\$113.00

06/10/2015 02:56:30 PM

D-CCR Cnt=1 Stn=25 CLERK \$65.00 \$11.00 \$21.00 \$10.00 \$6.00

## **After Recording Return To:**

Francis Hansen & Martin, LLP 1148 NW Hill St. Bend, OR 97701

# DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ADAMS STREET COMMONS

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR ADAMS STREET COMMONS ("Declaration") is made by CATER ENTERPRISES, LLC, an Oregon limited liability company, ("Declarant") and Blackwell Development LLC, an Oregon Limited Liability Company ("Blackwell").

## **RECITALS**

- A. Declarant is the Owner of all the real property described on Exhibit "A" attached and desires to create a planned community known as Adams Street Commons, which shall be subject to the Adams Street Commons master planned development and will have permanent driveway, landscaping, laundry facilities and storage facilities for the benefit of the Owners.
- **B.** Blackwell is the Owner of all the real property described on Exhibit "A-1" attached ("Blackwell Property") and desires its property to be bound by the terms and conditions of this Declaration.
- C. A map of all the Property involved is attached as Exhibit "B" for reference purposes.
- **D.** Each Lot contains a commercial, residential or commercial/residential building with some Common Property. Each Residential Unit, excluding the adult foster care facilities, is provided with one storage stall, as well as access to laundry facilities located in the buildings depicted as "Laundry & Storage" and "Storage" on Exhibit "B" attached.
- E. Declarant establishes by this Declaration, covenants, conditions, restrictions, and the initial rules and regulations for operation and maintenance of the Common Property and the operation of various buildings located upon the Lots and covenants, conditions, and restrictions for the ownership of the Lots.
- F. The Property shall be held, transferred, sold, conveyed, and occupied subject to the terms of this Declaration and the following covenants, conditions, restrictions, easements, charges, and liens, which shall run with the land, which shall be binding on all parties having or acquiring any right, title, or interest in the Property or any part thereof, and which shall inure to the benefit of each Owner.
- G. Declarant declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the provisions of the Oregon Planned Community Act, ORS 94.550 et seq., and to the covenants, conditions, restrictions, easements, charges and liens set forth in these Declarations.
- H. Definitions.
  - (1) Association shall mean the nonprofit corporation known as Adams Street Commons

Association, its successors and assigns.

- (2) Blackwell Property shall mean Lot 10 set forth on Exhibit "B".
- (3) Commercial Unit shall mean each individual commercial space located on the Property.
- (4) Common Property shall mean that area of land shown on Exhibit "B" including any improvements, whether or not owned by the Association or the individual Owners, which are intended to be devoted to the common use and enjoyment of the Owners, including but not limited to, the Driveway, Landscape Area, Courtyards, Laundry Facilities, Storage Facilities, Trash Enclosures, Walkways, common utilities and drainage areas. The portion of the Common Property owned by the Association is described on Exhibit "C".
  - (5) Courtyards shall mean all common Courtyards depicted on Exhibit "B".
- (6) Driveway shall mean the area referenced as "Drop Off/Fire Access" depicted on Exhibit "B"
  - (7) Landscape Area shall mean all landscaping located upon the Property.
  - (8) Laundry Facilities shall mean the building depicted "Laundry" on Exhibit "B".
- (9) Lighting shall mean all lighting in the Driveway, Courtyards, Walkways, Trash Enclosure, and Landscape Area.
  - (10) Lot shall mean and refer to Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 set forth on Exhibit "B".
- (11) Oregon Planned Community Act shall mean the Oregon Planned Community Act, ORS 94.550-94.783, as amended from time to time.
- (12) Owner shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession of a Lot under a land sale contract. The foregoing does not include persons or entities that hold an interest in any Lot merely as security for the performance of an obligation.
- (13) Property shall mean collectively Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 and the Common Property described above.
  - (14) Residential Units shall mean each individual residential space located on the Property.
  - (15) Storage Facilities shall mean the buildings depicted as "Storage" on Exhibit "B".
  - (16) Trash Enclosure shall mean the trash enclosure depicted on Exhibit "B".
  - (17) Walkways shall mean the walkways depicted on Exhibit "B".

### DECLARATION:

#### 1. Name.

- 1.1 Name of the Planned Community. The name of the planned community shall be Adams Street Commons.
- 1.2 Name of Association; Type of Entity. The Association shall be called Adams Street Commons. The Association shall be a non-profit corporation organized under ORS Chapter 65. The corporation shall adopt Bylaws as required by the Oregon Non-Profit Corporations Act. After adoption, Bylaws shall be recorded as required by the Oregon Planned Community Act.

### 2. Common Property.

- 2.1 Reservation. Portions of the Common Property are located on the Lots. It is the intent of Declarant and Blackwell that all Owners have a nonexclusive right and easement of enjoyment in and to all of the Common Property. Declarant shall, either (1) upon the sale of each Lot, except Lot 10, reserve in the transfer deed a nonexclusive, irrevocable, perpetual easement in favor of the Association and the other Lots for the enjoyment of the Common Property partially located on such Lot or (2) upon the creation of the Association, grant the Association and the members a nonexclusive, irrevocable, perpetual easement for the enjoyment of the Common Property partially located on each individual Lots 1 through 9. In either instance, such easement shall be subject to the covenants, conditions and restrictions of this Declaration.
- 2.2 Grant of Easement by Blackwell. Upon execution of this Declaration, Blackwell grants to every Owner a nonexclusive right and easement of enjoyment in and to the Common Property that lie in the Blackwell Property.
- **2.3 Grant of Easement.** Subject to the provisions of these Declarations and the Bylaws of the Association, every Owner shall have a nonexclusive right and easement of enjoyment in and to the Common Property, which shall be appurtenant to and shall pass with the title to every Lot.
- 2.4 Sale of Common Property. As provided by ORS 94.665, the Association may sell, dedicate, transfer or create a security interest on any portion of the Common Property, if such sale dedication and transfer is approved by the Declarant, if the Declarant owns any Lot(s) on the Property, and by eighty percent (80%) of the votes of the Owners.

