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After recording return to:

OBSIDIAN PARTNERS, LLC
50 BRIAN MEECE
PO BOX # 7047
BEND, OR 97708-7047

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2006-49220



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**DECLARATION SUBMITTING
DESERT HIGH BUSINESS CONDOMINIUMS
TO CONDOMINIUM OWNERSHIP**

THIS DECLARATION is made and executed by Obsidian Partners, LLC, an Oregon limited liability company, called "Declarant."

Declarant desires to create a condominium to be known as the Desert High Business Condominiums (the "Condominium"), which will be located in the City of Bend, Deschutes County, Oregon. The purpose of this Declaration is to submit the land, building, improvements and structure, easements and any rights and appurtenances located on, belonging to or used in connection with such land, of the project to be known as the Desert High Business Condominiums to the condominium form of ownership and use in the manner provided by the Oregon Condominium Act.

NOW, THEREFORE, it is declared as follows:

1. DEFINITIONS. When used herein the following terms shall have the following meanings:

1.1 "Act" means the Oregon Condominium Act, ORS 100.005 et seq.

1.2 "Association" means the Association of Unit Owners of Desert High Business Condominiums, an unincorporated association.

1.3 "Board of Directors" means the directors selected pursuant to the provisions of this Declaration and the Bylaws to govern the affairs of the Association.

1.4 "Building" means the Desert High Business Condominiums, consisting of a one-story light industrial/office building of which comprises the eight (8) Units of the Condominium as further described in this Declaration.

1.5 "Bylaws" means the Bylaws of the Association adopted as provided herein, as the same may be amended from time to time.

1.6 "Condominium" means the Property, buildings, structures and improvements constructed upon Lot 81, North Brinson Business Park, Phase III, Dechutes County Oregon, and all easements, rights and appurtenants belonging to the Property.

1.7 "Declarant" means Obsidian Partners, LLC, an Oregon limited liability company.

1.8 "Incorporation by Reference" Except as otherwise provided in this Declaration, each of the terms used herein shall have the meaning set forth in ORS 100.005, a part of the Act.

1.9 "Plat" means the Plat of Desert High Business Condominiums, a condominium, recorded simultaneously with the recording of this Declaration.

1.10 "Unit" means the individual condominium as described in paragraph 4.2, Description of Units.

1.11 "Unit Owner" means the legal owner, including the contract purchaser, of a Unit.

2. PROPERTY SUBMITTED. The property submitted consists of that property legally known as Lot 81, North Brinson Business Park, Phase III, Deschutes County, Oregon, with all improvements ("the Property"), presently owned in fee simple by Declarant.

3. NAME. The name by which the property submitted hereunder shall be known is the "Desert High Business Condominiums."

4. GENERAL DESCRIPTION OF BUILDING AND UNIT.

4.1 Building Description. The land submitted by this Declaration is presently improved with a 13,400 square foot building. The Building is manufactured by "Chief" Engineered Steel Buildings and is a steel post column and girder structure on a six inch concrete slab. Chisel-faced concrete block make up the exterior veneer for the first four feet with steel panels comprising the balance of the siding and roof. The exterior walls and roof are insulated to R-19 with six inch sound installation in all demising walls.

4.2 Description of Units. There shall be eight (8) Units, designated "Unit 100" through "Unit 107" in the Condominium as shown on the Plat, and no additional Units shall be created. The square footage of each Unit is:

Unit 100 is 1,366
Unit 101 is 1,433
Unit 102 is 1,433
Unit 103 is 1,931
Unit 104 is 2,523
Unit 105 is 1,216
Unit 106 is 1,208
Unit 107 is 1,387

The foregoing calculations consists of the square footage of the footprint. Each Unit shall consists of walls ,floors, ceilings and interior areas not designated as General Common Elements on the Plat. The Units shall include all lath, furring, wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and other finished surfaces. The following shall also be part of each Unit: All spaces, non-bearing interior partitions, windows, window frames, interior doors and door frames, all other fixtures and improvements within the boundaries of the Unit, and all outlets of utility service lines including, but not limited to, power, light, gas, hot and cold water, heating, refrigeration, air conditioning and waste disposal within the boundaries of the Unit.

The vertical and horizontal boundaries, number designation, location and dimensions of each Unit are shown on the Plat, which is made a part of this Declaration.

5. USE OF UNIT. The Units shall be occupied and used by the Unit Owners only for offices, office storage, and light industrial uses, whether for business or personal use, and subject to any applicable zoning regulations. The Units shall not be occupied for residential use.

6. USE RESTRICTIONS. The use of the Condominium property will be in accordance with the following provisions, as long as the Condominium exists and the Condominium Building in useful condition exists upon the land.

