to those that are (i) in place at the time of the initial purchase of a Lot or Lots from the Declarant; and/or (ii) conditions imposed by the City through the land use process during site plan review of a Lot or Lots. The JRTMC shall have enforcement authority over the affected Lots. If the Declarant approved TDM Provisions concerning an Owner's Lot as a condition of the Owner's purchase of the Lot, then the JRTMC shall not enforce any traffic mitigation measures inconsistent with the previously approved TDM Provisions, including but not limited to, any reduction in the number of permitted Peak Hour Trips without the express written consent of the Owner to which the TDM Provisions apply, which consent may be granted or denied in the Owner's sole discretion.

3.10 Condemnation. If there is a condemnation or a sale in lieu thereof of all or any portion of the Common Areas, the Association shall represent the Owners in negotiations with the condemning authority. The funds payable with respect thereto shall be payable to the Association and shall be used by the Association to purchase additional Common Areas to replace the Common Area that has been condemned or to take whatever steps it deems reasonably necessary to repair or correct any damage suffered as a result of the condemnation. If the Association determines that the funds cannot be used in such a manner due to the lack of

available land for additional Common Areas or for whatever reason, any remaining funds may be used to reduce General Assessments or to improve other Common Areas as the Board may determine.

3.11 Turnover; Termination of Certain Declarant Rights. Turnover shall occur sixty (60) days after the date on which the Class B Membership ceases to exist. At Turnover, all Directors shall resign. At Turnover, the following Declarant rights shall terminate as provided in this Section 3.11 and all other Declarant rights granted hereunder shall continue for the term of this Declaration:

3.11.1 Declarant's right to draft and amend the Design Guidelines pursuant to Section 1.15 and Section 8.1. shall terminate.

3.11.2 Declarant's preferential voting rights provided in Section 3.3 shall terminate.

3.11.3 Declarant's right to block any sale, lease or mortgage of any portion of the Common Areas by withholding consent pursuant to Section 5.6 shall terminate. Declarant's right to unilaterally grant easements over Common Areas owned by the Association shall terminate; provided, however, Declarant shall retain the right to grant easements over Common Areas prior to the conveyance of the same to the Association.

3.11.4 Declarant's right to enter onto privately owned Lots pursuant to Section 6 shall terminate.

3.11.5 Declarant's right to enter onto privately owned Lots and make repairs pursuant to Section 6 shall terminate.

3.11.6 Declarant's right to exempt its activities from the provisions of Section 7.2 shall terminate.

3.11.7 Declarant's rights of entry and repair pursuant to Section 7.3 shall terminate.

3.11.8 Declarant's right to install and use temporary structures pursuant to Section 7.5 shall terminate.

3.11.9 Declarant's right to block any partition or subdivision of a Lot by withholding consent pursuant to Section 7.10 shall terminate.

3.11.10 Declarant's right to appoint the Design Committee pursuant to Section 8.2 shall terminate.

3.11.11 Declarant's right to exempt design elements from Design Review pursuant to Section 8.3 by approving such element(s) before selling a Lot to an Owner shall terminate.

3.11.12 Declarant's right to hear Design Review appeals pursuant to Section 8.7 shall terminate.

3.11.13 Declarant's exemption from Design Review pursuant to Section 8.15 shall terminate.

SECTION 4 BUDGETS; ASSESSMENTS

4.1 Budgets; Financial Statements. The Board shall cause a budget for the Association to be prepared annually and distributed to Members in accordance with the Bylaws. General Assessments for any fiscal year shall be based upon the approved budget. The fiscal year of the Association shall be the calendar year. Within one hundred twenty (120) days after the end of each fiscal year, the Board shall cause financial statements for the Association for the immediately prior fiscal year to be prepared and distributed to Members in accordance with the Bylaws.

4.2 Creation of Lien and Personal Obligation for Assessments. Declarant and the other parties executing this Declaration, do hereby covenant, and each Owner, by acceptance of a conveyance of a portion of the Property, whether or not so expressed in any such conveyance, covenants to pay to the Association all Assessments or other charges as may be fixed, established, and collected from time to time in the manner set forth in this Declaration; provided, however, Assessments shall only be assessed against Lots and not against Common Areas or publicly dedicated portions of the Property. Such Assessments and charges, together with any interest, expenses, or attorneys' fees imposed pursuant to Section 9.4, shall be a charge on the land and shall be a continuing lien upon the Property. Such Assessments, charges, and other costs shall also be the personal obligation of the Owner who owned the Lot at the time when the Assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in Section 9 below.

4.3 General Assessments. The Association shall levy General Assessments against all Lots and Owners in accordance with this Section 4.3.

4.3.1 Commencement. Unless otherwise determined by the Board in its sole discretion, General Assessments against each Lot, including Lots owned by Declarant, shall commence on the later of: (i) the date on which such Lot is platted and accessible by an improved road; or (ii) the date on which this Declaration takes effect.

4.3.2 Purposes of General Assessment. The Association shall collect and utilize General Assessments for (a) routine maintenance and operation of Common Areas and any Improvements therein (including reserves, if the Board so elects) (collectively, "Routine Costs"), and (b) Association administrative costs, insurance, the clean up of hazardous materials on Common Areas, the costs of organizing and operating the JRTMC, and all other costs of the Association as provided in Section 3.6 above.

4.3.3 Notice of General Assessments and Time for Payment. General Assessments shall be determined on a fiscal year basis. The Association shall give written notice to each Owner as to the amount of the General Assessment with respect to the Owner's Lot on or before November 15 of each year for the calendar year commencing January 1 of the next year.

The General Assessment shall be due and payable monthly or on such other basis as the Board shall determine.

4.3.4 Changes to General Assessments. During each fiscal year, the Board shall monitor the Association's expenses and revenue to determine to what extent the same vary from the approved budget. To the extent the Board determines that the General Assessment should be increased to cover actual or anticipated shortfalls, the Board may do so upon thirty (30) days advance written notice to Owners.

4.3.5 Annual Reconciliation. The Board shall reconcile actual expenses and revenue for each fiscal year not later than ninety (90) days after the end of each fiscal year. To the extent such reconciliation indicates a shortfall in revenue as compared to expenses, the Association shall levy a Special Assessment. To the extent such reconciliation indicates a surplus of revenue as compared to expenses, the Association shall apply such surplus to the budget for the next year and reduce the General Assessments for the next fiscal year accordingly.

4.4 Limited Assessments. The Association may levy against any Owner and his or her Lot a Limited Assessment equal to the costs and expenses incurred by the Association for enforcing the terms of this Declaration and/or for corrective action performed pursuant to this Declaration to the extent either or both are necessary as a result of the willful or negligent actions or omissions of such Owner or such Owner's Permitted Users. A Limited Assessment pursuant to this Section 4.4 may include the Association's reasonable attorneys' fees but only if the Association is the prevailing party in a dispute resolution process. An Owner shall have the right to recover from the Association or the Declarant (depending on which instituted enforcement action) its reasonable attorneys' fees, but only if such Owner is the prevailing party in a dispute resolution process. The Association may not levy any other Assessments (General, Special or Limited) against the Property, except as expressly permitted in this Declaration.

4.5 Special Assessments. The Association may levy against all Owners and Lots a Special Assessment as needed to remedy emergencies, to cover shortfalls as provided in Section 4.3.4, and/or to repair or replace Common Maintenance Areas, including any improvements located thereon to the extent General Assessments are insufficient to fund the same. In addition, the Board may levy a Special Assessment for any other purpose, so long as such other Special Assessment is approved in advance by a majority of the votes cast in an election among Members on the matter of such Special Assessment, under the procedures set forth in the Bylaws. Any other Special Assessments shall require the approval of fifty-one percent (51%) of the total votes cast on the matter.

4.6 Payment of Assessments.

4.6.1 Payment of General Assessments. General Assessments shall be paid by Owners in advance in monthly, quarterly or annual installments as determined by the Board from time to time.

4.6.2 Allocation of General and Special Assessments. Except as otherwise provided in this Section 4.6.2, General and Special Assessments shall be apportioned among all Lots, including Lots owned by Declarant, based upon acreage so that each acre of land within a

Lot is apportioned equally. Subject to the terms of this Section 4.6.2, annual per acre General and Special Assessments shall be determined by dividing the total amount of such Assessments to be collected by the total number of acres of land comprising Lots (including fractions of acres). General and Special Assessments for each Lot shall be determined by multiplying the applicable per acre Assessment by the total number of acres (including fractions thereof) in the Lot. Notwithstanding the foregoing, to the extent that the Board determines in good faith that a particular cost or charge solely or primarily benefits fewer than all Owners, the Board may elect to assess such cost only against such Owner(s). Notwithstanding the foregoing, General Assessments for Routine Costs shall be allocated equally on a per acre basis as set forth above but this allocation shall include the LSH Parcel; the LSH Parcel shall not be included in the calculation for, nor be subject to the payment of, Assessments for anything other than General Assessments for Routine Costs.

4.6.3 Re-Allocation Upon Annexation. When additional property is annexed to the Property, the Association shall, within sixty (60) days after the annexation, recompute the budget based upon the additional Lots, Common Areas and Common Maintenance Areas and recompute all applicable Assessments for each Lot. Newly annexed Lots shall be subject to Assessment from the time of annexation of such Lots to the Property. The Association shall send notice of any applicable Assessment to the Owners of newly annexed Lots not later than sixty (60) days after the annexation or with the next occurring General Assessment, whichever is sooner. Assessments shall be due and payable on or before a date set forth in the notice which shall be not less than thirty (30) days after the date the notice is mailed or at such other time or times as the Association may specify in the notice in accordance with this Declaration or the Bylaws. If additional property is annexed to the Property during the Association's fiscal year, the Association shall send notice of and shall make appropriate adjustments to Assessments for Lots which were within the Property prior to the annexation. Notice of the adjustment in the Assessments shall be sent to such Owners not later than sixty (60) days after the annexation or with the next occurring General Assessment, whichever is sooner. To the extent that any adjustment results in a credit with respect to Assessments payable by an Owner, such credit shall be applied toward the next occurring payment or payments of the applicable Assessment.

SECTION 5 COMMON AREAS

5.1 General. The Common Areas are and shall be those portions of the Property identified as such on a Plat of any portion of the Property or in a deed conveying the same to the Association and that are made available for the common use and benefit of all Owners and their Permitted Users, including but not limited to, private roads, open space, bicycle and pedestrian trails and paths, parks and recreational facilities. The Common Areas shall not include any parking lots or other parking areas regardless of whether or not such parking lots or other parking areas are made available for the common use and benefit of all or some of the Owners and their Permitted Users.

5.2 Title. Title to the Common Areas shall be conveyed to the Association by Declarant not later than the later to occur of: (a) the Turnover Date; or (b) the date that is thirty (30) days after such Common Area is created by a Plat. The Declarant shall retain the right to

designate additional Common Areas and/or to install additional Improvements on any Common Areas, after Turnover.

