DESCHUTES COUNTY OFFICIAL RECORDS NANCY BLANKENSHIP, COUNTY CLERK

2005-38426

00372447200500384260386386

\$171.00

O6/20/2005 01:48:51 PM CCR Cnt=1 Stn=23 JEFF

DESCHUTES COUNTY CLERK CERTIFICATE PAGE



This page must be included if document is re-recorded.

Do Not remove from original document.

Return to: First American Title.

DECLARATIONS OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR SILVERRIDGE PHASE I SILVER RIDGE PU.D.

These Covenants, Conditions and Restrictions are made this 4th day of November, 2004, by VERNON C. PALMER, INC., an Oregon Corporation, hereinafter referred to as "Declarant".

Recitals:

- 1. Aspen Sky, LLC, an Oregon corporation, owns that real property in Deschutes County, Oregon legally described on the attached Exhibit A. The Aspen Sky, LLC consents to the terms and conditions of this Declaration and to its recordation.
- 2. The property described in Exhibit A" is hereby subject to these Covenants, Conditions and Restrictions and will be known as SilverRidge.
- 3. Declarant is reserving the right, but not undertaking the obligation, to annex additional property to the Association and subject it to the terms and provisions of these CCRs, the Articles and the Bylaws of the Association.
- 4. SilverRidge is being developed as a residential community. Except where this Declaration for SilverRidge conflicts with any applicable government municipal regulations, this Declaration shall be binding upon all property subject to this Declaration and its Owners and their successors in interest as set forth herein. In the event any of the development standards or use restrictions of this Declaration should conflict with a more restrictive standard or requirement set by an applicable zoning ordinance of the City of Bend, the more restrictive standard or requirement of the applicable City of Bend ordinance shall apply.
- 5. 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 CCRs, easements, charges and liens set forth in these CCRs. Declarant shall form a homeowners association in accordance with ORS 94.625, which shall be governed by the initial Bylaws required under ORS 94.635 and attached hereto as Exhibit B.

Section 1. DEFINITIONS

- 1.1 "ARC" shall mean the Architectura Review Committee.
- 1.2 "Articles" shall mean the Articles of Incorporation for the non-profit corporation, SilverRidge Homeowners Association.

- 1.3 "Association" shall mean the Silver lidge Homeowners Association, Inc. and its successors and assigns.
- 1.4 "Board of Directors" and "Board" shall mean the Board of Directors of the Association.
 - 1.5 "Bylaws" shall mean the Bylaws of the Association.
- 1.6 "CCRs" shall mean the Covenants. Conditions and Restrictions set forth in this document as amended from time to time and all other provisions set forth in these CCRs.
- 1.7 "Common Property" shall mean that area of land designated as Common Area or Open Space on any recorded plat of the property and described in this Declaration or any declaration annexing additional Property to SilverRidge, including any Improvements thereon, and shall also include the private streets and easement areas as designated on the plat and as defined herein, and any Common Property that is conveyed to the Association in the future, including any Improvements, which are intended to be devoted to the common use and enjoyment of the Members and the public and which land has been conveyed to the Association.
- 1.8 "Declarant" shall mean Vernon C. Halmer, Inc., an Oregon Corporation, or its successors in interest. In no event shall The Aspen Sky, LLC be deemed to be, or have liability hereunder, as Declarant.
- 1.9 "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for SilverRidge.
 - 1.10 "Homesite" shall mean a Lot as defined herein.
- 1.11 "Improvements" shall include, but not be limited to any buildings, outbuildings, private roads, driveways, parking areas, fences and barriers, retaining walls and stairs, decks, hedges, windbreaks, planting, planted trees and shrubs, signs, storage areas and all other structures or exterior landscaping, vegetation or ground cover of every type of any kind above the land surface.
- 1.12 "Living Unit" or "Unit" shall mean any portion of a structure situated upon the Property designed and intended for use and occupancy as a residence by a single family.
- 1.13 "Lot" shall mean each lot described on the subdivision plat or partition map to any alteration thereof as may be made by a valid lot line adjustment.
- 1.14 "The Aspen Sky, LLC" shall have the meaning given in the Recital and shall also mean any successor or assignee of The Aspen Sky, LLC that obtains all of the Aspen Sky, LLC's interest in the Property The Aspen Sky, LLC is signing this

instrument as the current owner. The Aspen Sky, LLC is not, however, the Declarant hereunder and shall have no liability therefore.

