



After Recording Return To:
Thomas Bahrman
Hidden Hills Bend LLC
220 NW Oregon Ave, Ste 202
Bend, Oregon 97701

**DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
FOR HIDDEN HILLS**

THIS DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR HIDDEN HILLS (the "Declaration"), effective on its recording in Deschutes County, Oregon, is made and executed by Hidden Hills Bend LLC ("Declarant").

RECITALS

Declarant is the owner of all the real property and improvements on the following described property in Deschutes County, Oregon ("Phase 1"):

Lots 1 through 30, HIDDEN HILLS, PHASE 1 filed on June 28, 2013 in Plat Cabinet H, Page 1098, (Document No. 2013-27457) in the plat records of Deschutes County, Oregon.

The Property is not a "planned community," as defined under the Oregon Planned Community Act, as may be amended from time to time (ORS 94.550-94.783), as the Owners have no collective responsibility for the maintenance, operation, insurance or other expenses relating to the Property. Each Owner's responsibility with respect to that portion of the Property owned by that Owner is the individual responsibility of that Owner, and there is no commonly owned property in the subdivision.

**ARTICLE 1
PROPERTY SUBJECT TO THIS DECLARATION**

1.1 Declaration. Declarant declares that the Phase 1 property, and any property subsequently annexed into this Declaration (collectively, the "Property") will be held, transferred, sold, conveyed, and occupied subject to the covenants, conditions and restrictions contained in this Declaration, which run with the land, which will be binding on all parties having or acquiring any right, title, or interest in the Property, and which will inure to the benefit of all the Owners. Except where this Declaration conflicts with applicable laws and regulations, this Declaration will be binding upon the Owners of the Property subject to this Declaration.

1.2 Ownership and Easements. Title to each lot on the Property will be conveyed in fee to an owner. Each record owner is referred to as an "Owner" in this Declaration, and if more than one person and/or entity owns an undivided interest in the same lot, such persons and entities will together constitute one Owner. The lots are subject to the easements and rights-of-way shown on the plat.

1.3 Declarant's Right of Annexation. Declarant reserves the right, at any time in the future, without limitation, and in Declarant's sole discretion, to annex additional property into the subdivision and this Declaration. Declarant presently anticipates there will be approximately 158 lots in the subdivision, including the Phase 1 property. Any real property in Deschutes County, Oregon adjacent to or contiguous with the Property (regardless of whether such property is separated by a right of way, easement, roadway or waterway) is eligible for annexation. There is no limitation on the amount of land the Declarant may annex to the Property. No consent of any Owner, except the Declarant and the record owner of the property being annexed, is required or necessary to effect any annexation pursuant to this section. Nothing in this section will establish a duty or obligation on the part of the Declarant to annex any property into this Declaration, and no property owner excluded from annexation will have any right to annex property into this Declaration without Declarant's consent.

1.4 Effect of Annexation. The annexation of additional property into the subdivision and this Declaration will be evidenced by a written Declaration of Annexation executed by the Declarant, setting forth the legal description of the property being annexed and any additional covenants, conditions and restrictions to be applied to such annexed property. Notwithstanding any provision in this Declaration to the contrary, a Declaration of Annexation may establish additional or different limitations, uses, restrictions, covenants and conditions with respect to such annexed property as Declarant may deem appropriate, in its sole discretion. Upon annexation, additional lots so annexed will be entitled to the voting rights as set forth in this Declaration.

1.5 Conversion to Planned Community. If the Owners deem it desirable to convert the subdivision into a "planned community," as defined under the Oregon Planned Community Act, so there is collective responsibility for the maintenance, operation, insurance or other expenses relating to the certain portions of the Property, the Owners may do so by following the statutory process provided for in the Oregon Planned Community Act. Approval of not less than 75% of the voting rights of Owners that are eligible to vote, and the written consent of Declarant, in its sole discretion, is required to effect a conversion to a "planned community." Declarant's approval rights under this section will continue until the later of (i) expiration of the initial term of this Declaration or (ii) the date Declarant affirmatively releases, in writing, its rights under this Declaration. Prior to submitting the matter for a vote to convert the Property to a "planned community" under the Oregon Planned Community Act, the proponent Owners must propose the specific amendments, along with a proposed form of bylaws and other applicable documents, necessary to accomplish such conversion, for the Owners' review prior to such vote.