5.3 Use of Common Areas. All Owners shall have an equal right to use the Common Areas, provided such use is in accordance with the Rules and Regulations established by the Board from time to time. The Common Areas may only be used for the purposes established by the Board from time to time.

5.4 Maintenance. The Association shall maintain the Common Areas in good condition and repair in accordance with a maintenance schedule established by the Association from time to time in its sole discretion.

5.5 Improvements. Except for those Improvements installed by Declarant or by the Board, no Improvements may be constructed or otherwise installed on the Common Areas without the written approval of the Board, which approval may be withheld in the Board's sole discretion.

5.6 Sale, Lease or Encumbrance of Common Areas. Any sale, lease or mortgage of any portion of the Common Areas shall require the approval of Members holding seventy-five percent (75%) of the Class A votes, and, prior to Turnover, the written consent of the Declarant, which consent may be withheld in Declarant's sole discretion. Each of the Declarant and the Board of Directors shall have the unilateral authority to grant utility, road and/or encroachment easements over the Common Areas.

SECTION 6 PROPERTY RIGHTS AND EASEMENTS

Except as otherwise expressly provided in this Declaration, each Owner shall be entitled to the exclusive use and benefit of its Lot. Declarant and any representative of the Association authorized by the Board are hereby granted an easement to enter upon any portion of the Property, including any unoccupied Lot, but specifically excluding the interior of any building structure and specifically excluding electrical facilities at any reasonable time and upon twenty-four (24) hours notice to an Owner (except in the case of an emergency in which case no notice shall be required to access unoccupied Lots) for any of the following purposes: exercising the maintenance, repair, restoration, replacement, and improvement rights described in Section 7.3; remedying any failure of a Lot to comply with the terms of this Declaration; as necessary for purposes of Design Review, determining if Improvements are being built in accordance with the Design Review approval, or remedying any failure of the applicable Owner/Lot to comply with the terms of Design Review under Section 8; and for the purpose of determining if an Owner and the Improvements on the Property are in compliance with the requirements of this Declaration. and if not, remedying the same. Any decision to perform inspections, maintenance, repairs or replacements on any portion of the Property shall be in the sole and absolute discretion of Declarant or the Board, as applicable. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in favor of the Owner. Nothing contained in this Declaration shall be construed as requiring the Association, the Board or the Declarant to undertake corrective action to remedy any violation of this Declaration on any Lot.

SECTION 7 GENERAL REQUIREMENTS FOR USE OF LOTS

7.1 Compliance with Bend Development Code. Each Owner may only use, develop, divide or improve its Lot in accordance with the Code, including, without limitation, the provisions of the Bend Development Code. Without limiting the generality of the foregoing, each Owner and Lot shall comply with all Code provisions relating to noise, glare and odors. All uses of a Lot must be lawful and comply with the Juniper Ridge Employment Sub-District section of the Code. No Owner may seek any discretionary land use approval (such as a zone change, conditional use permit, variance, adjustment or code interpretation) without the prior written consent of the Board, which consent shall not be unreasonably withheld, conditioned or delayed.

7.2 Unlawful Activities; Noxious or Offensive Activities. No unlawful use shall be made of the Property or any Lot, and all laws, ordinances, and regulations of all governmental authorities having jurisdiction thereof shall be complied with by all Owners. No Owner shall permit any noxious or unreasonably offensive activities to occur on its Lot. Development and construction activities by Declarant or its affiliates or by or on behalf of the Association shall not be considered to violate this Section. The construction, maintenance, installation and operation of PacifiCorp's substation and related equipment shall not be considered a violation of this Section 7.2, provided the same is completed in accordance with generally accepted industry standards and all applicable laws.

7.3 Maintenance of Structures and Grounds. Each Owner shall maintain its Lot and all Improvements thereon in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard. Such maintenance shall include, without limitation, painting, repair, and replacement of and care for roofs, gutters, downspouts, exterior building surfaces, landscaping, driveways, sidewalks adjoining public streets, parking areas, walks and other exterior Improvements. The Rules and Regulations may include maintenance standards for vacant Lots and for Lots under construction. If an Owner of a Lot fails to maintain the Lot as required under this Declaration, or if there is an emergency, the Association, the Declarant or any employee, contractor, property manager or other agent of the Association shall have the right to enter upon the Lot (except that no entry may be made to the substation that is currently located on the northwest side of the Juniper Ridge Employment Subdistrict) to make emergency repairs and to do other work reasonably necessary for the proper maintenance and operation of the Property and to charge the cost thereof to the Owner in accordance with Section 4.4 above. Such entry shall require twenty-four (24) hours advance written notice except in the case of emergency. No entry onto a Lot or into a structure pursuant to this Section 7.3 shall be deemed a trespass or create any right of action against the Association by the Owner.

7.4 Vehicles. The Design Review Committee may establish Rules and Regulations regarding the storing of vehicles visible from a public street or Common Area, including Rules and Regulations requiring the location and screening of stored vehicles. Should an Owner fail to remove or screen a vehicle in accordance with this Section 7.4 within five (5) business days following the date on which notice is mailed or delivered to such Owner by the Association, the Association may have such vehicle removed from the Property and charge the expense of such removal and storage to the applicable Owner pursuant to Section 4.4. above.

7.4.1 Vehicles in Disrepair. No Owner shall permit any vehicle that is in a state of disrepair to be abandoned or to remain parked upon any portion of the Property when the same is visible from a street. A vehicle shall be deemed in a "state of disrepair" when the Board reasonably so determines.

7.4.2 Motor Homes/Recreational Vehicles. No Owner shall permit any motor homes, recreational vehicles, boats or other similar vehicles to be parked upon any portion of the Property unless the same is screened from the view of all streets and all Lots.

7.4.3 Storage of Vehicles. No Owner shall permit any vehicle that is unrelated to its business to be stored upon any portion of the Property. The foregoing restriction shall not apply to vehicles owned or leased by the Owners or their Permitted Users and used by employees of the Owners or Permitted Users from time to time in the performance of their employment duties or personal vehicles owned or leased by employees of the Owners or Permitted Users if (i) the employees utilize the vehicles to commute to and from work or (ii) participate in a carpool or other similar shared commuting program and require the use of their personal vehicles during the business day.

7.5 Temporary Structures. No structure of a temporary character, trailer, tent, shack, or other outbuilding shall be used on the Property at any time, either temporarily or permanently, without the prior written approval of the Design Review Committee. The location, installation, exterior materials and colors of any such structures shall be subject to Design Review in accordance with Section 8 below. The Design Review Committee may establish general guidelines and standards for temporary structures from time to time. The placement and use of such temporary structures by Declarant, its affiliates, the Association or an Owner related to their respective development, construction or (in the case of Declarant or its affiliates) sales activities shall not be deemed to violate this Section 7.5 or to require Design Review Committee approval.

7.6 Garbage and Recycling. No Lot or Common Maintenance Area shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept, or disposed of, on any Lot or Common Maintenance Area except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. No cans, bags, containers or receptacles for the storing or disposal of trash, garbage, refuse, rubble, debris, or recyclable materials shall be stored, kept, placed or maintained on any Lot where visible from any street. The location and screening of the same shall be subject to the standards established by the Design Review Committee from time to time.

7.7 Construction Activities. Construction activities that are reasonably likely to impact neighboring Lots, streets or Common Maintenance Areas shall be subject to such construction Rules and Regulations as may be established by the Design Review Committee from time to time. The foregoing shall include, without limitation, blasting and pile driving.

7.8 Compliance with Design Review. Each Owner must construct and maintain all Improvements on the Property in conformance with the Design Review Committee's approval and any conditions of that approval.

7.9 Natural Buffer. A natural buffer area has been or will be established generally in the areas shown on attached **Exhibit B** and does or will appear on title to the affected Lots as an easement. Owners of Lots that include portions of this natural buffer area shall maintain the buffer area in its natural state, including without limitation, the removal of trash and debris; but subject, however, to City ordinances requiring maintenance, trimming or removal of vegetation in connection with fire hazard prevention. The Board may establish Rules and Regulations regarding maintenance of the natural buffer area from time to time. Design Review approval of Improvements on a Lot may include an obligation of the applicable Owner to complete grading and/or plant restoration on an adjacent portion of this buffer area.

7.10 Partitions/Subdivisions. Until Turnover, no Owner may partition or subdivide any Lot without the prior written consent of the Declarant, which consent may be granted or withheld in Declarant's sole discretion. The Board may establish minimum lot sizes for Lots within the Property from time to time. No Owner may partition or subdivide any Lot in a way that would result in a Lot that is smaller than the established minimum size without the prior written consent of the Board, which consent may be granted or withheld in the Board's sole discretion.

7.11 Utilities. All utilities installed on or in any portion of the Property must be installed underground, except (a) common above-ground appurtenances; and (b) transmission facilities that supply (now and/or in the future) the substation that is currently (as of the date of this Declaration) located on the northwest side of the Juniper Ridge Employment Subdistrict.

7.12 Height Restriction. No Improvement of any nature whatsoever (including, but not limited to, any exterior alteration or exterior addition to any Improvements existing from time to time) shall be constructed, placed, assembled or maintained on any portion of the real property legally described on the attached **Exhibit C-1** (the "West Parcel") such that any point of the Improvement (including any antenna, roof structure, architectural element, and any other portion of the Improvement or anything placed on top of it) exceeds the height limits set forth in the following table. Each "Area" referenced in the table is depicted on attached **Exhibit C-2**.

Area 1	3474 ft above sea level
Area 2	3474 ft above sea level
Area 3	3489 ft above sea level
Area 4	3489 ft above sea level
Area 5	3489 ft above sea level
Area 6	3499 ft above sea level

The foregoing height restriction shall run with the land, shall be binding upon all Owners having or acquiring any right, title or interest in or to all or any portion of the West Parcel and shall inure to the benefit of all owners having or acquiring any right, title or interest in or to all or any

portion of the real property described on the attached **Exhibit C-3** (the "LSH Parcel"). The owner(s) of the LSH Parcel or any portion thereof shall have the sole and exclusive right to enforce the height restriction set forth in this Section 7.12. Notwithstanding anything to the contrary herein, this Section 7.12 shall not be amended, modified or repealed without the prior written consent of the owner(s) of the LSH Parcel.

SECTION 8 DESIGN REVIEW

8.1 **Design Guidelines; Amendment.** All Improvements to be constructed on the Property shall conform to the Design Guidelines, as those may be interpreted or modified in accordance with this Section 8.1, except to the extent a variance is granted as provided below. Prior to Turnover, Declarant shall have sole authority to amend the Design Guidelines and shall be the final authority on interpretation issues. After Turnover, the Board shall have the sole authority to amend the Design Guidelines and shall be the final authority on interpretation issues. The initial version of the Design Guidelines has been prepared by Declarant, but is subject to amendment from time to time. Amendments to the Design Guidelines shall be effective immediately upon adoption by the Declarant or the Board, as applicable, provided all Owners are promptly provided access to such amendments. Such access may be granted by mailing a copy to all Owners or by mailing all Owners a letter advising them how to access the amendment through the Internet. The Committee may not overrule any provision of the Design Guidelines adopted by the Declarant or the Board, as applicable.