6.1 Limitation of Use and Occupancy. Occupancy of the Units will be limited and restricted to use as office, storage or light industrial uses, whether for business or personal use and shall comply with the IL zoning of the City of Bend.

6.2 Appearance of Condominium Building.

6.2.1 The Unit Owners will not cause anything to be hung, displayed, or placed on the exterior walls, doors, windows, walkways, ceilings or roof of the Building or any other Common Element; and they will not otherwise change the appearance of any portion of the Common Elements without the prior written consent of the Association. Each Unit Owner shall provide draperies or other window coverings to all windows, which shall be harmonious with the outer appearance of the Condominium Building. No clotheslines, radio or television antennae or aerials and no "For Sale" signs, will be allowed on any part of the Condominium property without the prior written consent of the Association. Notwithstanding the foregoing, each Unit Owner shall be eligible to erect a single building mounted sign listing the name or services provided by a particular Unit Owner or tenant. Any such sign shall be in strict compliance with applicable state, county, and municipal sign codes, regulations, and ordinances. Each sign shall be two (2) feet high by five (5) feet wide and placed directly above each Unit's office window with the top of the sign mounted level with the top of the roll door. Signs for Unit Nos. 103 and 104 shall be mounted similarly within or above the entrance alcove with anticipated variances in the size and shape of the signs to fit the available space, subject to the approval of the Association.

6.2.2 Notwithstanding the above, Unit Owners may place signs on the glass portion of the door for each Unit in white lettering.

6.2.3 Building mounted signs, when desired by the Unit Owner, shall conform to the specific standards as set by the Association and this Declaration. The Unit Owner shall pay for the sign and installation of the sign. The Association must approve the location and size of all signs prior to installation.

6.4 Nuisances. No nuisances will be allowed upon the Property, nor any use or practice that is the source of annoyance to the other Unit Owners. All parts of the Condominium 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 containers or other equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition. Unit Owners shall be responsible for their respective garbage service. All garbage receptacles shall be stored inside each respective Unit, except on garbage pick-up days. No Unit Owner will permit any use of its Unit or make any use of the Common Elements that will increase the cost of insurance upon the Property.

6.5 Improper, Offensive or Unlawful Use. No improper, offensive or unlawful use will be made of the Property or any part of it, and all valid laws, zoning ordinances and regulations of all 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.

6.6 Temporary Structures. No trailer, camper-truck, tent, garage, shack or other out-building shall at any time be used as a residence, office, storage shed or temporary structure on any part of Common Areas.

6.7 Recreational Vehicles. Exterior storage or parking of boats, trailers, motor homes, motorcycles, trucks, campers, recreational vehicles or other like equipment shall not be allowed on any part of the Property or on any adjacent public ways.

6.8 Parking of Vehicles. Parking on all General Common Elements shall be as determined by the Association from time to time. Vehicular and/or trailer parking shall not block the door/access of another Unit. If a vehicle is blocking another Unit's door/access, the Association shall have the right to tow the motorized vehicle and any expenses or charges shall be born by the Unit Owner whose vehicle or whose invitee's vehicle was blocking the other Unit door/access. The common area parking is for daily and temporary parking only. Long-term (*overnight or longer*) parking or storage of any vehicle, trailer, or other personal property in the common area parking is prohibited. All vehicles parked on the Property shall be parked only within the specific parking spaces on the Property. No maintenance or repair work on vehicles, with the exception of emergency work, shall be done on the Property or on the adjacent public ways.

6.9 Electricity. Three phase power is prohibited. Only 120 volt and 220 volt single phase power is allowed in any Unit.

6.10 Heat/Fire Suppression System. Each Unit shall maintain a temperature of at least fifty degrees (50°) at all times to insure proper operation of the fire suppression systems.

6.11 Fire Restrictions. Fire restrictions for Desert High Business Condominiums are pursuant to the amended 2003 International Fire Code. Desert High Business Condominiums are for storage and light industrial uses only. No hazardous materials or activities shall be permitted in any portion of the Desert High Business Condominiums. All Unit Owners shall allow for access to their Unit for emergency and regular service and maintenance of the fire protection system. Unit Owners shall not block fire protection system components or exceed the height allowance of their Unit.

It is the intent of the Association that Desert High Business Condominiums not be used for steel fabrication, high volume chemical storage, pressurized gas storage or any other potentially hazardous or heavy industrial uses.