### 3. Use.

- 3.1 Driveway. Use of the Driveway shall be common to all Lots for ingress and egress. The Owners shall mutually cooperate for the purposes described in this Declaration. There shall be no parking or obstruction on any part of the Driveway. Nothing shall be stored or kept in the Driveway without the prior written consent of the Association.
- 3.2 Courtyards. Use of the larger Courtyard shall be primarily for use by the Commercial Units. All Commercial Units shall share equally in the use of the large Courtyard and shall not unreasonably interfere with the use by any other Commercial Unit unless such use is approved by the Board of Directors. The use of the large Courtyard by Residential Units shall be secondary to the right of the Commercial Units use of the large Courtyard. The use of the smaller two Courtyards shall be primarily for use by the Residential Units. The Owners shall cooperate at times of joint use of any of the Courtyards. There shall be no obstruction on any part of the Courtyards. Nothing shall be stored or kept in the

Courtyards without the prior written consent of the Association. Occupants of the Residential Units shall not store chairs, barbeque grills, or other items of personal property on the smaller Courtyards.

- 3.3 Storage Facilities. Each Residential Unit, excluding the adult care facilities located on Lot 4 and Lot 5, shall be assigned a stall in at least one of the Storage Facilities.
- 3.4 Laundry Facilities. The Laundry Machines located in the Laundry Facilities shall be owned and maintained by the Association. Use of the Laundry Facilities shall be common to all Residential Units, excluding the adult foster care facilities. No Commercial Unit or the adult foster care facilities shall have the right to use the Laundry Facilities except as approved by the Declarant of the Association. Each Residential Unit shall be issued a key by the Board of Directors for access to the Laundry Facilities. Each Owner is responsible for ensuring the use of the Laundry Facility is limited to only their personal use or the personal use of their tenants. In no event shall a guest, agent or invitee of an Owner of a Residential Unit have the right to use the Laundry Facilities. Each Residential Unit shall mutually cooperate in the use of the Laundry Facilities.

## 4. Association Membership and Voting Rights

- 4.1 Members. Each Owner shall be a mandatory member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot automatically transfers membership in the Association. Occupants and Owners shall be governed and controlled by these Declarations, the Articles of Incorporation of the Association and its Bylaws.
- 4.2 Voting By Lot. Each Lot shall have one (1) vote. In the event there are multiple Owners of a Lot, such Owners are only allocated one (1) vote. The vote of the Owners holding a majority of the Lots shall be an act of the Association.

### 5. Declarant Control.

- 5.1 Interim Board and Officers. Declarant reserves administrative control of the Association. Declarant, in its sole discretion, shall have the right to appoint and remove Members of a three-Member Interim Board of Directors, which shall manage the affairs of the Association, and which shall be invested with all powers and rights of a Board of Directors.
- 5.2 Turnover Meeting. Declarant shall call a meeting for the purpose of turning over administrative control of the Association from Declarant to the Owners no later than ninety (90) days after conveying five (5) Lots in the planned community. The Declarant shall call the meeting for the purpose of turning over the administrative responsibility for the planned community to the Association. Declarant shall give notice of the meeting to each Owner as provided in the Bylaws. If Declarant does not call the meeting required under this Section, any Owner may do so.

### 6. Maintenance and Repair.

6.1 Maintenance and Landscaping. The Common Property shall be maintained by the Association in first class condition and repair at all times during the term of this Declaration, including but not limited to, landscaping, snow, ice, and trash removal. Except as detailed in Section 6.3, <u>Damage or Destruction</u>, all costs for such maintenance and repair shall be allocated in accordance with Section 7, <u>Assessments</u>.

- 6.2 Alterations. No alterations or additions to the Common Property shall be permitted without the prior written consent of the Association. The Association may adopt a proposal, subject to the limitations contained in this Declaration.
- 6.3 Damage or Destruction. If all or any portion of the Common Property is damaged or destroyed by an Owner or any of Owner's tenants, customers, employees and invitees, such Owner shall repair the damage and restore the area in a workmanlike manner as originally constituted or as may be modified or altered subsequently by the Association. Costs incurred in connection with affecting such repairs shall be the sole obligation of the Owner who caused or is responsible for such damage.
- **6.4** Service Contracts. The Association shall engage reputable third parties to perform the maintenance, repair, snow removal and landscaping to the Common Property.
- 6.5 Utilities. Each individual Owner shall be responsible for all utilities related to his or her respective Lot, even if such utilities benefit a portion of the Common Property located on his or her respective Lot. The Association shall be responsible for all utilities associated with the portion of the Common Property owned by the Association.

### 7. Assessments.

- 7.1 Creation of the Lien and Personal Obligation of Assessments. Declarant and each Owner of any Lot by acceptance of a deed shall pay the Association regular assessments or charges for common expenses. All such assessments, together with interest at a rate of 18% per annum and together with all other costs, fees, charges and fines allowed by law, shall be a lien and charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made.
- 7.2 Purpose of Expenses. The assessment or common expenses levied under this Declaration by the Association shall be used for the purpose of promoting the recreation, health, safety and welfare of the Owners, and for the improvement and maintenance of the Property, including payment of premiums for insurance, to fund a replacement reserve for those items for which the Association has maintenance responsibility, and for payment of any common operating expenses such as landscaping, maintenance, Association water, sewer and garbage collection, management services, costs of enforcement of this Declaration, legal and accounting services and the like.
- 7.3 Allocation of Assessments. All assessments and common expenses shall be allocated to the Owners as follows:

Lot 1	1/10 <sup>th</sup>
Lot 2	1/10 <sup>th</sup>
Lot 3	1/10 <sup>th</sup>
Lot 4	1/10 <sup>th</sup>
Lot 5	1/10 <sup>th</sup>
Lot 6	1/10 <sup>th</sup>
Lot 7	1/10 <sup>th</sup>
Lot 8	1/10 <sup>th</sup>
Lot 9	1/10 <sup>th</sup>
Lot 10	1/10 <sup>th</sup>

7.4 Method of Assessments. The Board of Directors shall assess each Owner monthly for the common expenses incurred during such month. All payments under this Declaration are due to the

Association within 10 days receipt of notice from any Owner of such cost or expense. In the event an Owner fails to pay within 10 days of the date the payment is due, interest at a rate of 18% shall be charged to the late payment. The Board of Directors may revise its policy for collection of assessments and estimate an annual assessment amount and provide for collection of assessments annually or in monthly, quarterly or semi-annual installments; provided, however, upon the default in the payment of any one or more installments, the entire balance of such assessment may be accelerated at the option of the Board and be declared due and payable in full, together with interest, attorneys fees and costs as provided.