8.2 **Committee Membership; Appointment and Removal.**

8.2.1 **Number.** Prior to Turnover, the Design Committee shall consist of four (4) or five (5) members as determined by the Declarant in its sole discretion. After Turnover, the Design Committee shall consist of a minimum of three (3) members and a maximum of five (5) members as determined by the Board.

8.2.2 **Appointment.** Prior to Turnover, the members shall be appointed and removed at the sole discretion of the Declarant, provided that, if the Design Committee consists of four (4) members, then the Declarant shall appoint at least one (1) Class A Member or its representative to serve on the Design Committee at all times prior to Turnover and, if the Design Committee consists of five (5) members, then the Declarant shall appoint at least (2) Class A Members or their representatives to serve on the Design Committee at all times prior to Turnover. After Turnover, the Committee members shall be appointed and removed at the sole discretion of the Board. Notwithstanding the foregoing, Suterra shall have the right to appoint one (1) member to serve on the Design Committee for so long as Suterra has the right to appoint a Director to the Board as provided in Section 3.5.3 above. The Committee member appointed by Suterra shall be a member, officer, director or employee of Suterra, and shall be deemed a Class A Member for the purpose of determining the number of Class A Members serving on the Committee. The term of any Committee member appointed by Suterra shall automatically terminate upon the sooner of (i) the date on which Suterra or its affiliate no longer owns a Lot or (ii) the date that is two (2) years after the admission of a Class A Member to the Association other than Suterra, Les Schwab or PacifiCorp; provided, however, such automatic

termination shall not prevent Suterra from seeking appointment to the Committee in accordance with this Section 8.2 in the same manner as any other Member.

8.2.3 Qualifications. All members of the Committee must be Bend residents and must be qualified to analyze and interpret architectural and site planning information, including but not limited to, architects, urban planners, engineers, general contractors, and other individuals who have served on similar design review committees or boards or who otherwise have an architectural, design or site planning background. Prior to Turnover, the Declarant shall determine, in its sole and absolute discretion, whether an individual is qualified to serve on the Committee. After Turnover, the Board shall determine, in its sole and absolute discretion, whether an individual is qualified to serve on the Committee

8.2.4 Identity of Members; No Compensation. The Association shall keep on file at its principal office a list of the names and addresses of the members of the Committee. No member of the Committee shall be paid for serving on the Committee, but members may be reimbursed for actual, reasonable out-of-pocket expenses incurred by such Committee member in the performance of such Committee member's duties under this Section 8.2.

8.3 Design Review.

8.3.1 General. No Improvement, including infrastructure construction, shall be commenced, erected, placed, altered, added to, or maintained on, within, or beneath the Property until design plans and specifications showing the site layout, driveway and street alignments, exterior design, exterior elevations, exterior materials and colors, signs, landscaping areas (including type of plantings), drainage system, lighting, irrigation, utility facilities layout, and screening therefor have been submitted for review by the Design Review Committee and have been approved by the Design Review Committee through Design Review. Notwithstanding the above, an Owner may construct, renovate, paint, or redecorate the interior of structures on its Lot without Design Review approval. In addition, no Design Review approval shall be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild, in whole or in part, in accordance with originally approved plans and specifications. It is the intent and purpose of this Declaration to achieve a high standard of exterior appearance for a mixed employment center so as to be an attractive component of the City of Bend (to the extent practicable for an industrial/mixed-use park) and to achieve a high standard of quality of workmanship and materials and to assure harmony of external design with existing Improvements and location with respect to topography and finished grade elevations. Prior to Turnover, in the event that Declarant has approved design elements of an Owner's proposed Improvements in writing as a condition of Owner's purchase of a Lot, then those design elements so approved by Declarant shall not be subject to Design Review and it is only other design elements not previously approved by Declarant that will be subject to Design Review.

8.3.2 Les Schwab Rights with Respect to South Parcel.

(i) The portion of the Property described on attached **Exhibit D** is known as the "South Parcel." No improvements of any nature whatsoever (including, but not limited to, any exterior alteration or exterior addition to any improvements existing from time to time, or any rebuilt or replacement improvement) shall be constructed, placed, assembled or

maintained on the South Parcel until the owner(s) of the LSH Parcel has approved, in writing, complete design plans and specifications therefor. The owner(s) of the LSH Parcel agree to make good-faith efforts to provide informal periodic reviews of, and submit written comments about, pending South Parcel development projects, concurrent with review by the Design Review Committee, at (i) the Pre-Application Conference (as that term is defined in the Design Guidelines) and (ii) when the project design team makes a presentation to the Design Review Committee. The owner(s) of the LSH Parcel shall not withhold its properly requested prior written approval of any such improvement if the same does not detract from the value of the improvements constructed or contemplated to be constructed on the LSH Parcel, is consistent with a first-class office or industrial commercial area, and is in full compliance with (i) applicable City ordinances, including, without limitation, the Special Plan Area and (ii) the Design Guidelines (as such Design Guidelines exist as of the date of this Declaration or consistent with the Design Guidelines as amended in the future, provided such amendments have been approved by the owner(s) of the LSH Parcel). Compliance with these criteria shall be determined by the owner(s) of the LSH Parcel in its reasonable discretion. The owner of the LSH Parcel may impose reasonable conditions with any approval. Approval shall be demonstrated only by a written approval signed by the owner(s) of the LSH Parcel. An approval shall then be valid only if construction of the approved improvement is commenced within 180 days after approval by the owner(s) of the LSH Parcel and is thereafter diligently pursued continuously to prompt completion. Such construction shall be accomplished in compliance with the approved plans and specifications and any conditions of approval.

(ii) No approval or disapproval is required until a reasonable time (but in no event less than 45 days) after the owner(s) of the LSH Parcel shall have received complete proposed plans and specifications. If the owner of the LSH Parcel has not approved or disapproved the plans and specifications within sixty (60) days, such plans and specifications shall be deemed approved.

(iii) If there is more than one owner of the LSH Parcel, then such owners shall jointly select one owner to review and approve the proposed plans and specifications.

(iv) Notwithstanding the above, an Owner of a Lot within the South Parcel may construct, renovate, paint, or redecorate the interior of structures on its Lot without the approval of the owner of the LSH Parcel. In addition, the approval of the owner of the LSH Parcel shall not be required to repaint the exterior of a structure in accordance with the originally approved color scheme or to rebuild, in whole or in part, in accordance with originally approved plans and specifications.

(v) The owners(s) of the LSH Parcel or any portion thereof shall have the sole and exclusive right to enforce this Section 8.3. Notwithstanding anything to the contrary herein, the terms of this Section 8.3.2 shall not be amended or terminated without the prior written consent of the owner(s) of the LSH Parcel.

8.4 Procedure. In all cases which require Design Review (which term does not include the review rights of the owner of the LSH Parcel pursuant to Section 8.3.2) pursuant to this Declaration, the provisions of this Section 8.4 shall apply. The procedural requirements for

Design Review shall be established by the Design Review Committee. The Design Guidelines shall not be inconsistent with this Declaration, but shall more specifically define and describe the design standards for the Property and Improvements on the Property. The Design Review Committee may not charge a fee to the applicant to cover the cost of processing an application for its approval unless the Committee reasonably determines that it must obtain the services of a professional to assist or advise the Committee in reviewing the application as provided in Section 8.6 and in that case the application fee must be reasonable. Compliance with the Design Review process set forth in this Declaration is not a substitute for compliance with governmental building, zoning, and subdivision regulations, and Owner is responsible for obtaining all governmental approvals, licenses, and permits as may be required prior to commencing construction.

8.5 Variance. The Design Review Committee may, but is not required to, authorize variances from compliance with any of its Design Guidelines in the following circumstances: (i) the portion of the Property and its proposed Improvements are challenged by unusual topographic, environmental or aesthetic circumstances; (ii) non-compliance with the Design Guidelines would have only an immaterial adverse aesthetic effect on the other Lot Owners or those coming to or passing by the subject Property; or (iii) the alternative proposed by the applicant which reflects non-compliance with the Design Guidelines achieves the purposes of the Design Guidelines at issue as well as or better than compliance. No such variance shall (i) be effective unless in writing; (ii) be contrary to this Declaration; or (iii) estop the Design Review Committee from denying a variance in other circumstances. For purposes of this Section 8.5, the inability to obtain approval of any governmental agency, the issuance of any permit, the cost of compliance, or the terms of any financing shall not be considered a basis warranting a variance.

8.6 Expert Consultation. The Design Review Committee may avail itself of technical and professional advice and consultants as it deems reasonably appropriate, at the applicant's expense.

8.7 Committee Decision. Upon receipt of an application, the Design Review Committee shall have thirty (30) calendar days to review the application and to determine whether or not the application is complete. If the Design Review Committee determines that an application is incomplete, then the Owner must submit any additional documentation or other information required by the Design Review Committee to complete the application and the Design Review Committee will have thirty (30) calendar days from the submission of such additional documentation or other information to determine whether or not the application is then complete. If the Design Review Committee determines that an application is complete, then the Design Review Committee shall deliver a written notice of completed application to the Owner (the "Application Completion Notice"). The Design Review Committee shall render its decision on an application for approval of an Improvement or any other proposal submitted to it for approval or consent within sixty (60) calendar days following the date of the Application Completion Notice (the "Initial Review Period"), provided that the Design Review Committee shall have the right to extend the Initial Review Period for up to an additional sixty (60) calendar days (the "Extended Review Period") if the Design Review Committee determines that it cannot adequately review the proposal and render its decision within the Initial Review Period and the Design Review Committee notifies the applicant of its decision to utilize the Extended Review Period at least thirty (30) calendar days prior to the expiration of the Initial Review Period. A

complete application shall specify the approval or consent requested and be accompanied by all materials reasonably required or desired by the Design Review Committee to make an informed decision on such application. The Committee need not act on an application until it is complete, as determined by the Committee, and the Initial Review Period shall not commence until the Committee issues the Application Completion Notice. If the Design Review Committee approves an application, it may not thereafter revoke, rescind, or materially modify its approval without the consent of the Owner who submitted the application. Upon receipt of an application, the Committee shall use reasonable efforts to notify all adjacent Lot Owners of the application and all hearings and decisions relating to the application, and any Owner of an adjacent Lot may submit comments to the Committee and/or testify at any Committee hearing with respect to the application. As used herein, an adjacent Lot means a Lot which shares a common boundary with the Lot of the Owner who submitted the application or which would share a common boundary with the Lot of the Owner who submitted the application, except for the existence of a road. Within ten (10) business days after receipt of the Committee's written decision, the Owner who submitted the application may submit a written appeal. No other Owner may appeal the decision of the Committee. Prior to Turnover, appeals shall be made to Declarant. After Turnover, appeals shall be made to the Board. The Declarant or the Board, as applicable, shall respond to a timely appeal within thirty (30) days after the Board's receipt of such appeal request, indicating its decision in writing whether to uphold, modify or overturn the Committee's decision. The decision of the Declarant or the Board, as applicable, shall be final, provided that the Declarant or the Board adhered to the requirements of this Declaration.