- 1.15 "SilverRidge" shall mean all of the real property now or hereafter made subject to this Declaration.
- 1.16 "Occupant" shall mean the occupant of a Living Unit who shall be either the Owner, lessee or any other person authorized by the Owner to occupy the premises.
- 1.17 "Owner" shall mean any person or entity, including the Declarant, at any time owning a Building Lot, but does not include a tenant or holder of a leasehold interest or a person holding only a security interest in a Building Lot. Notwithstanding to the foregoing sentence, for all purposes under this Declaration, Declarant shall be deemed to be the Owner of any Building Lot owned by The Aspen Sky, LLC and The Aspen Sky, LLC shall not be deemed to be an "Owner".
- 1.18 "Private Streets" shall mean any private street or easement area located within or adjacent to SilverRidge established for the benefit of all property within SilverRidge pursuant to this Declaration, any declaration on annexing additional property to SilverRidge whether such street or easement area is designated thereon as a street, boulevard, place, drive, road, terrace, way, lane, circle or otherwise.
- 1.19 "Property" shall mean all real property and all improvements located on the real property subject to these CCRs, as more particularly set forth on Exhibit "A" attached, together with such additional Lots as may from time to time be annexed to the Association.
- 1.20 "Rules and Regulations" shall mean the Rules and Regulations and policies adopted by the Board of Directors of the Association or the ARC as may be from time to time amended.
- 1.21 "Streets" shall mean any public street, or thoroughfare within or adjacent to SilverRidge and shown as a public street on any recorded subdivision or partition map, or survey map of record, whether designated thereon as street, boulevard, place, drive, road, terrace, way, lane, circle or otherwise.

Section 2. <u>PROPERTY SUBJECT TO THE COVENANTS, CONDITIONS, AND RESTRICTIONS FOR SILVERRIDGE.</u>

2.1 <u>General Declaration Creating SilverRidge</u>. Declarant (and, by its consent hereto, The Aspen Sky, LLC) hereby declares that all of the real property located in Deschutes County, Oregon, described in Exhibit "A" is owned and shall be hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part subject to this Declaration. All of said Restrictions are declared and

agreed to be established with the purpose of projecting the desirability and attractiveness of said real property and every part thereof. All of the Covenants, Conditions and Restriction of SilverRidge run with all of said real property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners and their successors in interest as set forth in this Declaration.

Common Property which is designated as Common Area or Open Space on the plat of SilverRidge and includes all private streets or easement areas located within SilverRidge as shown on the initial plat or on any subsequent plat or declaration annexing additional property to SilverRidge. In accordance with the provisions set forth herein Declarant may annex additional property to SilverRidge including additional Common Property.

2.3 Annexation.

2.3.1 The procedure for this annexation is as follows:

Declarant may develop land, possibly in phases, with standard residential improvements including streets, curbs, utilities, etcetera. All improvements would be done in a similar manner and of a similar quality to Phase I improvements. Upon completion of improvements, the plat for that new phase would be recorded, and that part of the property would become subject to all privileges and limitations of the SilverRidge Homeowners Association, Inc. Declarant will notify the Association that additional land is now a part of the Association.

- 2.3.2 The Owners of Lots in armexed areas would be accorded the same voting rights as Owners of Lots in Phase I.
- 2.3.3 The formula to be used for reallocating the expenses upon the annexation of additional Lots to the Association shall be a described in Section 8, Maintenance Assessment / Special Assessments. If Lots are annexed during the fiscal year, common expenses shall be reapportioned equally among all Lots on the beginning of the next month following annexation.

Section 3. ARCHITECTURAL REVIEW COMMITTEE

- 3.1 <u>Responsibility.</u> The Architectural Review Committee (ARC) will be responsible for the approval of plans and specifications for the development of any building, structure or other improvements on any Lot.
- 3.2 <u>Membership.</u> The ARC shall consist of three (3) members and shall initially be the Declarant. A majority of the committee may designate a representative to act for it. In case of death or resignation of any member of the committee, the remaining member or members shall have full authority to designate a successor. Neither the members of the committee nor its designated representative shall be entitled to any

compensation for services performed by said members. In the event that the deaths of resignations of all members of the committee shall occur without successors having been appointed, the majority of the Owners shall have full power to designate successors.