- 7.5 Date of Commencement of Assessments. The assessments with respect to the Lots shall commence at the time the Board of Directors declare, but in no event later than the first day of the month following the conveyance of a Lot to an Owner other than Declarant.
- 7.6 Effect of Non-Payment of Assessments: Remedies of the Association. In addition to any other remedies provided by law, the Association may bring an action at law against the Owner personally obligated to pay an assessment or foreclose a lien upon a Lot. No such action or judgment shall be a waiver of the lien of the Association. No Owner may waive or otherwise escape liability for the assessments by non-use of the Common Property or abandonment of his or her Lot.
- 8. Design Restrictions and Building Intended Use Restrictions.
  - 8.1 Master Plan.
- **8.1.1** All improvements made to any Lot shall be consistent with the Adams Street Master Plan 14-01 as adopted on July 17, 2014.
- **8.1.2** Any changes to the original intended use of any Lot specifically described in the Master Plan (File No. MP14-01) may only made upon the unanimous approval of the then current Owners.
  - **8.2 Fencing.** Fencing on any Lot is prohibited.
- **8.3 Structure Design.** All structures shall comply with the City of Sisters Development Code regarding Western Frontier Architectural Design Theme.
- 8.4 Building Exteriors and Window Coverings. Owners shall keep their buildings maintained and in first class condition at their expense. Only traditional window coverings shall be allowed on the exterior and interior of the Commercial and Residential Units. No items may be placed on the exterior of the Commercial or Residential Units without consent of the Association.

### 9. Restrictions on Use.

- 9.1 Noise. The Property allows residential use. The Owners shall insure that noise emanating from any of the Lots is not offensive to the other Owners or Occupant of the Lots. Between the hours of 10:00 p.m. and 7:00 a.m. the Lots shall be quiet.
- 9.2 Laws. No improper, offensive or unlawful use will be made of the Property nor any part of it; all valid laws, zoning ordinances and regulations of governmental bodies having jurisdiction will be observed. The responsibility of meeting the requirements of governmental bodies for maintenance, modification or repair of the Property will be carried out and paid for in the same manner as the responsibility for the maintenance and repair of the Property concerned.

- 9.3 Offensive Behavior. No nuisances will be allowed upon the Property, nor any use or practice that is the source of annoyance to residents or which interferes with the peaceful possession and proper use of the Property by its residents. Residents shall exercise extreme care about creating disturbances, making noises or using musical instruments radios, televisions and amplifiers that may disturb other residents. All parts of the Project will be kept in a clean and sanitary condition, and no rubbish, refuse or garbage allowed to accumulate, nor any fire hazard allowed to exist. All such garbage and trash shall be placed inside disposal containers. No Owner will permit any use of his or her Lot or make any use of the Common Area that will increase the cost of insurance upon the Common Area.
- 9.4 Storage of Personal Property. All personal property of the occupants of the Residential Units shall be within the confines of their designated stall in the Storage Facilities or within the confines of their Residential Unit. No flammable material shall be stored in the Storage Facilities.
- 9.5 Bikes. All unattended bicycles shall be stored in the designated bike racks only. No person shall tie a bike up to the railings of any Unit.
- 9.6 Commercial Activities. Outdoor display and sale of merchandise and dining is permitted on the Property provided merchandise items are no larger than bicycles and a minimum of a 4 ft clearance shall be maintained on all sidewalks and walkways to allow pedestrians to pass by the displays, sales and dining areas. Display of larger items, such as automobiles, trucks, motorcycles, buses, recreational vehicles/boats, construction equipment, building materials are strictly prohibited.
- 9.7 Smoking. Adams Street Commons is a smoke free community. All Owners, Tenants, Customers, Employees and Invitees are prohibited from smoking anywhere on the Property.
- 10. Pets. No poultry, fowl, livestock, horses or other animals shall be kept on any Lot, except that the Owner of each Lot may keep not more than two pets, only dogs or cats, which shall be confined to enclosed areas on such Owner's Lot or shall be kept on a leash in the Owner's presence. Any Owner wishing to keep a dog or cat on the Property must register such pet with the Board. Additionally, Owners of pets shall abide by all applicable leash laws and sanitary regulations. Dogs and cats shall not be kept, bred or raised for commercial purposes. The Board of Directors shall have the right to require any Owner to remove any pet that is a nuisance or that interferes with the right to the quiet enjoyment by the owner and occupants of Living Units. Any dispute arising out of this Section shall be decided by a majority of the Board of Directors. Any decision of the Board on this matter shall be binding upon the member or members affected.
- 11. Notice to Tenants. Each Owner shall notify its tenants of the rules and regulations regarding the Common Property and Common Property maintenances described in this Declaration. Notice shall be given to tenants in Owner Leases to tenants.
- 12. Property Taxes. Each Owner shall pay when due all real property taxes, assessments or other charges against the land to which each Owner holds fee title. There shall be no right of contribution from any other Owner or the Association. The Association shall pay when due all real property taxes, assessments or other charges against the Common Property the Association holds fee title to.
- 13. Rules and Regulations. The Board of Directors may from time to time adopt rules and regulations that are not inconsistent with this Declaration.
- 14. Hold Harmless and Indemnity. Each Owner shall indemnify and defend the other Owners and the Association from any loss, claim or liability to the other Owners arising in any manner out of such Owner's or

the Owner's tenants, customers, employees and invitees, use of the Common Property. Each Owner assumes all risk arising out of its use of the Common Property and no Owner shall have any liability to any Owner for any condition existing on the Common Property not created by such Owner.