8.8 Committee Discretion. The Design Review Committee may, in its sole and absolute discretion, withhold consent to any proposed Improvement if the Design Review Committee finds the proposed Improvement would be incompatible with the Design Guidelines. Consideration of siting, shape, size, color, design, height, effect on the enjoyment of other Lots, environmental impact, and any other factors which the Design Review Committee reasonably believes to be relevant, may be taken into account by the Design Review Committee in determining whether or not to approve or condition its approval of any proposed Improvement.

8.9 Majority Action. The affirmative vote of a majority of the members of the Design Review Committee shall govern its actions. A quorum of the Design Review Committee shall consist of a majority of the Design Review Committee's voting members. The Design Review Committee may render its decision only by written instrument setting forth the action taken by the members consenting thereto.

8.10 Limitation of Liability. The Design Review Committee, Declarant and the Board, as applicable, shall use reasonable judgment in approving or disapproving all plans and specifications or appeals submitted to it. Neither the Design Review Committee nor the Declarant nor the Board, nor any individual Design Review Committee member or Board member, as applicable, shall be liable to any person or entity for any official act of the Design Review Committee, the Declarant or the Board in connection with submitted plans and specifications and/or appeals, except to the extent the Design Review Committee, Declarant, the Board, as applicable, or any individual Design Review Committee member or Board member, as applicable, acted with bad faith. Approval by the Design Review Committee, Declarant or Board, as applicable, does not necessarily assure approval by any governmental agency. Notwithstanding that the Design Review Committee, the Declarant or Board, as applicable, has

approved plans and specifications, neither the Design Review Committee, Declarant, Board, nor any of their members shall be responsible or liable to Owner, a contractor, or other person or entity with respect to any loss, liability, claim, or expense which may arise by reason of such approval. Neither the Design Review Committee, Board, as applicable, nor any agent thereof, nor Declarant or any of its members, managers, employees, agents, or consultants, shall be responsible in any way for any defects in any plans or specifications submitted, revised, or approved in accordance with the provisions of this Declaration, or for any structural or other defects in any work done according to such plans and specifications. The Association shall indemnify, hold harmless, and defend the Design Review Committee, the Declarant and the Board, as applicable, and their members in any suit or proceeding which may arise by reason of any of the Design Review Committee's, the Declarant's or Board's acts or omissions related to this Section 8 committed in good faith. The Association shall use all reasonable efforts to procure errors and omissions insurance coverage with respect to members of the Design Review Committee, the Declarant and the Board.

8.11 Nonwaiver. Consent by the Design Review 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.

8.12 Effective Period of Consent. The Design Review Committee's consent to any proposed Improvement shall automatically be revoked two (2) years after issuance unless construction of the work has been commenced and is being diligently pursued to completion or the Owner has applied for and received an extension of time from the Design Review Committee. Where an Improvement is approved as a whole (i.e., an entire building or complex of buildings), the commencement of construction of any portion of the entire Improvement will satisfy the preceding sentence.

8.13 Estoppel Certificate. Within thirty (30) days after written request is delivered to the Design Review Committee by an Owner, and upon payment to the Design Review Committee of a reasonable fee, if any, fixed by the Design Review Committee to cover its costs, the Design Review Committee shall provide such Owner with an estoppel certificate executed by a member of the Design Review Committee and acknowledged, certifying that, as of the date thereof, either: (i) all Improvements made or done upon or within the Lot by the Owner comply with this Declaration, or (ii) such Improvements do not so comply. If the estoppel certificate states that the Improvements do not comply, such certificate shall also identify the noncomplying Improvements and set forth with particularity the nature of such noncompliance. Any purchaser from such Owner, and any mortgagee, shall be entitled to rely conclusively on such certificate with respect to the matters set forth therein. If the Design Review Committee fails to respond to the request for such a certificate within the required thirty (30) day period, and the Owner has paid the required fee, if any, prior to expiration of the thirty (30) day period, the certificate shall be deemed given, verifying that the Improvements on Owner's Lot comply with this Declaration.

8.14 Enforcement. The Design Review Committee and Board shall apply and enforce the Design Guidelines in a good faith and reasonable manner. This provision is for the benefit of Declarant and the Lot Owners and enforceable by Declarant and the Lot Owners.

8.15 Activities of Declarant. Except as provided in this Section 8.15, the activities of Declarant shall be exempt from all Design Review requirements of Section 8. In the event that Declarant constructs a building, the same must first be approved by the Committee in accordance with the terms of Section 8. Any infrastructure improvements constructed or installed by Declarant must comply with any Design Guidelines that are specific to infrastructure improvements.

SECTION 9 ENFORCEMENT

9.1 General. In the event an Owner shall violate or shall allow any of its Permitted Users to violate any provision of this Declaration, then any other Owner, the Declarant or the Association shall have the right to enforce this Declaration. The Association, acting through the Board, may notify a violator in writing that a violation exists and that the violator is responsible for such violation, and may, after affording the violator reasonable notice and thirty (30) days to remedy the violation or commence the remedy if it cannot be completed within thirty (30) days, and if the violation is not so remedied, then the Association may do any or all of the following: (i) impose reasonable fines upon the violator, in the manner and amount the Board deems appropriate in relation to the violation, (ii) bring suit or action against the violator to enforce this Declaration or applicable rules and regulations, or (iii) if the Association has notified the violator of required remedial or abatement action and the violator is unable or unwilling to comply with the Association's specific directives for remedy or abatement, or the violator and the Association cannot agree on a mutually acceptable solution within the framework and intent of this Declaration, then within sixty (60) days after such notice, seek a court order permitting the Association to enter the Property and remove the cause of such violation, or alter, repair or change the item which is in violation of this Declaration in such a manner as to make it conform thereto and assess Owner for the entire cost of the work done and the Association's legal fees. The Association shall use its reasonable efforts to minimize any disruption to Owner during any such entry on the Property. Nothing in this Section, however, shall give the Association the right to deprive the violator of access to and from the violator's Lot and personal property located on the Lot.

9.2 Default in Payment of Assessments; Enforcement of Lien. If an Assessment or other charge levied under this Declaration is not paid within thirty (30) days after its due date, such Assessment or charge shall become delinquent and shall bear interest from the due date until paid at the rate set forth below and, in addition, the Association may exercise any or all of the remedies described in Section 9.1, as well as any other remedy available to it by law or in equity. The Association shall have a lien against the Lot for any Assessment levied against the Lot and any fines or other charges imposed under this Declaration against the Member from the date on which the Assessment, fine, or charge is due. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens under ORS Chapter 88. The Association, through its duly authorized agents, may bid on the Lot at such foreclosure sale, and may acquire and hold, lease, mortgage, and convey the Lot. If any Assessment is payable in installments, the full amount of the Assessment is a lien from the date the first installment of the Assessment becomes due. The Association may bring an action to recover a money judgment for unpaid Assessments, fines, and charges under this Declaration without foreclosing or waiving its lien.

Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

9.3 Priority of Lien to Mortgages. The lien for Assessments or charges against each Lot provided for in this Declaration shall be prior to the lien of any mortgage or deed of trust on a subject Lot recorded after the recordation of this Declaration. The lien for Assessments or charges provided for in this Declaration shall be subordinate to the lien of any mortgage or deed of trust on a subject Lot recorded prior to the recordation of this Declaration.

9.4 Interest, Expenses, and Attorneys' Fees. Any amount not paid to the Association when due in accordance with this Declaration shall bear interest, compounded annually, from the due date until paid at a rate of five (5) percentage points per annum above the "prime rate" or "reference rate" offered by Bank of America or its successor as of the due date, or at such other rate as may be established by the Board, but not to exceed the lawful rate of interest under the laws of the State of Oregon. A late charge may be charged for each delinquent Assessment in an amount established from time to time by resolution of the Board not to exceed five percent (5%) of such Assessment. In the event the Association shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice, and a fee for preparing the notice of lien established from time to time by resolution of the Board. With respect to any dispute relating to this Declaration, the Bylaws or Rules and Regulations of the Association, or the collection of any money due hereunder or foreclosure of a lien, or in the event that a suit, action, arbitration or other proceeding of any nature whatsoever, including (without limitation) any proceeding under the U.S. Bankruptcy Code and involving issues peculiar to federal bankruptcy law or any action seeking a declaration of rights or an action for rescission, is instituted to interpret or enforce this Declaration or any provision of this Declaration, the prevailing party shall be entitled to recover from the losing party its reasonable attorneys', paralegals', accountants' and other experts' and professional fees and all other fees, costs and expenses actually incurred and reasonably necessary in connection therewith including (without limitation) deposition and expert fees and costs incurred in creating exhibits and reports, as determined by the judge or arbitrator at trial or other proceeding, or on any appeal or review, in addition to all other amounts provided by law. For purposes of this Declaration, the term attorneys' fees includes all charges of the prevailing party's attorneys and their staff (including without limitation legal assistants, paralegals, word processors and other support personnel) and any post-petition fees in a bankruptcy court. For purposes of this Declaration, the term fees and expenses includes but is not limited to long-distance telephone charges; expenses of facsimile transmission; expenses for postage (including costs of registered or certified mail and return receipts), express mail or parcel delivery; mileage and all deposition charges, including, but not limited to, court reporters' charges, appearance fees and all costs of transcription; and costs incurred in searching records.

9.5 Non-Exclusiveness and Accumulation of Remedies. An election by the Association to pursue any remedy for violation of this Declaration shall not prevent concurrent or subsequent exercise of any other remedy permitted in this Declaration or available at law or in equity. The remedies provided in this Declaration are not exclusive, but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to the Association. In addition, a Member may

bring an action against another Member or the Association to recover damages or to enjoin, abate, or remedy any violation of this Declaration by appropriate legal proceedings.

SECTION 10 ANNEXATION

10.1 Annexation by Declarant. At any time during the term of this Declaration, Declarant may, at its sole option, annex additional property to this Declaration and into the Association to be subject to the terms of this Declaration to the same extent as if originally included and subject to such other terms, covenants, conditions, easements and restrictions as may be imposed thereon by Declarant, so long as such land is included in the Master Plan and is within an area zoned IL (Light Industrial), employment-related or a future comparable zoning designation. There is no limitation on the amount of land which Declarant may annex to this Declaration nor on the right of Declarant to annex and designate Common Areas, except as may be established by applicable ordinances, written agreements or land use approvals. Declarant shall have no obligation of any kind to annex any additional property to this Declaration. Property annexed to this Declaration need not be contiguous to the Property.

10.1.1 Consent or Joinder Not Required. No consent or joinder of any Class A Member or other party except the record owner of the land being annexed shall be necessary to effect any annexation made pursuant to this Section 10.1.