ARTICLE 2 RESTRICTIONS ON USE

2.1 Residential Use. Lots will only be used for residential purposes. No trade, craft, business, profession, commercial, or similar activity of any kind will be conducted on any lot, and no goods, equipment, vehicles, materials, or supplies used in connection with any trade, service, or business will be kept or stored on any lot. Nothing in this section will be deemed to prohibit (a) activities relating to the sale of residences, (b) the right of Declarant or any contractor or homebuilder to construct residences on any lot, to store construction materials and equipment on such lots in the normal course of construction, and to use any residence as a sales office or model home for purposes of sales on the Property, and (c) the right of an Owner of a lot to maintain such Owner's personal business or professional library, keep such Owner's personal business or professional records or accounts, handle such Owner's personal business or

professional telephone calls, or confer with business or professional associates, clients, or customers in such Owner's residence.

2.2 Nuisance. No noxious, harmful, or offensive activities will be carried out on any lot, nor will anything be done or placed on any lot that interferes with or jeopardizes the use or enjoyment of other Owners or the occupants of other lots on the Property.

2.3 Animals. No animals, livestock, or poultry of any kind, other than a reasonable number of household pets that are not kept, bred, or raised for commercial purposes and that are reasonably controlled so as not to be a nuisance, will be raised, bred, kept, or permitted within any lot. Owners whose pets cause any inconvenience or unpleasantness to other Owners will take all steps reasonably necessary to prevent recurrence of such inconvenience or unpleasantness and Owners whose pets damage other Owners' lots or property will reimburse such other Owners for reasonable costs actually incurred by such other Owners in repairing such damage. An Owner will ensure that such Owner's dog is leashed when on the Property and outside of such Owner's lot.

2.4 Signs. No signs will be erected or maintained on any lot except that not more than one "For Sale" or "For Rent" sign placed by the Owner or by a licensed real estate broker, not exceeding 24 inches high and 36 inches long, may be temporarily displayed on any lot. The restrictions contained in this section will not prohibit the temporary placement of "political" signs on any lot by the Owner or occupant of such lot. Provided, however, political signs will be removed within three days after the election day pertaining to the subject of the sign. Real estate signs will be removed within three days after the sale closing date.

2.5 Parking. Boats, trailers, motor homes, motorcycles, truck-campers and similar vehicles may not be parked on the Property, or any adjacent public street, for a period exceeding 48 hours unless the vehicle is parked in an enclosed garage or behind a sight obstructing fence.

2.6 Vehicles in Disrepair. No vehicles in any condition of inoperability, on which significant exterior damage is visible, or which are not currently licensed, may be parked on the Property or any adjacent public street.

2.7 Rubbish and Trash. No lot will be used as a dumping ground for rubbish, trash or other debris. All garbage and other waste will be kept in appropriate sanitary containers for proper disposal and out of public view. All private alley easements on the Property will be kept free and clear of personal property, debris and clutter for the benefit of all Owners.

2.8 Temporary Structures. No structure of a temporary character or any trailer, tent, shack, shed, garage, barn or other outbuilding will be installed or used on any lot, either temporarily or permanently. Freestanding basketball hoops may be placed on a residence driveway, but not in any alley easement or public street adjoining the Property.

2.9 Single Level Homes. The homes on lots 1, 5 through 12, 17 through 18, 23 and 24 in Phase 1 are required to be single story from the public road in front of the home. If the lot has a significant slope, upon prior approval of the ARC (as defined in Section 2.10), the home may be allowed a lower level living area in the back of house (i.e., so called "reverse living").

2.10 Architectural Controls. The Declarant will form an Architectural Review Committee (“ARC”) consisting of three persons appointed, terminated and replaced, from time to time, by the Declarant. The ARC members need not be Owners or representatives of any Owner. The purpose of the ARC is to enforce the architectural and design standards of the community and to approve or disapprove plans for improvements proposed to be constructed on the Property. The following provisions will apply with respect to the ARC:

(a) A simple majority of the members of the ARC shall have the power to act on behalf of the ARC without the necessity of a meeting and without the necessity of consulting the remaining members of the ARC.

