



DECLARATION OF COVENANTS, CONDITIONS AND
RESTRICTIONS FOR BAILEY ESTATES SUBDIVISION, PHASES
ONE, TWO, THREE, AND FOUR, DESCHUTES COUNTY STATE OF OREGON

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DECLARATIONS

BLUE SKIES BEND, LLC

THIS DECLARATION, made this 25th day of September, 2007 by
BLUE SKIES BEND, LLC, a registered Oregon limited liability company, hereafter
referred to as DECLARANT:

WHEREAS, Declarant is the owner of certain real property in the County of Deschutes,
State of Oregon, which is more particularly described as follows:

BAILEY ESTATES, 57 Lots, Tract 4 and a portion of Tract 3 of the plat of Reed Hwy
Acreage located in a portion of the SE ¼ of the NE ¼ of Section 8, Township 18 South,
Range 12 East, W.M. City of Bend, Deschutes County, Oregon duly recorded subdivision
within Deschutes County, State of Oregon.

AND WHEREAS, Declarant will convey said property subject to certain
protective covenants, conditions, restrictions, easements, liens and charges for the benefit
of said real property and its present and subsequent owners as hereinafter set forth.

NOW THEREFORE, Declarant hereby declared that all of the said property is
and shall be held, sold and conveyed subject to the following easements, restrictions,
covenants and conditions, all of which are for the purpose of enhancing and protecting
the value, desirability and attractiveness of said real property. These easements,
covenants, restrictions, reservations and conditions shall constitute covenants to run with

the land and shall be binding on all persons claiming under them and having or acquiring all limitations upon each owner thereof, and his heirs and assigns if an individual, or its successors and assigns, of a partnership corporation.

ARTICLE I

DEFINITIONS

SECTION 1: "Lot" shall mean and refer to any plot of land shown upon the recorded subdivision plat of Bailey Estates with the exception of dedicated rights-of-way.

SECTION 2: "Owner" shall mean and refer to the record owner, whether one or more personas or entities, of a fee simple title to any lot which is part of the properties, including contract buyers, but excluding those having such interest merely as security for performance of any obligation.

SECTION 3: "Declarant" shall mean and refer to Blue Skies Bend, LLC, and its successors and assigns, if such successors or assigns should acquire more than one undeveloped lot from Declarant for the purpose of development.

SECTION 4: "Residence" shall that portion or part of any structure intended to be occupied by one family as a dwelling, together with attached or detached garage, as the case may be and the patios, porches, or steps annexed thereto.

SECTION 5: "Declaration" shall mean and refer to the DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS applicable to the properties as executed by the Declarant on the 57 Lots of Phase 1, and all subsequent phases at BAILEY ESTATES.

ARTICLE II

RESTRICTIONS

The following restrictions shall apply to the occupancy and use of said real property and shall be for the benefit of and limitations upon all present and future owners and authorized users of said property.

- (1) No lot shall be used except for residential purposes nor shall any lot be reduced in size or subdivided further. No shop or store for business purposes shall be allowed on the property. No structure of a temporary character, including trailertent, shed, basement, garage or other outbuilding shall be used for residential purposes on any lot, either temporarily or permanently. No noxious, offensive or commercial activity shall be carried on in or on any lot nor shall anything be placed or constructed on any lot or anything done on a lot that

interferes with or jeopardizes the enjoyment of other lots. No bed and breakfast, nor any short-term rentals shall be allowed.

- (2) The residence square footage, excluding garage, shall contain a minimum of 1100 square feet. A two-story dwelling must contain at least 1500 square feet, excluding garage. No single car garages shall be allowed.
- (3) All driveways to be paved or concrete.
- (4) The residences shall not exceed two stories in height, excluding subsurface basements. The roof shall be constructed of architectural composition shingles, earth tone concrete or tile. The roof pitch shall be no flatter than 6/12 on both level one and level two.
- (5) Exterior walls and trim shall be standard wood product or wood by-product. T-11 or plywood is allowed. Color samples will be submitted to the Declarant, with plans for approved belly Bands front elevations must have batts, groves, or lap siding, and cedar or lap in gables.
- (6) Each lot shall, at times, be provided with a paved off street parking space not less than twenty (20) feet in length from the front line to the garage entrance.
- (7) Setbacks shall conform to governmental regulations with variances allowable when approved by the regulating body.
- (8) No signs shall be permitted except those permitted by the City of Bend for residential area.
- (9) All buildings constructed must be completed within six months from the date construction is commenced, excluding inside finish work.
- (10) No vehicles shall be parked on the sidewalk or in the non-driveway portion of the front yard. No disabled vehicles shall be parked in the streets or in any driveway with Bailey Estates for more than five (5) days. Parking of trucks larger than 1 ton shall not be allowed in any lot. Outdoor storage of garbage, trash, agricultural machinery, lawn mowers, building materials, toys, furniture, appliances, automotive parts, garden equipment, boats trailers, motor homes, or like equipment is not permitted in the front yard or within direct view from any street. Covering with tarp or in a garbage can is not considered to be out of sight. Trash, garaged or other wastes shall be kept except in sanitary containers.
- (11) No heavy equipment, such as dump trucks or backhoes shall remain parked on streets within Bailey Estates on Saturdays and Sundays during house construction unless work is actually being performed on those particular days. Materials shall not be stockpiled in the streets. The intent of this provision is to maintain the