10.1.2 Declaration of Annexation. Annexation shall be evidenced by a written declaration of annexation ("**Declaration of Annexation**") executed by Declarant, or (in the case of an annexation by action of Members) by the Board and the Declarant and the owners of the property being annexed, setting forth the legal description of the property being annexed and any additional covenants, conditions and restrictions to be applied to such annexed property. Notwithstanding any provision herein to the contrary, a Declaration of Annexation may with respect to any annexed property: (a) establish such new limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant or the Board and the Declarant (whichever is/are signing the Declaration of Annexation) may deem to be appropriate for the development of the annexed property; and/or (b) contain provisions necessary or appropriate to comply with any condition, requirement, or imposition of any governmental or regulatory authority.

10.2 Annexation by Action of Members. At any time the Board may request approval of the Members for the annexation of additional property to this Declaration to the same extent as if originally included herein. No such annexation shall be effective unless approved by at least seventy-five percent (75%) of the outstanding votes of the Association and by Declarant. Any property that is to be annexed must be property eligible for annexation under Section 10.1. No such annexation shall be effective without the consent and joinder of the owners of the property to be annexed. Such annexation must be evidenced by a Declaration of Annexation as set forth in Subsection 10.1.2 above executed by the parties therein described.

10.3 Voting Rights; Allocation of Assessments. Upon annexation, additional Lots so annexed shall be entitled to the voting rights as set forth in Section 3.3, and Assessments shall be reallocated and reapportioned in the manner set forth in Section 4.6.3.

SECTION 11 THIRD PARTY BENEFICIARY

The owner of the LSH Parcel is an intended third-party beneficiary of this Declaration, meaning that such owner shall have the right to enforce the terms of this Declaration against the Owners of portions of the Property. As used in this Declaration, the "owner of the LSH Parcel" shall mean the record owner of the LSH Parcel; provided, however, to the extent there is more than one record owner, any one or more of such owners may commence any enforcement action.

SECTION 12 GENERAL PROVISIONS

12.1 Term. The covenants, conditions and restrictions of this Declaration shall run for a period of twenty-five (25) years. Thereafter, such covenants, conditions and restrictions shall be automatically extended for successive periods of twenty-five (25) years each, unless amended or extinguished by a written instrument approved by holders of at least seventy-five percent (75%) of the Class A voting power of the Association and by the Class B Member, if any, and the instrument shall be recorded in the deed records of Deschutes County, Oregon.

12.2 Amendment and Repeal.

12.2.1 This Declaration, or any provision thereof may be amended or repealed by the vote of holders of at least seventy-five percent (75%) of the Class A voting power of the Association, and, so long as there is a Class B Member, the consent of the Class B Member, and, if required by Section 12.2.3 below, the consent of the owner of the LSH Parcel. Notwithstanding the foregoing, Declarant's right to annex additional real property to the Property and this Declaration shall not be subject to the terms of this Section 12.2.1 and therefore shall not require the approval of any of the Class A Members. Additionally, any amendment, modification, revocation or termination of any of the following provisions shall also require the prior written consent of the Declarant following termination of the Class B membership:

- (i) The Declarant's right to designate Common Areas and to convey the same to the Association pursuant to Sections 1.8 and 5.2;
- (ii) The Declarant's right to assign all or some of its rights as Declarant under this Declaration pursuant to Section 1.10;
- (iii) The right of the City to require the Association to maintain the JRTMC and to approve the initial draft of and any amendments to the operating guidelines of the JRTMC pursuant to Section 3.9;
- (iv) The Declarant's membership and voting rights in the Association pursuant to Sections 1.22, 3.2 and 3.3;
- (v) The Declarant's right to grant easements over the Common Areas prior to conveyance of the same to the Association pursuant to Sections 3.11.3 and 5.6;

(vi) The exemption of all portions of the Property other than the Lots from the payment of Assessments pursuant to Section 4;

(vii) The definitions of Common Areas and Lots as defined in Sections 1.7 and 1.20;

(viii) The Declarant's right to install additional Improvements on the Common Areas without Board approval pursuant to Sections 5.2 and 5.5;

(ix) The limitation on liability and indemnification provisions benefiting the Declarant as provided in Section 8.10;

(x) The Declarant's enforcement rights under Section 9.1;

(xi) The Declarant's right to annex additional property pursuant to Section 10.1;

(xii) The Declarant's right to approve amendments pursuant to this Section 12.2.1; and

(xiii) The Declarant's rights under Sections 12.3, 12.4, 12.6, 12.9 and 12.10 regarding notices, fiduciaries, consents, security and capacity.

12.2.2 Any such amendment or repeal shall become effective only upon recordation in the deed records of Deschutes County, Oregon of a certificate of the chairperson and secretary of the Association setting forth in full the amendment, amendments, or repeal so approved and certifying that said amendment, amendments, or repeal have been approved in the manner required by this Declaration.

12.2.3 An amendment shall require the consent of the owner of the LSH Parcel to be effective if the amendment affects or applies to the West Parcel, the South Parcel and/or the Ancillary Parcel.

12.3 Notices. Any notices permitted or required to be delivered as provided herein shall be in writing and may be delivered either personally, by messenger, by facsimile transmission if machine confirmation is received by the sender, by overnight delivery service or by mail. If delivery is made by mail, it shall be deemed to have been delivered seventy-two (72) hours after a copy of the same has been deposited in the United States mail, postage prepaid, addressed to any person at the address given by such person to the Association for the purpose of service of such notice, or to the residence of such person (or, in the case of an entity, the registered agent for such entity) if no address has been given to the Association. Such address may be changed from time to time by notice in writing to the Association.

12.4 No Fiduciary Standard. In no event shall Declarant or any of Declarant's agents, employees, officers or contractors be deemed to be a fiduciary to any Owner or be held to a fiduciary standard with respect to its activities hereunder. The foregoing language does not apply to the officers or directors of the Association appointed by Declarant.

12.5 Remedies Cumulative. Each remedy provided herein is cumulative and not exclusive.

12.6 Consent. Unless otherwise specifically provided herein, no approval or consent required from any party under this Declaration shall be valid or effective unless and until the same is set forth in writing.

12.7 Waiver of Specific Terms. Except to the extent specifically permitted by the terms of this Declaration, the Association may not waive any provisions of this Declaration.

12.8 Non-Waiver. The failure to enforce any of the provisions of this Declaration at any time shall not constitute a waiver of the right to enforce any such provision in the future. Any claimed waiver must be in writing and signed by the party against whom such waiver is being asserted.

12.9 Security. The Association shall have no responsibility for safety and security matters within the Property. Neither the Association nor Declarant shall in any way be considered insurers or guarantors of security for the Property nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any security measures cannot be compromised or circumvented, nor that any such security measures undertaken will in all cases prevent loss or provide the protection for which the measures are intended.

12.10 City of Bend as Declarant. To the extent that the City of Bend, as Declarant, exercises its rights under this Declaration, it shall be deemed to be acting solely in its proprietary capacity as the initial Owner of the Property and as Declarant and not in the exercise of its regulatory authority.

12.11 Restrictions Severable. Each of the provisions in this Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision or portion of this Declaration shall not affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, the undersigned, as Declarant, executed and recorded this Declaration of Covenants, Conditions and Restrictions for Juniper Ridge Employment Sub-District, to be effective on the Effective Date.

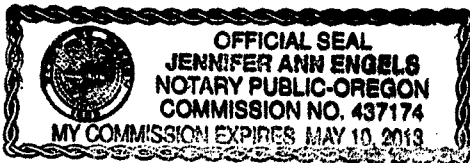
Declarant: CITY OF BEND

By: [Signature]
Its: CITY MANAGER

STATE OF OREGON)
) ss.
County of Deschutes)

The foregoing instrument was acknowledged before me on this 28 day of March ~~2010~~ by Eric King, the City Manager of the City of Bend, on behalf of the City of Bend.

Jennifer Ann Engels
Notary Public for Oregon
My Commission Expires: 5/10/2013



Consent

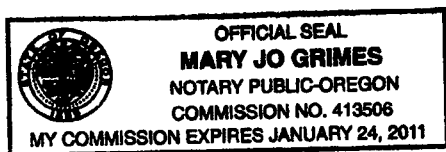
Les Schwab Headquarters, LLC, an Oregon limited liability company, is the owner of the LSH Parcel, which is not a part of the Property. Les Schwab executes this Declaration for the limited purposes of: (a) agreeing to pay General Assessments for Routine Costs hereunder as if the Les Schwab Parcel were a part of the Property; and (b) agreeing to be bound by the provisions related to such General Assessments for Routine Costs hereunder, including the rights of the Association to enforce the obligation to pay Assessments; and (c) agreeing to abide by the terms of Section 8.3.2.

LES SCHWAB HEADQUARTERS, LLC, an
Oregon limited liability company

By: [Signature]
Name: Richard B. Borgman
Title: CEO

STATE OF OREGON)
) ss.
County of Deschutes)

The foregoing instrument was acknowledged before me on this 29th day of November, 2010 by Richard B. Borgman, the CEO of Les Schwab Headquarters, LLC, an Oregon limited liability company, on behalf of the limited liability company.



Mary Jo Grimes
Notary Public for Oregon
My Commission Expires: 1-24-2011

Consent

Suterra LLC, a Delaware limited liability company, is the owner of a portion of the Property and executes this Declaration to evidence its consent to the terms hereof and not in the capacity as a declarant.

SUTERRA LLC,
a Delaware limited liability company

By: *Robert W. Bryant*

Name: Robert W. Bryant

Title: Senior Vice President

STATE OF CALIFORNIA)
) ss.
County of Los Angeles)

On December 23, 2010, before me, *Syed Reza Quli*, Notary Public, personally appeared Robert W. Bryant, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Syed Reza Quli
Notary Public (Seal)



Consent

PacifiCorp, an Oregon corporation, is the owner of a portion of the Property and executes this Declaration to evidence its consent to the terms hereof and not in the capacity as a declarant.

PACIFICORP,
an Oregon corporation

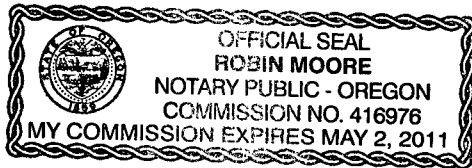
By: [Signature]

Name: Stuart Kelly

Title: Managing Director, Construction
and Support Services

STATE OF OREGON)
 Multnomah) ss.
County of ~~Deschutes~~)

The foregoing instrument was acknowledged before me on this 4th day of March, 2010 by Stuart Kelly, the Managing Director of PacifiCorp, an Oregon corporation, on behalf of the corporation. Construction & Support Services



[Signature]
Notary Public for Oregon
My Commission Expires: 5/2/11

After Recording, Return To:
City of Bend
710 NW Wall Street
Bend, OR 97701
Attn: City Recorder

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR JUNIPER RIDGE EMPLOYMENT SUB-DISTRICT**

EFFECTIVE DATE: _____, 2010

RECITALS

The City of Bend (the "Declarant") is developing the real property described on attached **Exhibit A** (the "Property") and known as Juniper Ridge Employment Sub-District, which is part of a larger parcel of real property being planned as a mixed use development known as "Juniper Ridge".