- 15. Enforcement. The Association and the Owners within the Property or any mortgagee on any Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or later imposed by any of the provisions of this Declaration as may appertain specifically to such parties or Owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant or restriction shall not be a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of this Declaration, the prevailing party shall be entitled to its attorney fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorney fees, to be set by the appellate court. In addition, the Association shall be entitled to its reasonable attorney fees incurred in any enforcement activity taken to collect delinquent assessments, whether or not suit or action is filed.
- 16. Successor Interest. This Declaration is appurtenant to and shall run with the Property.
- 17. Records. The Board of Directors shall preserve and maintain Minutes of the meetings of the Association, the Board of Directors and any committees. The Board of Directors shall also keep detailed and accurate financial records including individual assessment accounts of Owners, the balance sheet and income and expense statements. Individual assessment accounts shall designate the name and address of the Owner or Owners of the Lot, the amount of each assessment as it becomes due, amounts paid upon the account, and the balance due on the assessments. The Minutes of the Association, the Board and committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies.
- 18. Prior Encumbrances. This Declaration is granted subject to all prior encumbrances of record.
- 19. Waiver. The failure by either the Association or any Owner at any time to require strict performance of any provision of this Declaration shall not be a waiver of or prejudice the right to subsequently enforce that provision or any other provision of this Declaration.
- 20. Severability. Invalidation of any one of these covenants, conditions, or restrictions by judgment or court order shall not affect the other provisions hereof and the same shall remain in full force and effect.
- 21. Duration. The covenants, conditions, and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of the Owners.
- 22. Amendment. This Declaration may be amended at any time by an instrument approved by not less than seventy-five percent (75%) of the Owners and by the Declarant, if the Declarant owns any lots at the time of the proposed Amendment. Any amendment must be executed, recorded and certified as provided by law; provided, however, that no amendment of this Declaration shall affect an amendment of the Bylaws or Articles of Incorporation without compliance with the provisions of such documents, and the Oregon Planned Community Act and the Oregon Non-Profit Corporation Act; provided further, no amendment affecting the general plan of development or any other right of Declarant may be effected without the express written consent of Declarant or its successors and assigns.

23.	Resolution of Document Conflicts. In the event of a conflict among any of the provisions in the
docum	ents governing Adams Street Commons, such conflict shall be resolved by looking to the following
docum	ents in the order shown below:

- 23.1 Declaration of Covenants, Conditions and Restrictions ("CCRs");
- 23.2 Articles of Incorporation;
- 23.3 Bylaws; and
- 23.4 Rules and Regulations.

IN WITNESS WHEREOF, the undersigned being the Declarant and Blackwell Development LLC herein, has executed this instrument this 23rd day of April, 2015.

CATER ENTERPRISES, LLC

By:

Samuel E. Blackwell, Jr., Managing Member

BLACKWELL DEVELOPMENT LLC

By:

Samuel E. Blackwell, Jr., Member

STATE OF OREGON ) ss.
County of Deschutes )

This instrument was acknowledged before me this <u>23</u> day of April, 2015, by SAMUEL E. BLACKWELL, JR., as Managing Member of CATER ENTERPRISES, LLC.



Notary Public for Oregon

STATE OF OREGON ) ss. County of Deschutes )

This instrument was acknowledged before me this <u>23</u> day of April, 2015, by SAMUEL E. BLACKWELL, JR., as Member of BLACKWELL DEVELOPMENT LLC.



Theresa & Ludesu.
Notary Public for Oregon

### EXHIBIT A

# LEGAL DESCRIPTION CATER'S PROPERTY ADAMS STREET COMMONS

### EXHIBIT A-1

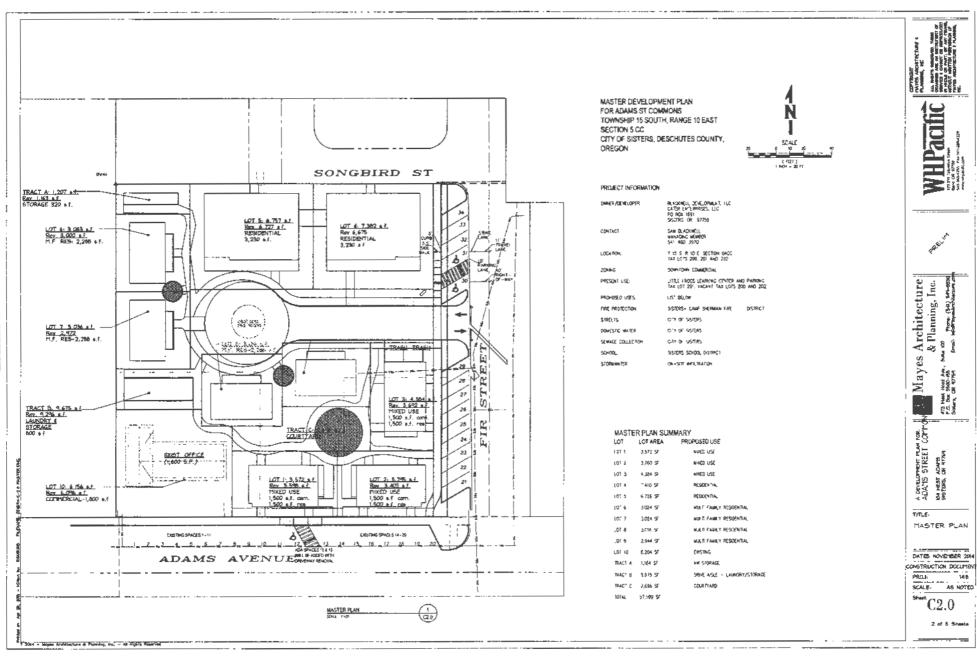
# LEGAL DESCRIPTION BLACKWELL'S PROPERTY ADAMS STREET COMMONS

LOT 10, ADAMS STREET COMMONS, RECORDED JUNE 10, 2015, IN PLAT CABINET TPAGE 6, PLAT RECORDS OF DESCHUTES COUNTY, OREGON;

SUBJECT TO ANY EASEMENTS, RESTRICTIONS AND RIGHTS OF WAY OF RECORD AND THOSE COMMON AND APPARENT ON THE LAND



Phone (94) Settle



### EXHIBIT C

# LEGAL DESCRIPTION COMMON AREA OWNED BY ASSOCIATION ADAMS STREET COMMONS

TRACTS A, B, and C, ADAMS STREET COMMONS, RECORDED June 10, 2015, IN PLAT CABINET I PAGE 6, PLAT RECORDS OF DESCHUTES COUNTY, OREGON;