6.12 Subdivision. Units may not be subdivided.

6.13 Additional Rules. Rules and regulations concerning other use of the Property may be promulgated and amended from time to time by the Association. Additional rules, regulations and restrictions are contained in the Bylaws. All disputes, complaints or matters of change existing or future use restrictions will be submitted by the Unit Owners for resolution as provided for in the Bylaws.

7. COMMON ELEMENTS.

7.1 General Common Elements. The General Common Elements consist of all portions of the Condominium not part of a Unit including, but not limited to, exterior parking stalls and vehicle maneuvering areas; concrete walkways and driveways; the land and landscaping; the roof, exterior walls and all supporting elements of the Building, including subflooring and floor joists, ceiling joists, wall studs, exterior doors and door frames; all utility lines from the street to the point of connection to each, and fire suppression systems as shown on the Plat.

7.2 Undivided Interest in Common Elements. The Units will have the following undivided interest in common elements:

| <u>Unit</u> | <u>Interest</u> |
|-------------|-----------------|
| Unit 100 | 12 ½% |
| Unit 101 | 12 ½% |
| Unit 102 | 12 ½% |
| Unit 103 | 12 ½% |
| Unit 104 | 12 ½% |
| Unit 105 | 12 ½% |
| Unit 106 | 12 ½% |
| Unit 107 | 12 ½% |

Each Unit's undivided percentage interest shall be deemed to be conveyed or encumbered with conveyance or encumbrance of the Unit, even though the description in the instrument of conveyance or encumbrance may refer only to title in the Unit.

7.3 Use of Common Elements. No person shall use the Common Elements in any manner contrary to or not in accordance with this Declaration, the Bylaws or such rules and regulations which from time to time may be promulgated by the Board of Directors on behalf of the Association. Without limiting the generality of the foregoing, the use of the Common Elements may be limited to members of the Association and their respective families, guests, invitees, tenants and employees. Such use may be conditioned upon, among other things, the payment by each Unit Owner of such assessments as may be established by the Association for the purpose of defraying the cost of the Common Elements.

7.4 Maintenance, Repair, and Replacement.

7.4.1 Except to the extent it is imposed on the Unit Owners by this Declaration or the Bylaws, the necessary work to maintain, repair or replace the Common Elements shall be the responsibility of the Board of Directors of the Association and shall be carried out as provided in the Bylaws. Nothing herein, however, shall be construed so as to preclude the Board of Directors from delegating such duties to individuals or entities including, but not limited to, a manager. If the mortgagee or beneficiary of any Unit determines that the Association is not providing an adequate maintenance, repair and replacement program for the Common Elements, such mortgagee or beneficiary, at its option, may deliver a notice to the Association by delivering same to the registered agent, as required pursuant to ORS 100.550, setting forth the particular defect which it believes exists in the maintenance, repair and replacement program. If the specified defects are not corrected within ninety (90) days subsequent to receipt of such notice, then the mortgagee or any beneficiary, upon written notice to the registered agent that it is exercising its proxy rights thereunder, shall have the right to attend succeeding annual or special meetings of the Association and to cast a vote for each Unit on which it holds a Mortgage or Trust Deed on all business coming before such meeting, which proxy rights shall continue until the defects listed on the notice are corrected.

7.4.2 Sheetrock repairs, maintenance of individual heating units, fixtures and appliances within each Unit are the responsibility of the Unit Owner.

7.5 Limited Common Elements. There are no Limited Common Elements.

8. COMMON PROFITS AND COMMON EXPENSES. The common profits, if any, and common expenses shall be allocated twelve and one-half percent (12½%) to each of the Unit Owners to correspond with the allocation of each Unit's undivided interest of the Common Elements to the Units.

9. SERVICE OF PROCESS. The designated agent to receive service of process in cases provided in subsection (1) of ORS 100.550 is named in the Condominium Information Report, which has been filed with the Oregon Real Estate Agency in accordance with the Act.

10. EASEMENTS AND ENCROACHMENTS.

10.1 Right of Access. The Association, through its Board of Directors, shall have the right to have access throughout the Condominium as may be necessary for the maintenance, repair or

replacement of the Common Elements and Units, or to make emergency or structural repairs therein necessary for the public safety or to prevent damage to the Common Elements or Units.

10.2 Granting of Interest Affecting Common Elements. The Association shall have the authority to grant leases, easements, rights of way, licenses or other similar interests affecting the Common Elements, and to consent to vacation of roadways adjacent to the Condominium. The granting of a lease in excess of two (2) years or any other interest or consent pursuant to this Section shall first be approved by the vote of the Unit Owners as required by ORS 100.405(6); however, a lease of the Common Elements for a term of two (2) years or less shall not require approval of the Unit Owners. The instrument granting any such interest or consent shall be executed by the Chairman and Secretary of the Association and acknowledged in the manner provided for acknowledgement of such instruments by such officers and shall, if applicable, state that such grant or consent was approved by votes of the Unit Owners as provided in ORS 100.405(7).