By resolution dated July 16, 2008, the City accepted and approved the Juniper Ridge Master Plan (the "Master Plan") as the proprietary, non-regulatory and conceptual master plan for the use and development of Juniper Ridge, which may, in the future, be adopted, amended or refined. The Bend Development Code supersedes and refines the Master Plan. Effective November 18, 2009, the City created Juniper Ridge Overlay Zone within the Bend Development Code for the employment component of the Master Plan.

The Juniper Ridge Overlay Zone, a Special Planned District, contemplates that the Property will be used for employment-type purposes. Such intent is reflected in the proposed zoning being sought by the City for the Property, which is IL (Light Industrial), with an overlay zoning designation of Juniper Ridge Employment Sub-District, which supplements and refines the underlying IL zoning with standards and uses designed to fulfill the City's vision for economic development at Juniper Ridge. Through this Declaration of Covenants, Conditions and Restrictions for Juniper Ridge Employment Sub-District (this "Declaration"), Declarant seeks to ensure, among other things, the compatibility and attractiveness of the individual lots, parcels, buildings and infrastructure facilities that will be developed within the Property and to preserve, protect, and enhance the value and amenities of the Property for lot owners and occupants of the Property.

Now, therefore, Declarant declares that the Property and all parts thereof shall be held, used, mortgaged, conveyed and developed subject to and in accordance with the terms of this Declaration, which shall run with the property and shall be binding upon and inure to the benefit of all owners having or acquiring any right, title or interest in or to the Property or any part thereof. ~~Suterra-Juniper Ridge~~, (as defined below), and PacifiCorp, an Oregon corporation, each own a portion of the Property and are executing this Declaration to evidence their consent



1.33 South Parcel. "South Parcel" means the portion of the Property described on attached **Exhibit D**.

1.34 Special Assessments. "Special Assessments" means an Assessment levied against all Owners for specific one-time purposes, such as responding to emergencies or undertaking unusual or extraordinary repairs to Common Areas.

1.35 Suterra. "Suterra" means Suterra LLC, a Delaware limited liability company ("Suterra LLC") so long as Suterra LLC owns an interest in the Property, or, in the event that Suterra LLC has transferred or conveyed all of its ownership interest in the Property to an affiliate, subsidiary or parent company of Suterra LLC, then such transferee shall be "Suterra" for purposes of this Declaration during the transferee's period of ownership. To the extent that Suterra LLC transfers all of its rights to purchase a portion of the Property to a non-related entity solely as an exchange accommodation titleholder (the "Accommodator") for purposes of completing an exchange pursuant to Internal Revenue Code Section 1031, then upon the Accommodator's acquisition of title to a portion of the Property, "Suterra" shall mean such Accommodator until such time as the Accommodator transfers or conveys all of its ownership interest in the Property to Suterra LLC or an affiliate of Suterra LLC, which transferee shall then be "Suterra" for purposes of this Declaration.

~~1.36 Suterra Juniper Ridge. "Suterra Juniper Ridge" means Suterra Juniper Ridge, LLC, a Delaware limited liability company, the exchange accommodation titleholder for Suterra LLC as provided in Section 1.35 above.~~



1.36 ~~1.37~~-TDM Provisions. "TDM Provisions" means transportation demand management provisions imposed on any Lot, as described in Section 3.9.

1.37 ~~1.38~~-Turnover. "Turnover" means the date that is sixty (60) days after the date on which the Class B Membership ceases to exist in accordance with Section 3.3. At Turnover, certain Declarant rights shall terminate as provided in Section 3.11.

1.38 ~~1.39~~-West Parcel. "West Parcel" means the portion of the Property described on attached **Exhibit C-1**.

SECTION 2 DECLARATION

2.1 Property Covered. The property which is covered by and is made subject to this Declaration is the Property.

2.2 Purpose. The purposes of this Declaration are: to set forth standards pursuant to which the Property is to be developed, maintained and used, and pursuant to which Improvements are to be designed, constructed and used; to provide for Assessments of the Owners to enable the Association to carry out the purposes of this Declaration; and to set forth other terms and conditions governing the use and enjoyment of the Property.

Consent

Suterra-Juniper-Ridge, LLC, a Delaware limited liability company, is the owner of a portion of the Property and executes this Declaration to evidence its consent to the terms hereof and not in the capacity as a declarant.

~~SUTERRA JUNIPER RIDGE, LLC,~~
a Delaware limited liability company

By: ~~Suterra LLC,~~
a Delaware limited liability company
Its: ~~Sole Member~~



By: _____

Name: Robert W. Bryant

Title: Senior Vice President

STATE OF CALIFORNIA)
) ss.
County of Los Angeles)

On December 23, 2010, before me,
_____, Notary Public, personally appeared
Robert W. Bryant, who
proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public (Seal)

After Recording, Return To:
City of Bend
710 NW Wall Street
Bend, OR 97701
Attn: City Recorder

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR JUNIPER RIDGE EMPLOYMENT SUB-DISTRICT**

EFFECTIVE DATE: _____, 2010

RECITALS

The City of Bend (the "Declarant") is developing the real property described on attached **Exhibit A** (the "Property") and known as Juniper Ridge Employment Sub-District, which is part of a larger parcel of real property being planned as a mixed use development known as "Juniper Ridge".

By resolution dated July 16, 2008, the City accepted and approved the Juniper Ridge Master Plan (the "Master Plan") as the proprietary, non-regulatory and conceptual master plan for the use and development of Juniper Ridge, which may, in the future, be adopted, amended or refined. The Bend Development Code supersedes and refines the Master Plan. Effective November 18, 2009, the City created Juniper Ridge Overlay Zone within the Bend Development Code for the employment component of the Master Plan.

The Juniper Ridge Overlay Zone, a Special Planned District, contemplates that the Property will be used for employment-type purposes. Such intent is reflected in the proposed zoning being sought by the City for the Property, which is IL (Light Industrial), with an overlay zoning designation of Juniper Ridge Employment Sub-District, which supplements and refines the underlying IL zoning with standards and uses designed to fulfill the City's vision for economic development at Juniper Ridge. Through this Declaration of Covenants, Conditions and Restrictions for Juniper Ridge Employment Sub-District (this "Declaration"), Declarant seeks to ensure, among other things, the compatibility and attractiveness of the individual lots, parcels, buildings and infrastructure facilities that will be developed within the Property and to preserve, protect, and enhance the value and amenities of the Property for lot owners and occupants of the Property.

Now, therefore, Declarant declares that the Property and all parts thereof shall be held, used, mortgaged, conveyed and developed subject to and in accordance with the terms of this Declaration, which shall run with the property and shall be binding upon and inure to the benefit of all owners having or acquiring any right, title or interest in or to the Property or any part thereof. ~~Suterra Juniper Ridge~~, (as defined below), and PacifiCorp, an Oregon corporation, each own a portion of the Property and are executing this Declaration to evidence their consent

Stuart Kelly
3-25-11

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~~1.36~~ ~~Suterra Juniper Ridge~~. ~~"Suterra Juniper Ridge" means Suterra Juniper Ridge, LLC, a Delaware limited liability company, the exchange accommodation titleholder for Suterra LLC as provided in Section 1.35 above.~~

~~1.36~~ ~~1.37~~ TDM Provisions. "TDM Provisions" means transportation demand management provisions imposed on any Lot, as described in Section 3.9.

~~1.37~~ ~~1.38~~ Turnover. "Turnover" means the date that is sixty (60) days after the date on which the Class B Membership ceases to exist in accordance with Section 3.3. At Turnover, certain Declarant rights shall terminate as provided in Section 3.11.

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SECTION 2 DECLARATION

2.1 Property Covered. The property which is covered by and is made subject to this Declaration is the Property.

2.2 Purpose. The purposes of this Declaration are: to set forth standards pursuant to which the Property is to be developed, maintained and used, and pursuant to which Improvements are to be designed, constructed and used; to provide for Assessments of the Owners to enable the Association to carry out the purposes of this Declaration; and to set forth other terms and conditions governing the use and enjoyment of the Property.



Stuart Kelly

3-25-11

Consent

Suterra ~~Juniper Ridge~~, LLC, a Delaware limited liability company, is the owner of a portion of the Property and executes this Declaration to evidence its consent to the terms hereof and not in the capacity as a declarant.

~~SUTERRA JUNIPER RIDGE~~, LLC,
a Delaware limited liability company

By: ~~Suterra LLC,~~
a Delaware limited liability company

Its: ~~Sole Member~~

By: _____

Name: Robert W. Bryant

Title: Senior Vice President

STATE OF CALIFORNIA)
) ss.
County of Los Angeles)

On December 23, 2010, before me,
_____, Notary Public, personally appeared

Robert W. Bryant, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signatures(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Notary Public (Seal)


 *Stuart Kelly*
3-25-11

EXHIBIT A

LEGAL DESCRIPTION
PORTION OF JUNIPER RIDGE
CITY OF BEND, DESCHUTES COUNTY, OREGON

Real property situated in the City of Bend, Deschutes County, Oregon, being a portion of that Partition Plat no. 2010-10 recorded as CS18170, records of said county and lying in Section 10, Township 17 South, Range 12 East of the Willamette Meridian, described as follows:

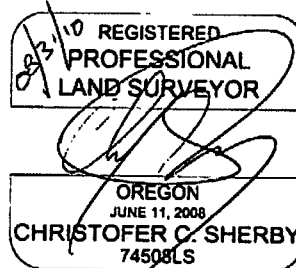
Beginning at the Southwest corner of said Section 10 as shown on said Partition Plat; thence along the South line of said Section 10 North 89° 36' 03" East a distance of 2624.00 feet to the South quarter corner of said Section 10; thence continuing along said South line North 89° 43' 42" East a distance of 262.24 feet; thence leaving said South line North 00° 00' 00" East a distance of 2490.70 feet; thence North 63° 54' 24" West a distance of 1475.70 feet; thence North 25° 54' 49" East a distance of 454.75 feet to a point of curvature with a 800.00 foot radius curve; thence along said curve to the right, through a central angle of 35° 03' 54", an arc distance of 489.60 feet (the chord of which bears North 43° 26' 46" East a distance of 482.00 feet) to a point of reverse curvature with a 900.00 foot radius curve; thence along said curve to the left, through a central angle of 46° 30' 45", an arc distance of 730.62 feet (the chord of which bears North 37° 43' 21" East a distance of 710.72 feet) to a point of tangency; thence North 14° 27' 58" East a distance of 852.61 feet to the North line of said Section 10; thence along said North line South 89° 50' 39" West a distance of 116.47 feet to the North quarter corner of said Section 10; thence continuing along said North line South 89° 37' 50" West a distance of 1543.05 feet to the Southerly line of the Burlington Northern Railroad right of way as shown on said Partition Plat; thence along said Southerly right of way line South 42° 13' 30" West a distance of 1603.84 feet to the West line of said Section 10; thence along said West line South 00° 01' 02" West a distance of 1463.57 feet to the West quarter corner of said Section 10; thence continuing along said West line South 00° 01' 28" West a distance of 2644.51 feet to the **Point of Beginning**.