- 3.3 Action. The committee may render its decisions only by written instrument setting forth the actions taken by the members consenting thereto.
- 3.4 <u>Failure to Act.</u> In the event the committee, or its designated representative, fails to approve or disapprove plans and specifications within thirty (30) days after the same have been submitted to it in writing, or in any event, if no suit to enjoin the construction has been commenced before completion, approval will not be required and these provisions shall be deemed to have been fully complied with.
- 3.5 <u>Non-waiver</u>. Consent by the ARC to any matter proposed to it or within its jurisdiction shall not be deemed to constitute a precedent or waiver impairing its right to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.
- 3.6 <u>Liability</u>. Neither the ARC nor any member thereof shall be liable to any Owner for any damage, loss, prejudice suffered or claimed on account of any action of failure to act of the committee or any member thereof, provided that the members acted in accordance with actual knowledge possessed by them, and that they acted in good faith.
- 3.7 <u>Procedure.</u> An Owner wishing to take any action requiring approval under this Article shall give written notice of such proposed action to the ARC, together with complete plans and specifications. The ARC shall review the Owner's request within thirty (30) days or receipt and shall render a decision by the vote of a Majority of the ARC present within forty-five (45) days of receipt. Interested Owners shall have an opportunity to comment or be present at any such meetings, which shall be open to all Owners. If the ARC fails to render a written decision within the time allowed, the request shall be deemed approved.

Section 4. <u>RESTRICTIONS</u>.

- 4.1 <u>Governmental Restrictions.</u> All uses, occupancy, construction and other activities conducted on any Lot shall conform with and be subject to applicable zoning, use restrictions, setback requirements, construction and building codes of all local, state and federal public authorities.
- 4.2 <u>Common Property.</u> No Owner shall construct or place any structure, material, planting, equipment, trash or any object of any kind on any portion of the Common Property, including the private streets or easement areas, unless granted written permission by the Board of Directors. All common area, open space, trails and sidewalks

designated as such on the plat of SilverRidge, in this Declaration or any subsequent declaration or plat shall be reserved for public use.

- 4.3 <u>Uses.</u> All Lots and living units shall be used for residential, recreation and vacation purposes only. Home Occupation in any living unit shall be subject to municipal zoning codes.
- Landscaping. After planting, street trees and the parking strip landscaping must be maintained by the homeowner whose property is contiguous. If street trees and landscaping die, for any reason, they must be replaced with similar vegetation by the individual lot owners. Front, rear and side yards must be improved and landscaped not later than thirty (30) days from occupancy. However, in the event the occupancy occurs between November 1st and March 1st, the lands caping shall be completed by April 1st to allow for the installation of landscaping during the growing season. Per Conditions of Approval for SilverRidge, all trees outside the footprint of the home and within the open space common area shall be preserved. The removal of any additional trees outside of the requirements would require a report by a certified arborist stating that the tree is diseased, dying or presents a health hazard to the general public. Trees shall not be removed without written request to and consent of the ARC. Trees and shrubs shall be trimmed and pruned and lawns cut sufficiently and maintained year round so that they do not become eyesores and detrimental to the values of other properties. If a Lot is not properly maintained, the Association shall notify said Lot Owner of the violation. The notice shall be sent to the Owner at the last known address and the Owner will be given fifteen (15) days from date of notice to correct the violation. If the violation is not corrected within fifteen (15) days, the Association shall have the right to maintain the landscaping of the Lot at the Owner's expense. If the funds expended by the Association are not paid within thirty (30) days from written notification to the Owner of the amount due, a lien will be filed against the Owner's Lot Said lien shall bear interest at the rate of twelve percent (12%) per annum until paid and the lien shall be subject to foreclosure per the terms of this Declaration of Covenants, Conditions and Restrictions and the Oregon Statutes.
- 4.5 <u>Approval Required.</u> No Improvements, as defined in Section 1.10 above, shall be erected, placed, altered, maintained, or permitted to remain on any land subject to this Declaration until final plans and specifications have been submitted to and approved in writing by the ARC.
 - 4.5.1 <u>Dwelling Height.</u> The rear height of each dwelling (measured from the finished grade to the rear roof peak) constructed on the five lots shown on Exhibit "B" will not exceed 26 feet in height.
 - 4.5.2 Rear Yard Setbacks. The rear yard setbacks (as defined and interpreted pursuant to City of Bend zoning ordinance) for the five lots identified in Exhibit 'B" shall be 40 feet from the rear lot line.
- 4.6 <u>Appearance</u>. Each Lot within silverRidge shall be maintained in a clean and attractive condition, in good repair and in such a fashion as not to create a fire hazard

or visual pollution. Boundary fences, walls or hedges must be kept in good condition and repair.