11. VOTING RIGHTS. The Owner or Co-Owners of any Unit shall be entitled to one (1) vote for each Unit; each vote constitutes twelve and one-half percent (12½%) of all votes in the Condominium. Fractional or divided votes shall not be counted. In the event there are Co-Owners or disagreements among the Owners of a Unit, unless all Co-Owners agree, the vote shall not be counted, except for the purpose of determining quorum requirements.

12. ASSOCIATION OF UNIT OWNERS.

12.1 Organization; Adoption of Bylaws. The Association of Unit Owners of the Desert High Business Condominiums is an unincorporated association. Pursuant to ORS 100.405(1)(b), the Unit Owners may decide by unanimous vote to incorporate the Association as either a corporation for profit or a nonprofit corporation under the laws of the State of Oregon. The Association shall be the means through which the Unit Owners may take action with regard to the administration, management, and operation of the Condominium. Declarant shall simultaneously, with the recording of this Declaration, adopt and record Bylaws for the Association.

12.2 Membership; Board of Directors. The Unit Owners shall be members of the Association, and membership shall be limited to Unit Owners only. The affairs of the Association shall be governed by a Board of Directors as provided in the Bylaws; the Board of Directors shall be appointed by and serve at the pleasure of the Unit Owners as provided in the Bylaws.

12.3 Power and Duties of the Association. The Association shall have such powers and duties as may be granted to it by the Oregon Condominium Act, together with such additional powers and duties as are contained in this Declaration and the Bylaws.

12.4 Management Agreements, Contracts and Leases. The Board of Directors shall have the right, but not the obligation, to contract with a professional manager or management firm to manage the affairs of the Association.

13. AMENDMENT.

13.1 Approval Required. Except as may otherwise be provided in this Declaration or by the Act, the Declaration may be amended only if such amendment is approved by the vote of eighty

percent (80%) of the Unit Owners. No amendment may change the allocation of undivided interest in the Common Elements, method of determining liability for common expenses, right to common profits, or voting rights of any Unit unless such amendment has been approved by both Unit Owners and the holders of any Mortgage or Trust Deed on each Unit.

13.2 Recordation. The amendment shall be effective upon recordation of the Declaration as amended or of the amendment thereto, certified by the Chairperson and Secretary of the Association as being adopted in accordance with the Declaration and the provisions of ORS 100.005 to 100.910 and 100.990, (and approved by the Real Estate Commissioner, if required by law) in the Deed Records of Deschutes County.

14. DECLARANT'S RIGHTS. Declarant shall be entitled to any and all special Declarant rights that are reserved for the benefit of or created by the Declarant under the Declaration, Bylaws, or the provisions of the Act.

15. SEVERABILITY. Should any of the provisions herein conflict with the provisions of the Act, the statutory provisions shall apply. Each provision of this Declaration and the Bylaws shall be deemed independent and severable, and the validity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision of this Declaration or the Bylaws.

16. CONFLICTING PROVISIONS. In the event of a conflict between or among the Declaration, Bylaws, and any administrative rules and regulations, the provisions of the Declaration shall be paramount to the Bylaws and the Rules and Regulations, and the Bylaws shall be paramount to the Rules and Regulations. For purposes of this section, the term "Declaration" shall include all amendments and the term "Bylaws" shall include all amendments.

17. COSTS AND ATTORNEY FEES. In any proceeding arising because of alleged default by a Unit Owner, the prevailing party shall be entitled to recover the cost of the proceedings and such reasonable attorney fees as may be determined by the trial court in any trial or by the Appellate Court in any appeal thereof.

18. WAIVER OF RIGHTS. The failure of a Unit Owner to enforce any right, provision, covenant or condition which may be granted by the Condominium documents shall not constitute a waiver of the right of the Association or other Unit Owner to enforce such right, provision, covenant or condition in the future.

19. MORTGAGES.

19.1 Notice of Change in Documents or Manager. The Board of Directors shall give all mortgagees written notice thirty (30) days prior to the effective date of (i) any change in the Condominium documents; and, (ii) any change of the manager of the Condominium. The term mortgagee shall include a grantor under a Trust Deed.

19.2 Notice of Default by Mortgager. The Board of Directors shall give all mortgagees written notification of any default by the mortgager of such Unit in the performance of

such mortgagor's obligations under the Condominium documents or the Oregon Condominium Act, which is not cured within thirty (30) days.