SUBJECT TO ANY EASEMENTS, RESTRICTIONS AND RIGHTS OF WAY OF RECORD AND THOSE COMMON AND APPARENT ON THE LAND



# After Recording Return to:

Francis Hansen & Martin LLP 1148 NW Hill St Bend, OR 97701 DESCHUTES COUNTY OFFICIAL RECORDS NANCY BLANKENSHIP, COUNTY CLERK

01002285201500225790120125

\$108.00

06/10/2015 02:56:30 PM

D-BYLAWS Cnt=1 Stn=25 CLERK \$60.00 \$11.00 \$21.00 \$10.00 \$5.00

# BYLAWS OF ADAMS STREET COMMONS ASSOCIATION

### ARTICLE 1. NAME

The name of the association shall be "ADAMS STREET COMMONS ASSOCIATION" (the "Association").

### ARTICLE 2. OBJECT

- **Section 2.1 Purpose.** The object of the Association is to protect and enhance all properties lying within the boundaries of Adams Street Commons in Deschutes County, Oregon further described on Exhibit "A" ("Property").
- Section 2.2 Organization of the Association. The Association shall be a non-profit corporation under ORS Chapter 65, the Oregon Nonprofit Corporations Act.
- Section 2.3 Powers of the Association. The Association shall have all the power granted to it by the Declarations, these Bylaws and the Oregon Planned Community Act as amended from time to time.

### Section 2.4 Definitions.

- 2.4.1 "Articles" shall mean the Articles of Incorporation for the non-profit corporation, Adams Street Commons Association, as filed with the Oregon Corporation Commissioner.
- 2.4.2 "Association" shall mean and refer to Adams Street Commons Association, its successors and assigns.
- 2.4.3 "Blackwell Development LLC" shall mean the owner of Lot 10 which desires to be bound by the terms and conditions of these Bylaws.
  - 2.4.4 "Bylaws" shall mean and refer to the Bylaws of the Association.
- 2.4.5 "Common Area" shall mean that area of land shown on Exhibit "B" including any improvements, whether or not owned by the Association or the individual Owners, which are intended to be devoted to the common use and enjoyment of the Owners, including but not limited to, the Driveway, Landscape Area, Courtyards, Laundry Facilities, Storage Facilities, Trash Enclosures, Walkways, common utilities and drainage.

- 2.4.6 "Declarations" shall mean the covenants, restrictions, and all other provisions set forth in the Declarations of Covenants and Restrictions ("CCRs") for Adams Street Commons.
  - 2.4.7 "Declarant" shall mean and refer to Cater Enterprises, LLC, its successors or assigns.
- 2.4.8 "Lot" shall mean and refer to Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 set forth on Exhibit "B" of the Declarations.
  - 2.4.9 "Oregon Planned Community Act" shall mean ORS 94.550 to 94.783 as amended.
- 2.4.10 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession under a land sale contract. The foregoing does not include persons or entities that hold an interest in any Lot merely as security for the performance of an obligation.
- **2.4.11** "Property" shall mean collectively Lots 1, 2, 3, 4, 5, 6, 7, 8, 9 and 10 and the Common Area described above.
- 2.4.12 "Rules and Regulations" shall mean and refer to the rules, regulations and policies adopted by the Board of Directors of the Association and any amendments.

### ARTICLE 3. MEMBERSHIP

- Section 3.1 Membership in the Association. Each Owner shall be a mandatory member of the Association. Membership in the Association shall be appurtenant to, and may not be separated from, ownership of any Lot. Transfer of ownership of a Lot automatically transfers membership in the Association. Occupants and Owners shall be governed and controlled by these Bylaws, the Articles of Incorporation of the Association and the Declarations.
- Section 3.2 Voting Rights. Each Lot shall have one (1) vote. In the event there are multiple Owners of a Lot, such Owners are only allocated one (1) vote. The vote of the Owners holding a majority of the Lots shall be an act of the Association.
- Section 3.4 Quorum. The presence, in person, or by timely absentee ballot or proxy, of Owners holding twenty percent (20%) or more of the outstanding votes in the Association shall constitute a quorum. A legal meeting is one duly called pursuant to these Bylaws where a quorum is present.
- Section 3.5 Written Ballot. Any action that may be taken at any annual, regular or special meeting of the Association may be taken without a meeting if the Association delivers a written ballot to every Association Member that is entitled to vote on the matter. The written ballot shall set forth each proposed action and provide an opportunity to vote for or against each proposed action. Matters proposed in the written ballot shall be deemed approved or rejected as provided by the Oregon Planned Community Act.
- **Section 3.6 Proxy.** The vote or votes of a Lot may be cast by absentee ballot or pursuant to a proxy executed by the Owner dated and specifying the length of duration of such proxy. Owner may not revoke a proxy, except by actual notice of revocation to the person presiding over a meeting of the Association.
- Section 3.7 Annual Meetings. The Association shall hold an Annual Meeting as directed by the Board of Directors. At such meeting, Members shall be elected to the Board of Directors in accordance with these

Bylaws. The Owners may transact such other business of the Association as may properly come before them.

- **Section 3.8** Special Meetings. Special Meetings may be called by the President of the Association, the Board of Directors or by Petition signed by twenty-five percent (25%) or more of the Owners.
- Section 3.9 Notice of Meetings. Notice of each annual, special or meeting by ballot, stating the purpose, time and place of the meeting shall be mailed, emailed or hand-delivered to all Owners. Notice shall be mailed at least ten (10) days but not more than fifty (50) days prior to such meeting. The Notice shall state the time and place of the meeting and the items on the agenda, including the general nature of any proposed amendment to the Declarations or Bylaws, any budget changes, or any proposal to remove a Director or Officer.
- **Section 3.10 Initial Meeting.** The initial meeting of the Association will be held at time of the turnover meeting.
- Section 3.11 Interim Board and Officers. Declarant reserves administrative control of the Association. Declarant, in its sole discretion, shall have the right to appoint and remove Members of a three-Member Interim Board of Directors, which shall manage the affairs of the Association, and which shall be invested with all powers and rights of a Board of Directors.
- Section 3.12 Turnover Meeting. Declarant shall call a meeting for the purpose of turning over administrative control of the Association from Declarant to the Owners no later than ninety (90) days after conveying five (5) Lots in the planned community, not including Lot 10. The Declarant shall call the meeting for the purpose of turning over the administrative responsibility for the planned community to the Association. Declarant shall give notice of the meeting to each Owner as provided in the Bylaws. If Declarant does not call the meeting required under this Section, any Owner may do so.