- dumped or stored upon any Lot or any of the Common Property. All garbage, trash, cuttings, refuse, garbage and refuse containers, dothes drying apparatus and other service facilities located on the Lot shall be screened from view of front streets in a manner approved by the ARC. Trash containers and recycle bins may be left outdoors only for the period reasonably required for collection and removal.
- 4.7 <u>Nuisances.</u> No obnoxious, offensive or commercial activity or pursuit shall be carried on upon any Lot therein nor shall anything be done thereon which may be an annoyance or nuisance to the other Owners. Any use or practice that is a reasonable source of annoyance to Owners or which interferes with the peaceful possession and proper use of the property by its Owners is prohibited.
- 4.8 <u>Signs.</u> Except as provided in paragraph 8.2, other Lot Owners may place one (1) "For Sale" sign on their Lot only. The maximum size of the sign shall be four (4) square feet. Signs of any other type are prohibited without the consent of the ARC.
- 4.9 <u>Manufactured Homes.</u> Campers mobile homes, trailers, or manufactured homes as described in ORS 446.003(20)a and as amended from time to time are prohibited for use as a residence. Only designed and site built homes are permitted in SilverRidge.
- 4.10 Exterior Lighting or Noise Making Device. No exterior lighting or noise-making device shall be placed on a Lot or any portion thereof without the prior written consent of the ARC.
- 4.11 <u>Underground Utilities and Satellite Dishes.</u> No outdoor overhead wire or service drip for the distribution of electric energy or for telecommunication purposes, nor any pole, tower or other structure for independent reception, transmission or support of any of the above shall be erected, placed or maintained within the property. No television antenna, radio antenna, satellite anterna or dish, or other device shall be placed on any Lot without the prior written consent of the ARC.
- 4.12 Pets. Dogs shall be prohibited from running at large and shall be kept under the Owner's control at all times when outside the living unit. Excessive barking is prohibited. Owners of dogs shall clean up after their dogs. Breeding of dogs or cats for commercial purposes is prohibited. The Association shall have the right to require any Owner to remove any pet that is a nuisance or that interferes with the right to quiet enjoyment in SilverRidge. Any dispute arising out of this Section shall be decided by a Majority of the Board of Directors of the Association and any decision of the Board on this matter shall be binding upon the affected Owner.

- 4.13 <u>Parking.</u> No extended parking on any street shall be allowed by any house trailer, travel trailer, boat trailer, camper or incapacitated motor vehicle. Parking of the above mentioned vehicles on a homesite is allowed only if shielded by a 6 ft. fence of the design as permitted and approved per 4.16.
- 4.14 Fence, Sign, and Utility Easements. Declarant hereby reserves a nonexclusive easement for the purpose of the installation, maintenance and repair of a fence, entrance sign, utilities and a rock or sign standard. Construction will be of such material as Declarant, in its sole discretion, shall deem appropriate. No Owner shall make any repair, change or alteration of these improvements without the prior written approval of the Declarant, ARC or Association.
- 4.15 <u>Utilities Easement</u>. Certain Lots within SilverRidge are subject to a utility line easement reserved for the benefit of the C ty of Bend as the same is shown on the official plats of property subject to this Declaration. This is a nonexclusive easement for the installation, maintenance and repair of underground utilities. No improvement, structure of any kind, except a boundary fence, shall be permitted on the easement. Any landscaping or fencing placed upon the easement strip shall be done only in accordance with any applicable standards established by the City of Bend. Neither the City of Bend nor Declarant shall be responsible for restoring any landscaping or fencing in the event the City of Bend is required to enter upon the easement for the purposes set forth herein.
- 4.16 <u>Sight Distance at Intersection</u>. On a corner Lot, no fence, wall, or shrub planting which obstruct sight lines at elevations between two (2) and six (6) feet above roadways shall be placed or permitted to remain within the triangular area formed by the street property lines and a line connecting them at points twenty-five (25) feet from the intersection of the street lines, or in the case of a rounded property corner, from the intersection of the street property lines extended.