ALSO

Beginning at the Northwest corner of said Section 10; thence along the North line of said Section 10 North 89° 37' 50" East a distance of 941.67 feet to the Northerly line of said Burlington Northern Railroad right of way; thence along said Northerly line South 42° 13' 30" West a distance of 1401.64 feet to the West line of said Section 10; thence along said West line North 00° 01' 02" East a distance of 1031.86 feet to the **Point of Beginning**

Containing approximately 305.95 acres.

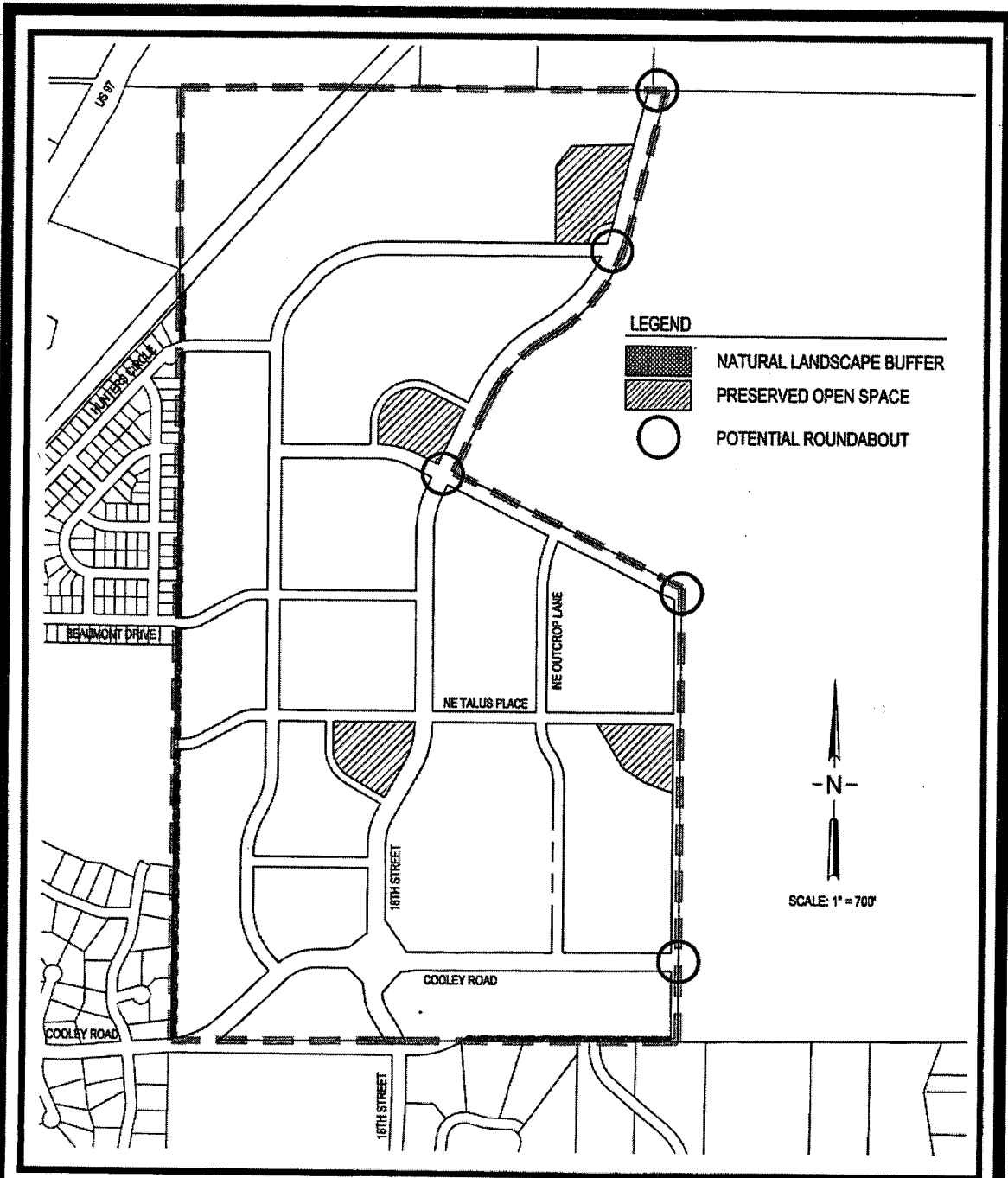
Subject to easements and restrictions of record.



EXPIRES 6/30/12

EXHIBIT B

Depiction/Description of Natural Buffer Area



**JUNIPER RIDGE
EMPLOYMENT SUB-DISTRICT**

EXHIBIT "B"

EXHIBIT C-1

WEST PARCEL

A PARCEL OF LAND BEING A PORTION OF PARCEL 1, AS SHOWN ON PARTITION PLAT NO. 2007- 78, OFFICIAL RECORDS OF DESCHUTES COUNTY, OREGON, LOCATED IN SECTION 10, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLAMETTE MERIDIAN, CITY OF BEND, DESCHUTES COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE CORNER COMMON TO SECTIONS 9, 10, 15 & 16, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLMETTE MERIDIAN;

THENCE, NORTH 0°01'28" EAST, A DISTANCE OF 10.06 FEET, ALONG THE WEST LINE OF THE SW 1/4 OF SAID SECTION 10, TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE FOR N.E. COOLEY ROAD AND THE SW CORNER OF SAID PARCEL 1, AS SHOWN ON SAID PARTITION PLAT, SAID POINT BEING THE TRUE POINT OF BEGINNING FOR THIS DESCRIPTION;

THENCE, CONTINUING NORTH 0°01'28" EAST, A DISTANCE OF 1951.05 FEET, ALONG THE WEST LINE OF THE SW 1/4 OF SAID SECTION 10, TO A POINT;

THENCE, DEPARTING THE WEST LINE OF THE SW 1/4 OF SAID SECTION 10, EAST, A DISTANCE OF 1527.56 FEET, TO A POINT;

THENCE, SOUTH 30°00'00" WEST, A DISTANCE OF 462.63 FEET, TO THE NW CORNER OF THAT 100 FOOT RIGHT OF WAY FOR N.E. 18TH STREET AS SHOWN ON SAID PARTITION PLAT;

THENCE, SOUTH 30°00'00" WEST, A DISTANCE OF 316.40 FEET, ALONG THE NORTHWESTERLY RIGHT OF WAY OF SAID N.E. 18TH STREET, TO A POINT OF TANGENCY WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 350.00 FEET;

THENCE, ALONG THE WESTERLY RIGHT OF WAY LINE FOR SAID N.E. 18TH STREET, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 30°00'00", AN ARC DISTANCE OF 183.26 (THE CHORD OF WHICH BEARS SOUTH 15°00'00" WEST, A DISTANCE OF 181.17 FEET), TO A POINT OF TANGENCY;

THENCE, SOUTH, 504.83 FEET, CONTINUING ALONG THE WESTERLY RIGHT OF WAY LINE OF SAID N.E. 18TH STREET, TO A POINT;

THENCE, SOUTH 50°00'44" WEST, A DISTANCE OF 130.32 FEET, ALONG A LINE OF TRANSITION FROM SAID WESTERLY RIGHT OF WAY LINE FOR N.E. 18TH STREET TO THE NORTHERLY RIGHT OF WAY LINE OF SAID N.E. COOLEY ROAD;

THENCE, SOUTH 81°09'36" WEST, A DISTANCE OF 73.97 FEET, ALONG THE NORTHERLY RIGHT OF WAY LINE FOR SAID N.E. COOLEY ROAD, TO A POINT;

THENCE, SOUTH 89°35'40" WEST, A DISTANCE OF 105.36 FEET, TO A POINT OF TANGENCY WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 350.00 FEET;

THENCE, CONTINUING ALONG THE NORTHWESTERLY RIGHT OF WAY LINE FOR SAID N.E. COOLEY ROAD, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 41°59'29", AN ARC DISTANCE OF 256.51 FEET (THE CHORD OF WHICH BEARS SOUTH 68°35'56" WEST, A DISTANCE OF 250.81 FEET), TO A POINT OF TANGENCY;

THENCE, SOUTH 47°36'11" WEST, A DISTANCE OF 435.69 FEET, ALONG THE NORTHWESTERLY RIGHT OF WAY LINE FOR SAID N.E. COOLEY ROAD, TO A POINT OF TANGENCY WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 450.00 FEET;

THENCE, CONTINUING ALONG THE NORTHWESTERLY RIGHT OF WAY LINE FOR SAID N.E. COOLEY ROAD, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 36°39'27", AN ARC DISTANCE OF 287.91 FEET (THE CHORD OF WHICH BEARS SOUTH 65°55'55" WEST, A DISTANCE OF 283.02 FEET), TO A POINT OF NON-TANGENCY AND THE TRUE POINT OF BEGINNING FOR THIS DESCRIPTION.

SAID PARCEL CONTAINING 44.6 ACRES, MORE OR LESS.

BASIS OF BEARINGS: NORTH 0°01'28" EAST ALONG THE WEST LINE OF THE SW 1/4 OF SAID SECTION 10 AS SHOWN ON SAID PARTITION PLAT.