### ARTICLE 4. BOARD OF DIRECTORS

- **Section 4.1 Number and Qualification.** The affairs of the Association shall be governed by a Board of Directors composed of not less than three (3) persons, all of whom shall be an Owner or Co-Owner of a Lot.
- Section 4.2 Powers and Duties. The Board of Directors shall have the powers and duties necessary for the administration of the affairs of the Association. The Board of Directors may act on behalf of the Association and may do all such acts and things as are not by law, or these Bylaws, directed to be exercised and done by the Owners.
- **Section 4.3 Other Duties.** The Board of Directors shall have the authority to carry out and be responsible for the following matters:
  - **4.3.1** Care, upkeep and supervision of the Common Area. The Board shall adopt a program for maintenance, upkeep, repair and replacement of the Common Area.
  - 4.3.2 Adopting a method of approving payment vouchers for expenses related to the Common Area. The Board shall adopt a method of payment for expenses of maintenance, upkeep, repair and replacement of the Common Area and other expenses of the Association.
  - **4.3.3** Establishment and maintenance of replacement reserve accounts and other reserves.

- **4.3.4** Annually conducting a reserve study for review or updating an existing study of the Common Area components, to determine reserve account requirements.
  - **4.3.5** Designation and collection of assessments from the Owners.
  - **4.3.6** Establishment of a budget and payment of all common expenses of the Association.
- 4.3.7 Reviewing and maintaining hazard and liability insurance policies with respect to the Common Area.
- **4.3.8** Establishment of reasonable fines for violation of the Declarations, Bylaws, Rules and Regulations of the Association.
- **4.3.9** Designation, employment and dismissal of personnel necessary for the administration of the planned community, maintenance, upkeep and repair of the Common Area.
  - **4.3.10** Preparing and distributing annual financial statements of the Association to the Owners.
- **4.3.11** Adoption and amendment of administrative rules and regulations governing the details of operation and use of the Common Area; provided, however, any such Rules or Regulations remain subject to rescission or amendment by the Association.
- **4.3.12** Causing the Association to comply with the Oregon Planned Community Act relating to maintenance and distribution of financial statements and maintaining copies suitable for duplication of the following: CCRs, Bylaws, Association Rules and Regulations, most recent annual financial statement, and the current operating budget of the Association.
- **4.3.13** Additional duties imposed by the Oregon Planned Community Act, the CCRs, the Bylaws, or by resolution of the Association.

## Section 4.4 Budgets and Financial Statements.

- 4.4.1 The Board of Directors, at least annually, shall adopt a budget for the planned community. Within thirty (30) days after adopting the annual budget for the planned community, the Board of Directors shall provide a summary of the budget to all Owners. If the Board of Directors fails to adopt a budget, the last adopted annual budget shall continue in effect.
- 4.4.2 Within ninety (90) days after the end of the fiscal year, the Board of Directors shall distribute to each Owner and upon written request any mortgagee of a Lot, a copy of the Annual Financial Statement consisting of a Balance Sheet and Income and Expenses Statement for the preceding fiscal year.
- Section 4.5 Election and Term of Office. A Director's term shall be one (1) year. The Directors shall hold office until their successors have been elected and hold their first meeting or are removed according to the Bylaws.
- Section 4.6 Vacancies. Vacancies on the Board of Directors caused by any reason, other than the removal of a Director by a vote of the Association, shall be filled for the balance of the term by vote of a Majority of the remaining Directors, even though they may constitute less than a quorum. Each person so elected shall be a Director until a successor is elected upon expiration of the term for which such person was elected by the other Directors to serve.

- Section 4.7 Removal of Directors. At any legal Annual or Special Meeting, other than a meeting by ballot, any one or more of the Directors may be removed with or without cause, by Majority vote of the Owners. Owners may not remove Members appointed by the Declarant or persons who are ex-official Directors. Removal of a Director is not effective unless the matter of removal is an item on the agenda and stated in the notice for the meeting. Any Director whose removal is considered at the meeting, shall be given the opportunity to be heard at the meeting prior to a vote on such Director's removal. In the event a Director is removed, a successor Director may be elected to fill the vacancy.
- Section 4.8 Meetings. Meetings of the Board of Directors may be held at such time and place as shall be determined, from time-to-time, by a Majority of the Directors. Notice of Meetings of the Board of Directors may be called by the President of the Association on three (3) days' notice to each Director, except in the event of an emergency, given personally, by mail, telephone, fax or e-mail, which notice shall state the time, place and purpose of the meeting.
- Section 4.9 Notice to Association Members of Board of Directors. For other than an emergency meeting, notice of Board of Directors meetings shall be posted at a place on the Common Area at least three (3) days prior to the meeting or notice shall otherwise be provided to each Member of the Association reasonably calculated to inform all Members of such meeting. The posting of such notice shall be at a reasonable location which has been generally publicized to the Owners.
- Section 4.10 Board of Directors Meetings Open to All Association Members.
- **4.10.1** All meetings of the Board of Directors shall be open to any and all Members of the Association, except an executive session.
- **4.10.2** Except in the case of an emergency, the Board of Directors shall vote in an open meeting whether to meet in executive session. If the Board of Directors votes to meet in executive session, the presiding Officer of the Board of Directors shall state the general nature of the action to be considered and, as precisely as possible, when and under what circumstances the deliberations can be disclosed to others.
- Section 4.11 Compensation of Directors. Directors shall not be compensated in any manner, except for out-of-pocket expenses, unless such compensation is approved by vote of the Owners.