The same sight line limitations shall apply on all Lots within the first ten (10) feet of a street right of way line. No trees shall be permitted to remain within such distances unless the foliage line is maintained a sufficient height to prevent obstruction of such sight lines.

4.17 Walls and Fences. No wall or fence of any height shall be constructed on any Lot until after the height, design, type and approximate location therefore, shall have been approved in writing by the ARC. Side and rear setback spaces may have a fence constructed to a maximum height of six (6) feet and must be constructed of wood or vinyl fencing materials. An exception to the fencing along the side setback is noted above in section 4.15. No boundary line hedge or shrubbery shall be permitted with a height of more than six (6) feet. The heights or elevations of any wall or fence shall be measured from the existing elevations of the property at or along the applicable points or lines.

- 4.18 <u>Firearms and Related Activity.</u> No firearm, crossbow, bow and arrow or air gun, including without limitation, BB type or pellet guns, whether for purposes of hunting or target practice, shall be used within the subdivision.
- 4.19 <u>Severability</u>. Invalidation of any use of these Covenants by judgment or court order shall in no way affect any of the other provision, which shall remain in full force and effect.

Section 5. MEMBERSHIP AND VOTING RIGHTS

5.1 <u>Membership.</u> Every Owner of a Lot that is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot that is subject to assessment. Transfer of ownership of a Lot automatically transfers membership in the Association. Occupants and Owners shall be governed and controlled by these CCRs, the Articles, Bylaws, and Rules and Regulations of the Association.

5.2 Voting Rights.

- 5.2.1 <u>Members</u>. Members shall be entitled to one (1) vote for each Lot owned with respect to all matters upon which Owners are entitled to vote.
- 5.2.2 <u>Declarant.</u> Notwithstanding paragraph 5.2.1, Declarant reserves the right to vote on behalf of all Members of the Association, until one hundred eighty (180) days after Declarant has sold eighty-five percent (85%) of the Lots in the Property or until Declarant terminates this reservation of special Declarant rights by notice in writing to the Association.
- 5.3 <u>Voting by Lot.</u> When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event will fractional voting be allowed. Fractionalized or split votes shall be disregarded, except for purposes of determining a quorum. The total number of votes as of such Termination Date and thereafter, shall be equal to the total number of Lots annexed to the Property and subject to these CCRs as of such Termination Date.
- 5.4 <u>Procedure.</u> All meetings of the Association, the Board of Directors, the ARC, and Association committees shall be conducted in accordance with such rules of order as may from time to time be adopted by the Board of Directors. A tie vote does not constitute a Majority or approval of any motion or resolution.

Section 6. DECLARANT CONTROL

6.1 <u>Interim Board and Officers.</u> Declarant reserves administrative control of the Association until one hundred eighty (180) days after Declarant has sold eighty-five percent (85%) of the Lots in the Property or until Declarant terminates the reservation of special Declarant rights by notice in writing to the Association. Declarant, in his or her

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 the Board of Directors. Notwithstanding the provisions of this Section, at the Turnover Meeting at least two (2) Directors shall be elected by Owners other than Declarant, even if Declarant otherwise has voting power to elect all Directors.

- 6.2 <u>Transitional Advisory Committee.</u> Declarant shall form a Transitional Advisory Committee to provide for the transition of administrative control of the Association from Declarant to the Owners not later than the sixtieth (60th) day after Declarant has conveyed Lots representing fifty percent (50%) or more of the Lots in the community to owners other than a successor to Declarant.
- 6.2.1 <u>Declarant Failure to Call Meeting.</u> Any Owner may call a meeting of Owners to select the Transitional Advisory Committee if Declarant fails to do so as provided above.
- 6.2.2 Owners' Failure to Select Members. Notwithstanding the foregoing, if the Owners do not select members for the Transitional Advisory Committee as described above, Declarant shall have no further obligation to form the Transitional Advisory Committee.
- 6.2.3 <u>Turnover Meeting</u>. Declarant shall call a meeting for the purpose of turning over administrative control of the Association from Declarant to the Owners within ninety (90) days after the expiration of the period of Declarant control. Declarant shall give notice of the meeting to each Owner as provided in the Bylaws. If Declarant does not call a meeting required under this Section, any Owner may do so.