appearance of Bailey Estates for potential house buyers on Saturdays and Sundays.

- (12) No farm animals are permitted within Bailey Estates, including chicks, geese, goats, sheep, cows, pigs or horses.
- (13) No exposed television or other antennas shall be installed or located upon said properties, except satellite dishes no greater than 18" in diameter. No aboveground irrigation systems, utilities, pipes, delivery poles, or wires shall be used to connect improvements with supplying facilities. All such equipment shall be constructed and maintained underground.
- (14) All front yards shall be landscaped within sixty days after the date of completion of the residence, including city ordinance requirements for street trees. Landscaping must be maintained on a regular basis. Each lot and its improvements shall be maintained in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard. No outside burning at any time and no fireworks.
- (15) Any fences shall be not more than 6' high and constructed with vertical cedar wood material, natural or stained, or vinyl in natural wood tones or white.
- (16) All house construction plans are subject to review of Declarant to ensure compliance with the restrictions herein and to maintain an acceptable standard of design quality.
- (17) There shall be reserved to Seller and the future owners of all parcels of Blue Skies Bend, the existing easements of record, and an easement along existing roads for waterlines and other utilities for the benefit of all parcels of Blue Skies Bend.

ARTICLE III

GENERAL PROVISIONS

SECTION 1: TERM. The covenants are to run with the land and shall be binding on all parties and all persons claiming under them for a period of thirty (30) years from the date these covenants are recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years unless an instrument signed by seventy-five percent (75%) of the then owners of the lots has been recorded, agreeing to change said covenants in whole or in part.

SECTION 2: ENFORCEMENT. The foregoing conditions and restrictions shall bind and inure to the benefit of, and be enforceable by suit for injunction or for damages or both, by the Declarant, or by the owner or owners, of any of then above described lands, their, legal representatives, heirs, successors

and assigns; and a failure, by the Declarant, or by the owner or owners, or their legal representatives, heirs, successors and assigns, to enforce such conditions or restrictions shall in no event be deemed a waiver of the right to do so thereafter.

SECTION 3: SEVERABILITY. Invalidation of any one of these covenants and restrictions by judgment or court order shall in no way affect any other provisions, which shall remain in full force and effect.

SECTION 4: AMENDMENT. The Covenants, Conditions and Restrictions may be amended by obtaining written approval of the amendment from owners of seventy-five percent (75%) of the lots. Any instruments affecting a revocation or any amendment of this declaration must be properly recorded in the Deed of records of Deschutes County, Oregon.

SECTION 5: VOTING. Each lot shall be entitled to one (1) vote. Declarant shall have the right to one vote for each lot not yet sold or retained.

SECTION 6: ATTORNEY FEES. In the event suit or action be instituted to enforce any of the terms and conditions of this document, the losing party shall pay to the prevailing party, in addition to the costs and disbursements allowed by statute, such sum as they may adjudge reasonable as attorney fees in such suit or action, in both trial court and appellate court.

IN WITNESS WHEREOF, the undersigned being Declarant herein, has hereto set its hand and seal this 25th day of September, 2007.

BLUE SKIES BEND, LLC

By: James F. Cozzetto, Jr.
James F. Cozzetto, Jr.
MEMBER

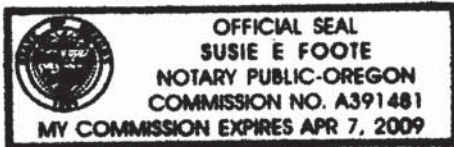
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS,
BAILEY ESTATES ACKNOWLEDGEMENT:

STATE OF OREGON)

) ss.

County of Deschutes)

On this 25th day of September, 2007 personally appeared before me, James F. Cozzetto, Jr., who being duly sworn, states he is a Member of Blue Skies Bend, LLC, in the above named corporation and that the foregoing instrument was signed and sealed on behalf of said corporation and he acknowledged said instrument to be the voluntary act and deed of said corporation. Personally known to me to be the person whose name is subscribed to this instrument, and acknowledged that he executed the same.



Susie E. Foote
Notary Public for Oregon