### **ARTICLE 5. OFFICERS**

- Section 5.1 Election of Officers. The Officers of the Association may be elected by the Board of Directors from its members, and shall hold office at the pleasure of the Board.
- **Section 5.2** Removal of Officers. Upon an affirmative vote of a Majority of the members of the Board of Directors, any Officer may be removed, either with or without cause, and his or her successor elected at any regular or special meeting of the Board of Directors.
- Section 5.3 President. The President shall be the chief executive Officer of the Association. The President shall preside at all meetings of the Association and Board of Directors. The President shall have all of the general powers and duties which are usually vested in the office of president of an association, including, but not limited to, the power to appoint committees from among the Owners from time-to-time as he or she may in his or her discretion decide is appropriate to assist in the conduct of the affairs of the Association.

- **Secretary.** The Secretary shall keep the Minutes of all meetings of the Board of Directors and the Minutes of all meetings of the Association; he or she shall have charge of such books and papers as the Board of Directors may direct; and he or she shall, in general, perform all the duties incident of the office of the Secretary.
- Section 5.5 Treasurer. The Treasurer shall have responsibility for Association funds and securities not otherwise held by the managing agent as directed by the Board of Directors, and shall be responsible for keeping complete and accurate accounts of all receipts and disbursements in books belonging to the Association. He or she shall be responsible for the deposit of all monies and other valuable effects in the name, and to the credit, of the Association in such depositories as may from time-to-time be designated by the Board of Directors.
- Section 5.6 Directors as Officers. Any Director may be an Officer of the Association.

### ARTICLE 6. OBLIGATIONS OF THE OWNERS.

- Section 6.1 Assessments. All Owners shall pay assessments imposed by the Association to meet the Association's general common expenses as described in the Declarations, Bylaws, and Oregon Planned Community Act. Assessments shall be payable on a periodic basis as determined by the Board of Directors. Assessments shall be allocated in accordance with the Declaration.
- Section 6.2 Initial Assessment. The initial assessment to Owners shall be based on a budget determined by the Declarant. The monthly assessment shall thereafter be determined by Declarant until the turnover meeting. The budget and lot assessments for all Lots shall be payable from the date the Declarations are recorded.
- Section 6.3 Special Assessments. The Board of Directors shall have the power to levy special assessments against an owner or all owners in the following manner for the following purposes:
  - **6.3.1** Upon vote of a majority of the Board to correct a deficit in the operating budget;
- **6.3.2** Upon vote of a majority of the Board to collect amounts due to the Association from an owner for breach of the owner's obligations under the Declarations, these Bylaws, or the Association's rules and regulations;
- 6.3.3 Upon vote of a majority of the Board of Directors, to make repairs or renovations to the Common Area or those portions of the buildings for which the Association has maintenance responsibility if sufficient refunds are not available from the operating budget or replacement reserve accounts; or
  - **6.3.4** To make capital acquisitions, additions or improvements.
- **Section 6.4 Maintenance and Repair.** An Owner shall reimburse the Association for any expenditures incurred in repairing or replacing any Common Area and/or facility damaged through his or her fault, not otherwise covered by insurance policies carried by the Association for the Owner's and Association's benefit. The Association shall have no obligation to carry such insurance policies.
- Section 6.5 Duty to Pay Assessments. An Owner may not claim exemption from liability for contribution towards the common expenses by waiving the use or enjoyment of any of the Common Area or by abandoning the Owner's Lot. An Owner may not claim to offset an assessment for failure of the Association to perform the Association's obligations.

Section 6.6 Default. Failure by an Owner to pay any assessment of the Association when due shall be a default by such Owner of his or her obligations pursuant to these Bylaws, the CCRs and the Oregon Planned Community Act. Any assessment or any installment of assessment that is past due shall bear interest at the rate established by resolution of the Board of Directors. The Board of Directors may impose its option. The Association shall be entitled to any remedy at law, including a lien, which may be enforced upon compliance with the provisions of the Oregon Planned Community Act and the Declarations. In any foreclosure suit by the Association with respect to such lien, the Association shall be entitled to collect reasonable rent from the defaulting Owner for the use of his or her Lot or shall be entitled to the appointment of a receiver. Any default by the Owner under any provisions of the Declarations, these Bylaws or the Oregon Planned Community Act shall be deemed to be a default by the Owner of any mortgage to which the Owner is a party or to which the Lot is subject.

### ARTICLE 7. INSURANCE

The Board of Directors shall obtain and maintain at all times insurance of the type and kind and in the amounts referred by Oregon Planned Community Act or as determined by the Board of Directors from time-to-time. Insurance shall include (1) replacement insurance for all insurable improvements in the Common Area against loss or damage by fire or other hazards, including extended coverage, vandalism and malicious mischief; (2) a public liability policy covering all Common Area and all damage or injury caused by the negligence of the Association; and, may include (3) Directors insurance. The Board of Directors shall, if reasonably available, obtain terms in insurance policies which provide a waiver of subrogation by the insurer as to any claims against the Board of Directors of the Association, any Owner or any guest of an Owner.

### ARTICLE 8. AMENDMENT

Amendments to the Bylaws may be proposed by a majority of the Board of Directors or by a majority of the Owners of the planned community and approved by a majority of the Owners. Amendments shall be recorded in the office of the recording officer.

### ARTICLE 9. FINES AND CHARGES

- Section 9.1 Fines for Violation of Declarations, Bylaws, Rules and Regulations of the Association. The Board of Directors may levy reasonable fines against a Member for any violation of the Declaration of Covenants, Conditions and Restrictions, the Bylaws, the Rules and Regulations, or the Oregon Planned Community Act. Fines may be levied due to the action of a Member, Member's guest or invitee or an Occupant of a property owned by the Member.
- 9.1.1 Notice and Hearing: In the event of a violation, the Association shall provide the Member with notice of the violation. The Member shall be given a reasonable opportunity, under the circumstances, to correct the violation. If the violation is a first-time and unintentional offense, the Board may, in their sole discretion, accept assurances that the violation will not be repeated. The Member shall be entitled, upon request made within ten (10) days of notice by the Association, to a hearing before the Board of Directors or any designated committee to contest the violation or fine. At the hearing, the Member may be represented by legal counsel and have a reasonable amount of time to produce statements, evidence, and witnesses. The minutes of the hearing shall contain a written statement of the results of the hearing and the fine, if any, that is imposed. The Association is not required to provide notice and opportunity to be heard for recurring or continuing violations. If a hearing is not requested within the ten (10) day period the violation and/or fine shall be noted and imposed.