Section 7. COMMON PROPERTY

- 7.1 Obligations of the Association. Subject to the rights of Owners set forth in these CCRs, the Association shall be responsible for the exclusive management and control of the Common Property including the private streets and easement areas and any improvements, and shall keep the property in good, clean, attractive and sanitary condition, order and repair.
- 7.2 Members' Easement of Enjoyment. Subject to the provisions of these CCRs, the Bylaws, and Rules and Regulations 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.
- 7.3 <u>Rules and Fees.</u> The Association shall establish reasonable rules and charge reasonable assessments and fees for capital expenditures, maintenance, and upkeep of the Common Property.

- 7.4 <u>Suspension of Member's Rights.</u> The Association may suspend the right of an Owner or any Occupant of a Lot to use the Common Property and facilities for any period during which any assessment against such Owner or Occupant's Lot remains unpaid for more than thirty (30) days after notice of such nonpayment. The Association may suspend the right of a Member to use any Common Property for any other infraction of the CCRs, Bylaws or the Rules and Regulations of the Association; provided, however, that no such suspension pursuant to this subsection shall deprive an Owner of access to his or her Lot.
- 7.5 Sale of Common Property. As provided by ORS 94.665, the Association may sell, dedicate or transfer or create a security interest on any portion of the Common Property, if such sale dedication and transfer is approved by the Declarant so long as Declarant retains the right to vote for Members, dedication or transfer must be approved by eighty percent (80%) of the votes held by Owners other than Declarant.
- 7.6 <u>Damage or Destruction of Common Property by Owner.</u> In the event any Common Property is damaged or destroyed by an Owner of any of his or her guests, tenants, licensees, agents or Members of his or her family, the Association may repair such damage in a good and workmanlike manner. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot of the Owner who caused or is otherwise responsible for such damage.
- 7.7 <u>Description of Common Property Improvements</u>. The Common Property improvements to be constructed by Declarant shall include streets, alleys, and common area, which includes a small park, of approximately 51,009 square feet.
- 7.8 <u>Deed to Common Property</u>. Declarant shall deed the Common Property to the Association on or before the Turnover Meeting discussed herein.

Section 8. MAINTENANCE ASSESSMENTS SPECIAL ASSESSMENTS.

each Building Lot owned by it or The Aspen Sky, LLC within the Property, does hereby covenant, and each Owner of any Building Lot by acceptance of a conveyance thereof, whether or not so expressed in any such conveyance, shall be deemed to covenant, to pay to the Association all assessments or other charges as may be fixed, established and collected from time to time in the manner provided in this Declaration or the Bylaws. Such assessments and charges, together with any interest, expenses or attorneys' fees imposed pursuant to paragraph 8.5, shall be a charge on the land and shall be a continuing lien upon the Building Lot against which each assessment or charge is made. Such assessments, charges and other costs shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment or charge fell due. Such liens and personal obligations shall be enforced in the manner set forth in paragraph 10.2 below. No Owner may avoid such personal obligation by abandonment of Owner's Building Lot

8.2 General Assessments

8.2.1 <u>Purpose of Assessments.</u> The assessments levied under this Article shall be used for the purpose of improvement and maintenance of the Property, including payment of premiums for insurance required under these CCRs, to fund a replacement reserve for items which the Association has maintenance responsibility, and for payment of any common operating expenses such as landscaping, maintenance, Association management services, legal and accounting services and the like.

8.2.2 <u>Basis for Assessment.</u> There shall be two levels of assessments against Lots dependent upon whether such Lots have been improved with substantially completed Living Unit.

8.2.2.1 <u>Unimproved Lots.</u> Lots that have not been improved with a substantially completed Living Unit shall be assessed equally with other such Lots. The assessment against such unimproved Lots shall include only amounts attributable to the Maintenance Reserve account. Declarant, at Declarant's option, may accrue the Maintenance Reserve Account portion of the assessment for an unimproved Lot until such Lot is conveyed to an Owner other than Declarant at which time the accrued amount is due to the Association. Owner may not accrue the liability insurance portion. Unimproved Lots in phases of SilverRidge which are not yet developed will not be assessed until that phase is completed and recorded.

8.2.2.2 <u>Improved Lots.</u> Lots that have been improved with a substantially completed Living Unit shall be assessed equally with other such Lots. All initial, general and special assessments shall be equally allocated among the Lots, except that improved and unimproved Lots shall be assessed in different manners as described herein. The assessment of Lots improved with substantially complete Living Units shall include the following items:

8.2.2.2.1 Expenses of administration.

8.2.2.2.2 Expenses of landscaping maintenance and repair and repair or replacement of all improvements and buildings on the Common Property.