(b) The ARC has authority to delegate its duties to, or retain the services of, a professional architect, designer, engineer or other person of comparable qualification to assist in the performance of the duties of the ARC. The costs of any professional engaged by the ARC will be borne by the Owner submitting plans for review by the ARC.

(c) The ARC has authority to adopt and amend, from time to time, in its sole discretion, reasonable rules and guidelines (the “ARC Rules and Guidelines”) broadly governing the architectural and design standards of the community. The ARC Rules and Guidelines may include standards related to the materials and colors employed as part of any improvement. The construction, repair or removal of any improvement on the Property, including landscaping, fences, walls, patios, decks and ancillary structures, must adhere to the ARC Rules and Guidelines and plans for construction, repair or removal of the same must be approved in writing by the ARC prior to commencement of any work.

(d) No individual member of the ARC will have any personal liability to any Owner or other person for the acts or omissions of the ARC, so long as such acts or omissions were committed in good faith and without malice.

(e) Any review and approval made by the ARC is limited to compliance with the ARC Rules and Guidelines, and does not supersede or substitute for any review, approval or permit required by any governmental authority. Owner, and its builder, are responsible for complying with all applicable laws, regulations, codes and standards.

(f) Declarant’s control of the ARC will continue until the later of (i) expiration of the initial term of this Declaration or (ii) the date Declarant affirmatively releases, in writing, its rights under this Declaration. After the later such date, unless the Owners have converted the subdivision into a “planned community” and formed a homeowners association, the ARC will be dissolved.

**ARTICLE 3
RESERVATION OF EASEMENT
AND AFFIRMATIVE COVENANTS**

3.1 Fence and Landscape Easement. The Declarant and every Owner has a right to use and enjoy the area designated as a fence and landscape easement on the Phase 1 plat (the “Fence and Landscape Easement”), and the Fence and Landscape Easement will pass with title to every lot subject to this Declaration. The right to use and enjoy the Fence and Landscape Easement shall be strictly limited to entering the Fence and Landscape Easement to maintain and repair the fence and landscaping located in the

Fence and Landscape Easement, and in the case of Declarant to construct and improve said fence and landscaping and maintain an irrigation system in the Fence and Landscape Easement at Declarant's expense for so long as Declarant elects, in its sole discretion. No other Owner shall make any use of the Fence and Landscape Easement (other than maintenance and repair of the existing fence and landscaping) which is continuing or otherwise inconsistent with the fee simple ownership of the Owners on whose lots the Fence and Landscape Easement is located.

3.2 Maintenance of Lots and Homes. Each Owner will maintain and repair such Owner's lot and all improvements in a clean and attractive condition at such Owner's sole expense. Such maintenance will include, without limitation, maintenance of windows, doors, garage doors, walks, patios, chimneys, and other exterior improvements and glass surfaces.

3.3 Maintenance of Fence and Landscape Easement. Each Owner will maintain and repair the Fence and Landscape Easement on such Owner's lot, as depicted on the plat, in a clean and attractive condition at such Owner's sole expense. With respect to the fence, such maintenance will include, without limitation, periodic power washing and re-staining (in the same color), replacement of broken or warped wood slates, and repair to any masonry columns on such Owner's lot; in no event may the Owner remove any portion of the fence installed in the Fence and Landscape Easement. With respect to the landscaping, such maintenance will include, without limitation, proper irrigation based on the needs to the plant material, pruning of overgrown plants, replacement of dead plants and installation of new plant material (consistent with the existing plants) to maintain the general aesthetic of the area. The Owners will exercise good faith efforts to coordinate such maintenance and repair obligations to obtain favorable rates from qualified contractors and achieve a consistent appearance along the entire length of the Fence and Landscape Easement. Notwithstanding the foregoing, and the provisions of Section 3.6, the Declarant has initially agreed to install and maintain the landscaping and irrigation on that portion of Phase 1 immediately adjacent to Brosterhous Road, both in the public right of way and in the Fence and Landscape Easement. Upon written notice from Declarant to the Owners of lots 1 through 12 and 23 in Phase 1, delivered at any time prior to the expiration of the initial term of this Declaration, in Declarant's sole discretion, the Owners of lots 1 through 12 and 23 in Phase 1 will assume all further responsibility to maintain and irrigate the landscaping in the public right of way immediately adjacent to their lot and the Fence and Landscape Easement on their lot.