- 9.1.2 Continuing Violations: In the case of a continuing or persistent violation: (1) Each day the violation continues after written notice shall be deemed a separate and distinct violation and, subject to a separate daily fine, up to a maximum of thirty (30) daily fines per violation; and (2) The Board may require the Member to post a bond or other form of security in order to ensure future compliance. For any such violation that cannot be cured immediately, no further fines shall be levied after such time as the Member begins a good faith cure.
- 9.1.3 Lien Against Lot: Fines shall constitute a personal obligation of the Member, as well as a lien upon the property of the Member, which lien may be foreclosed in the same manner as a lien for unpaid Association assessments pursuant to the Oregon Planned Community Act.
- 9.1.4 Fees and Costs: The Member shall be liable for all attorney fees, costs and expenses of any nature incurred by the Association incident to the levy or collection of the fine, including appellate proceedings.

# ARTICLE 10. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

The Association shall indemnify any Director, Officer, and may indemnify any employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative (other than an action by the Association) by reason of the fact that he or she is or was a Director, Officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, Officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such suit, action or proceeding, if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of no contest or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association, should it be proven at a later time that the person had no right to such payments or to reclaim any payments made during the proceeding. All persons who are ultimately held liable for their actions on behalf of the Association as a Director or Officer shall have a right of contribution over and against all other Directors or Officers and Members of the Association who participated with or benefited from the acts which created said liability.

# ARTICLE 11. COMPLIANCE WITH BYLAWS AND OTHER RESTRICTIONS REQUIRED, EFFECT OF NONCOMPLIANCE

- Section 11.1 Compliance. Each Owner and the Declarant shall comply with the Declarations, Bylaws and administrative Rules and Regulations adopted by the Association. Failure to comply shall be grounds for an action maintainable by the Association or by an aggrieved Owner.
- Section 11.2 Assessment Collection Costs; Suits and Actions. Owners shall be obliged to pay reasonable fees and costs including, but not limited to, attorney fees incurred in connection with efforts to collect any delinquent unpaid assessments. In addition to the regular assessments for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines, charges and interest imposed pursuant to

Oregon law. In the event suit or action is commenced by the Association for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the Declarations, Bylaws, Rules or the Oregon Planned Community Act, the Owner or Owners, jointly and severally, will in addition to all other obligations, pay the costs of such suit or action, including reasonable attorney fees to be fixed by the trial court and, in the event of an appeal, the cost of the appeal, together with reasonable attorney fees in the appellate court to be fixed by such court.

### ARTICLE 12. MISCELLANEOUS

- **Section 12.1** Rules of Order. Meetings of the Association and the Board of Directors shall be conducted according to the latest edition of Robert's Rules of Order published by the Robert's Rules Association.
- Section 12.2 Waiver. No restriction, condition, obligation or provision contained in these Bylaws shall be abrogated or waived by failure to enforce the same irrespective of the number of violations or breaches which may occur.
- Section 12.3 Compliance. These Bylaws are intended to comply with the provisions of the Oregon Planned Community Act and the Declarations. In case any of the provisions of these Bylaws conflict with the provisions of the Oregon Planned Community Act, the statutory provisions shall apply. In case of any conflict between the provisions of these Bylaws and the Declarations, the provisions of the Declarations shall apply.

The Bylaws have been adopted by the Declarant of Adams Street Commons Association and Blackwell Development LLC.

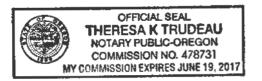
DATED this 23rd day of April, 2015.

CATER ENTERPRISES, LLC

By: SAMUEL E. BLACKWELL, JR., Managing Member

STATE OF OREGON ) ss.
County of Deschutes )

On this 23 day of APRLL, 2015, personally appeared before me, SAMUEL E. BLACKWELL, JR., as Managing Member of CATER ENTERPRISES, LLC, the declarant of ADAMS STREET COMMONS, and that the foregoing instrument was signed and sealed on behalf of said corporation and he/she acknowledged said instrument to be the voluntary act and deed of said corporation.



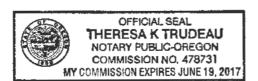
Notary Public for Oregon

BLACKWELL DEVELOPMENT LLC
VY C
BY: SAMUEL E. BLACKWELL, JR., Member

STATE OF OREGON	)
	) ss.

County of Deschutes )

This instrument was acknowledged before me this 23 day of APRIL , 2015, by SAMUEL E. BLACKWELL, JR., as Member of BLACKWELL DEVELOPMENT LLC.



Notary Public for Oregon

### **EXHIBIT A**

# LEGAL DESCRIPTION ADAMS STREET COMMONS

BEGINNING AT THE INITIAL POINT, BEING A 5/8 INCH IRON ROD WITH YELLOW PLASTIC CAP MARKED "F.AST JR - PLS 1938", FOUND AT THE SOUTHWEST CORNER OF LOT 19 OF "SISTERS PARK PLACE"; THENCE SOUTH 00°09'15" WEST 240.38 FEET TO THE NORTH RIGHT OF WAY ADAMS AVENUE; THENCE ALONG SAID RIGHT OF WAY SOUTH 89°53'41" EAST 229.91 FEET TO THE WEST RIGHT OF WAY OF FIR STREET; THENCE ALONG SAID RIGHT OF WAY OF FIR STREET NORTH 00°06'21" EAST 240.37 FEET TO THE SOUTH LINE OF "SISTERS PARK PLACE"; THENCE ALONG SAID SOUTH LINE NORTH 89°53'39" WEST 229.71 FEET TO THE POINT OF BEGINNING.

THIS DESCRIPTION CONTAINS 1,27 ACRES, MORE OR LESS.

SUBJECT TO ANY EASEMENTS, RESTRICTIONS AND RIGHTS OF WAY OF RECORD AND THOSE COMMON AND APPARENT ON THE LAND