EXHIBIT C-2

Depiction of Areas Subject to Section 7.12 Height Limitations

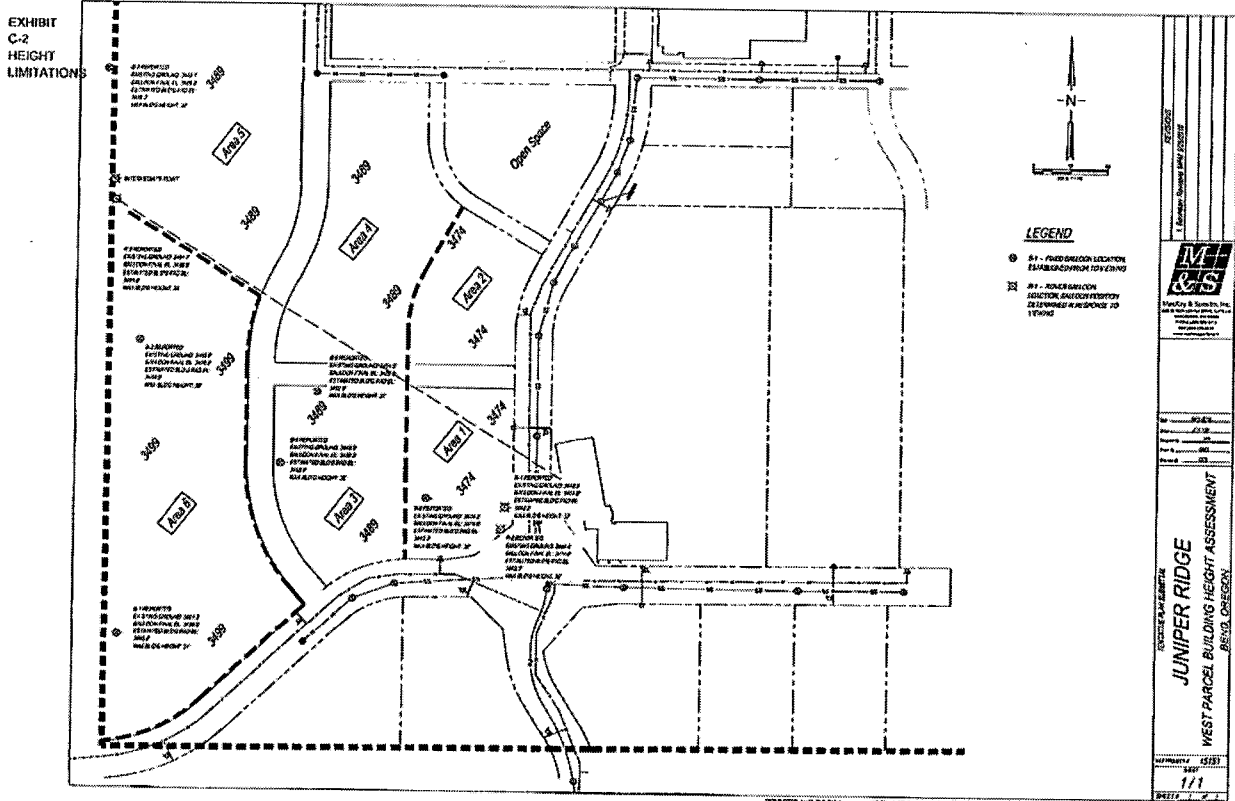


EXHIBIT C-3

LSH Parcel

PARCEL 2, PARTITION PLAT NO. 2007-78, OFFICIAL RECORDS OF DESCHUTES COUNTY,
OREGON.

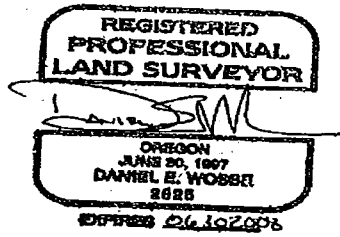


EXHIBIT D
SOUTH PARCEL

A PARCEL OF LAND BEING A PORTION OF PARCEL 1, AS SHOWN ON PARTITION PLAT NO. 2007-78, OFFICIAL RECORDS OF DESCHUTES COUNTY, OREGON, LOCATED IN SECTION 10, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLAMETTE MERIDIAN, CITY OF BEND, DESCHUTES COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE QUARTER CORNER COMMON TO SECTIONS 10 & 15, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLMETTE MERIDIAN, MARKED BY AN IRON ROD WITH A 3 1/4" DIAMETER ALUMINUM CAP STAMPED *DESCHUTES COUNTY SURVEYORS OFFICE, LS 1020, 1987*;

THENCE, SOUTH 89°36'03" WEST, A DISTANCE OF 1312.00 FEET, ALONG THE SOUTH LINE OF THE SW 1/4 OF SAID SECTION 10, TO THE WEST 1/16 CORNER COMMON TO SAID SECTIONS 10 & 15 AND A POINT OF INTERSECTION WITH THE EASTERLY RIGHT OF WAY LINE FOR N.E. 18TH STREET AS SHOWN ON SAID PARTITION PLAT;

THENCE, NORTH 25°30'17" WEST, A DISTANCE OF 37.63 FEET, CONTINUING ALONG THE EASTERLY RIGHT OF WAY LINE FOR N.E. 18TH STREET AS SHOWN ON SAID PARTITION PLAT, TO A POINT OF TANGENCY WITH A CURVE TO THE LEFT, HAVING A RADIUS OF 350.00 FEET;

THENCE, CONTINUING ALONG THE SAID EASTERLY RIGHT OF WAY LINE FOR N.E. 18TH STREET, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 7°10'36", AN ARC DISTANCE OF 43.84 FEET (THE CHORD OF WHICH BEARS NORTH 29°05'35" WEST, A DISTANCE OF 43.81 FEET), TO A POINT OF TANGENCY;

THENCE, NORTH 32°40'53" WEST, A DISTANCE OF 108.25 FEET, CONTINUING ALONG THE SAID EASTERLY RIGHT OF WAY LINE FOR N.E. 18TH STREET, TO A POINT OF TANGENCY WITH A CURVE TO THE RIGHT, HAVING A RADIUS OF 250.00 FEET;

THENCE, CONTINUING ALONG SAID EASTERLY RIGHT OF WAY LINE FOR N.E. 18TH STREET, ALONG SAID CURVE, THROUGH A CENTRAL ANGLE OF 24°01'15", AN ARC DISTANCE OF 104.81 (THE CHORD OF WHICH BEARS NORTH 20°40'15" WEST, A DISTANCE OF 104.04 FEET), TO A POINT OF NON-TANGENCY;

THENCE, NORTH 41°14'15" EAST, A DISTANCE OF 158.35 FEET, ALONG A LINE OF TRANSITION FROM SAID EASTERLY RIGHT OF WAY LINE FOR N.E. 18TH STREET TO THE SOUTHERLY RIGHT OF WAY LINE FOR N.E. COOLEY ROAD AS SHOWN ON SAID PARTITION PLAT;

THENCE, NORTH 83°07'17" EAST, A DISTANCE OF 90.25 FEET, ALONG SAID SOUTHERLY RIGHT OF WAY LINE FOR N.E. COOLEY ROAD, TO A POINT;

THENCE, NORTH 89°35'40" EAST, A DISTANCE OF 896.36 FEET, ALONG SAID SOUTHERLY RIGHT OF WAY LINE FOR N.E. COOLEY ROAD, TO A POINT OF INTERSECTION WITH THE EASTERLY END OF THAT 100 FOOT WIDE RIGHT OF WAY FOR N.E. COOLEY ROAD AS SHOWN ON SAID PARTITION PLAT;

THENCE, NORTH 0°24'20" WEST, A DISTANCE OF 100.00 FEET, ALONG THE EASTERLY END OF THAT 100 FOOT WIDE RIGHT OF WAY FOR N.E. COOLEY ROAD AS SHOWN ON SAID PARTITION PLAT, TO A POINT OF INTERSECTION WITH THE NORTHERLY RIGHT OF WAY LINE FOR N.E. COOLEY ROAD AS SHOWN ON SAID PARTITION PLAT;

THENCE, SOUTH 89°35'40" WEST, A DISTANCE OF 136.71 FEET, ALONG THE NORTHERLY RIGHT OF WAY LINE FOR SAID N.E. COOLEY ROAD, TO THE SOUTHEAST CORNER OF PARCEL 3, AS SHOWN ON SAID PARTITION PLAT;

THENCE, NORTH, A DISTANCE OF 956.02 FEET, ALONG THE EAST LINE OF SAID PARCEL 3, TO THE NORTHEAST CORNER OF SAID PARCEL 3;

THENCE, DEPARTING THE EAST LINE OF SAID PARCEL 3, EAST, A DISTANCE OF 500.00 FEET, TO A POINT;

THENCE, SOUTH, A DISTANCE OF 1442.80 FEET, TO A POINT OF INTERSECTION WITH THE SOUTH LINE OF THE SE 1/4 OF SAID SECTION 10;

THENCE, SOUTH 89°43'42" WEST, A DISTANCE OF 8.25 FEET, ALONG THE SOUTH LINE OF THE SE 1/4 OF SAID SECTION 10, TO THE POINT OF BEGINNING.

AND

A PARCEL OF LAND BEING A PORTION OF PARCEL 1, AS SHOWN ON PARTITION PLAT, OFFICIAL RECORDS OF DESCHUTES COUNTY, OREGON, LOCATED IN SECTION 10, TOWNSHIP 15 SOUTH, RANGE 14 EAST, WILLAMETTE MERIDIAN, CITY OF BEND, DESCHUTES COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

THAT PORTION OF SAID PARCEL 1 LYING SOUTHERLY AND EASTERLY OF N.E COOLEY ROAD AND WESTERLY OF N.E. 18TH STREET, AS SHOWN ON SAID PARTITION PLAT.

SAID PARCEL CONTAINING 29.8 ACRES, MORE OR LESS.

BASIS OF BEARINGS: NORTH 0°01'28" EAST ALONG THE WEST LINE OF THE SW 1/4 OF SAID SECTION 10 AS SHOWN ON SAID PARTITION PLAT.

EXHIBIT E
ANCILLARY PARCEL

A PARCEL OF LAND BEING A PORTION OF PARCEL 1, AS SHOWN ON PARTITION PLAT NO. 2007- 78, OFFICIAL RECORDS OF DESCHUTES COUNTY, OREGON, LOCATED IN SECTION 10, TOWNSHIP 17 SOUTH, RANGE 12 EAST, WILLAMETTE MERIDIAN, CITY OF BEND, DESCHUTES COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF PARCEL 3, AS SHOWN ON SAID PARTITION PLAT;

THENCE, WEST, A DISTANCE OF 358.00 FEET, ALONG THE NORTH LINE OF SAID PARCEL 3, TO THE NORTHERLY CORNER COMMON TO PARCELS 2 & 3, AS SHOWN ON SAID PARTITION PLAT;

THENCE, CONTINUING WEST, A DISTANCE OF 419.00 FEET, ALONG THE NORTH LINE OF SAID PARCEL 2, TO THE NW CORNER OF SAID PARCEL 2 AND A POINT OF INTERSECTION WITH THE SOUTHEASTERLY RIGHT OF WAY LINE FOR N.E. 18TH STREET AS SHOWN ON SAID PARTITION PLAT;

THENCE, NORTH 30°00'00" EAST, A DISTANCE OF 56.99 FEET, ALONG THE SOUTHEASTERLY RIGHT OF WAY LINE FOR SAID N.E. 18TH STREET, TO A POINT OF INTERSECTION WITH THE NORTHEASTERLY END OF THAT 100 FOOT WIDE RIGHT OF WAY FOR N.E. 18TH STREET AS SHOWN ON SAID PARTITION PLAT;

THENCE, NORTH 60°00'00" WEST, A DISTANCE OF 100.00 FEET, ALONG THE NORTHEASTERLY END OF THAT 100 FOOT WIDE RIGHT OF WAY FOR N.E. 18TH STREET AS SHOWN ON SAID PARTITION PLAT, TO A POINT;

THENCE, NORTH 30°00'00" EAST, A DISTANCE OF 462.63 FEET, TO A POINT;

THENCE, EAST, A DISTANCE OF 1103.79 FEET, TO A POINT;

THENCE, SOUTH, A DISTANCE OF 500.00 FEET, TO A POINT;

THENCE, WEST, A DISTANCE OF 500.00 FEET, TO THE POINT OF BEGINNING.

SAID PARCEL CONTAINING 14.1 ACRES, MORE OR LESS.

BASIS OF BEARINGS: NORTH 0°01'28" EAST ALONG THE WEST LINE OF THE SW 1/4 OF SAID SECTION 10 AS SHOWN ON SAID PARTITION PLAT.