3.4 Damage or Destruction to Lots and Homes. If all or any portion of a lot or home is damaged by fire or other casualty, the Owner will either (a) restore the damaged improvements or (b) remove all damaged improvements, including foundations, and leave the lot in a clean and safe condition. Any restoration proceeding under (a) above must be performed so that the improvements are in substantially the same or better condition as, and employing materials and colors consistent with, the home prior to the damage. The Owner must commence such work within 60 days after the damage occurs and must complete the work within nine months thereafter.

3.5 Installation of Sidewalks. The Owners of lots 1 through 12 in Phase 1 are required to construct concrete sidewalks, curb tight, in conformance with City of Bend codes and standards within 18 months after the first transfer of the lot by Declarant to any unrelated Owner.

3.6 Landscaping. The Owners of all the lots in Phase 1 are required to install and maintain landscaping and irrigation (by automated system) in accordance with the ARC Rules and Guidelines, including without limitation the installation and maintenance of street trees and, where applicable, plants in the landscape strip between the sidewalk and curb immediately adjacent to their lot.

ARTICLE 4
GENERAL PROVISIONS

4.1 Enforcement; Attorney Fees. Any Owner, mortgagee or beneficiary under a deed of trust holding an interest on a lot has the right to enforce all or any of the covenants, conditions and restrictions contained in this Declaration by any proceeding at law or in equity. Failure by any party to enforce any covenant, condition, or restriction contained in this Declaration will in no event be deemed a waiver of their right to do so later. In the event suit or action is commenced to enforce this Declaration, the prevailing party will 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.

4.2 Severability. Invalidation of any one of these covenants, conditions, or restrictions by judgment or court order will not affect the other provisions of this Declaration and the same will remain in full force and effect.

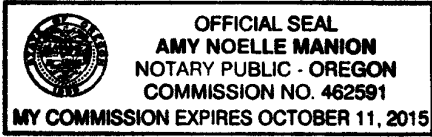
4.3 Counterparts. This Declaration may be executed in multiple counterparts, and the countersigned documents together will be deemed as if all the parties had executed a single original document.

4.4 Duration. The covenants, conditions, and restrictions of this Declaration will run with and bind the land for a term of 20 years from the date of this Declaration being recorded, after which time they will be automatically extended for successive periods of 10 years, unless rescinded by a vote of at least 75% of the voting rights of the Owners, memorialized by those Owners and recorded against the Property.

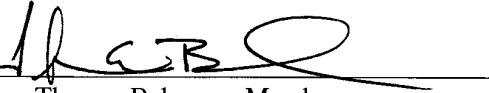
4.5 Amendment. This Declaration may be amended at any time by an instrument approved by not less than 75% of the voting rights of Owners that are eligible to vote. Any amendment must be executed, recorded, and certified as provided by law; provided, however, that no amendment will be effective unless Declarant approves such amendment in writing, which approval right will remain in full force and effect until the later of (i) expiration of the initial term of this Declaration or (ii) the date Declarant affirmatively releases, in writing, its rights under this Declaration.

4.6 Unilateral Amendment by Declarant. In addition to all other special rights of Declarant provided in this Declaration, Declarant may amend this Declaration in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission, or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, the approval of which entity is required in order for it to insure, guarantee, or provide financing in connection with development of the Property and sale of lots.

4.7 **Declarant Rights.** All of Declarants special rights under this Declaration, or otherwise provided by law, will continue in full force and effect until the later of (i) expiration of the initial term of this Declaration or (ii) the date Declarant affirmatively releases, in writing, its rights under this Declaration, unless otherwise expressly provided in this Declaration.

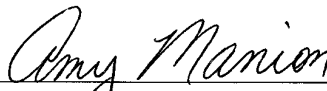


HIDDEN HILLS BEND LLC

By: 
Thomas Bahrman, Member

STATE OF OREGON)
) ss.
County of Deschutes)

This instrument was acknowledged before me on the 1st day of July, 2013, by Thomas Bahrman, its member.



Notary Public for Oregon
My commission expires: October 11, 2015