19.3 Mortgagee Exempt from Certain Restrictions. Any holder of a Mortgagee which comes into possession of the Unit pursuant to the remedies provided in the Mortgage, or foreclosure of the Mortgage, or Deed (or assignment) in Lieu of Foreclosure, shall be exempt from any restriction on the sale or rental of the mortgaged Unit including, but not limited to, restrictions on the posting of signs pertaining to the sale or rental of the Unit, but shall be bound by the restrictions as to use as set forth in this Declaration.

19.4 Discharge of Lien Upon Foreclosure. Any holder of a mortgage which comes into possession of the Unit pursuant to the remedies provided in the mortgage, by foreclosure of the mortgage, or by deed (or assignment) in lieu of foreclosure, shall take the property free of any claims for unpaid assessments placed on the Unit by the Association or charges by the Association against the mortgaged Unit which accrued prior to the time such holder comes into possession of the Unit (except for claims for a pro rata share of such assessments or charges resulting from a pro rata reallocation of such assessments or charges to both Units including the mortgaged Unit). This provision shall not apply to any tax or other governmental assessments that may apply to the Unit.

19.5 Written Consent of Mortgagee Required in Certain Cases. Unless holders of first mortgage liens on individual Units have given their prior written approval, the Association shall not:

a) Change the pro rata interest or obligations of Condominium Unit for (i) purposes of levying assessments or charges or allocating distributions of hazard insurance proceeds or condemnation awards; and, (ii) determining the pro rata share of ownership of any Unit in appurtenant real estate and any improvements thereon which are owned by the Unit Owners in the Condominium in undivided pro rata interests ("Common Elements");

b) Partition or subdivide any Unit or the Common Elements of the Condominium property;

c) By act or omission seek to abandon the Condominium status of the Property, except as provided by the Oregon Condominium Act, in the event of substantial loss to the Units and Common Elements of the Property;

d) By act or omission, seek to abandon, partition, subdivide, encumber, sell, or transfer, the Common Elements. The granting of easements for public utilities or for other public purposes consistent with the intended use of the Common Elements shall not be deemed a transfer within the meaning of this clause; and,

e) Use hazard insurance proceeds for losses to any Property (whether to Units or to Common Elements) for other than the repair, replacement or reconstruction of such improvements, except as provided by the Oregon Condominium Act in case of substantial loss to the Units and/or Common Elements of the Condominium project.

19.6 Proxy Held by Mortgagee in Certain Cases. The first mortgagee may attend a meeting of the Association with the proxy of the mortgagor of said Unit for the purpose of voting to

maintain the Common Elements. Provided, however, such right shall arise only in the event the mortgagee reasonably believes that the Association has failed to maintain the Common Elements in sufficient manner to prevent excessive wear and tear.

19.7 Right to Examine Books and Records. All first mortgagees shall have the right to examine the books and records of the Association of Unit Owners or the Property upon reasonable notice and at reasonable times.

19.8 Notice in Event of Loss or a Taking. The Association shall give all first mortgagees written notice of any loss to, or taking of, the Common Elements of the Condominium project if such loss or taking exceeds \$5,000.00.

20. SUBDIVISION. No Unit may be subdivided or partitioned into divisions of any nature.

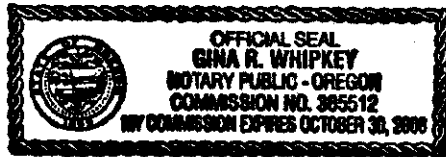
IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed this 11th day of May, 2006.

OBSIDIAN PARTNERS, LLC

By: Brian Meece, Member
Brian Meece, Member

STATE OF OREGON)
)
County of Deschutes)

This instrument was acknowledged before me on May 11th, 2006 by Brian Meece as a Member of OBSIDIAN PARTNERS, LLC, an Oregon limited liability company.



Gina R. Whipkey
Notary Public for Oregon

The foregoing Declaration is approved pursuant to ORS 100.110 this 16th day of May, 2006, and in accordance with ORS 100.110(7), this approval shall automatically expire if this Declaration is not recorded within two (2) years from this date.

SCOTT W. TAYLOR
Real Estate Commissioner

By: Laurie Skillman
Laurie Skillman

The foregoing Declaration is approved pursuant to ORS 100.110 this 18th day of July, 2006.

By: Scott Hynes, by
[Signature]
Deschutes County Oregon
Director of Assessment and Taxation

The foregoing Declaration is approved pursuant to ORS 100.110 this 18th day of July, 2006.

By: Mandy Wynne by
[Signature]
Deschutes County Oregon
Director of Finance

Carle Chubb