8.2.2.2.3 Utilities for the Common Property and other utilities with a common meter or that are commonly billed, such as water and sewer.

8.2.2.2.4 Expenses of street and alleyway maintenance emoval.

and repair, including snow removal.

8.2.2.2.5 Expenses of maintenance and repair of

SilverRidge signage.

8.2.2.2.6 Any deficit in expenses for any prior year.

8.2.2.2.7 The ost of any professional management

desired by the Board of Directors.

8.2.2.2.8 Any other items properly chargeable as an

expense of the Association.

8.2.2.2.9 Reserve items.

- 8.2.3 Method of Assessment. The Board of Directors shall determine the annual assessment. Both annual and special assessments shall be fixed at a uniform rate for all Lots as described in paragraph 7.2.2. The Board shall set the date(s) such assessment shall become due. The Board may 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 ees and costs as provided.
- 8.3 <u>Date of Commencement of Annual Assessments.</u> The general assessments with respect to the Lots shall commence at the time the 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. The pro rata annual assessment shall commence, with respect to an improved Lot, upon the substantial completion of a Living Unit on such Lot.
- 8.4 <u>Reserve Study.</u> The Board of Directors shall annually conduct a reserve study or review and update an existing study of the property components to determine the reserve account requirements. The reserve study shall include:
- 8.4.1 Identification of all items for which reserves are required to be established;
- 8.4.2 The estimated remaining useful life of each item as of the date of the reserve study;
- 8.4.3 The estimated cost of maintenance, repair or replacement of each item at the end of its useful life; and
- 8.4.4 A thirty (30) year plan with regular and adequate contributions, adjusted by estimated inflation and interest earned on reserves, to meet the maintenance, repair and replacement schedule.
- 8.5 <u>Special Assessments.</u> 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:
 - 8.5.1 To correct a deficit in the operating budget;
- 8.5.2 To collect amounts due to the Association from an Owner for breach of the Owner's obligations under the CCRs, the Bylaws, or the Association's Rules and Regulations, by a vote of a Majority of the Board;
- 8.5.3 To compensate the Association for damage done by Owner or Owner's guests or invitees to property maintained by the Association;
 - 8.5.4 To make repairs to the property maintained by the Association;
- 8.5.5 To make capital acquisitions, additions or improvements, provided, however, that Declarant reserves a special Declarant right to approve any such assessment until the Termination date.

- Regardless of whether it has been improved with a substantially complete Living Unit, shall include an amount allocated to a reserve account established for the purpose of funding replacements of those common elements of the Common Property that will normally require replacement, in whole or in part, in more than three (3) years and less than thirty (30) years, for exterior painting, if the Common Property includes exterior painted surfaces, and for such other items as may be required by these CCRs or the Bylaws. The reserve account need not include those items that could reasonably be funded from operating assessments. The assessments pursuant to this Section shall accrue from the date of conveyance of the first Lot in the Property. Declarant, at Declarant's option, may defer payment of the accrued assessments for a Lot pursuant to this Section until the date the Lot is conveyed to an Owner other than Declarant, at which time such accrued assessments shall be paid to the Association.
- 8.7 Effect of Non-Payment of Assess ments: 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 the Property. 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 Property or abandonment of his or her Lot.

Section 9. DECLARANT'S SPECIAL RIGHTS

Until the Living Units on all Lots on the Property have been constructed, fully completed and sold, with respect to each Lot on the Property, Declarant shall have the following special rights:

- 9.1 <u>Sales Office and Model.</u> Declarant shall have the right to maintain a sales office and model residence on one or more of the Lots which Declarant owns or leases. Declarant, prospective purchasers, and their agents shall have the right to use and occupy the sales office and model residences during reasonable hours any day of the week.
- 9.2 "For Sale" Signs. Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property, including without limitation the property maintained by the Association.

Section 10. GENERAL PROVISIONS.

the meetings of the Association, the Board 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.

- 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 these CCRs as may appertain specifically to such parties or Owners by any proceeding at law or in equity. Failure by ether 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 these CCRs, 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 deline uent assessments, whether or not suit or action is filed.
- 10.3 <u>Severability.</u> Invalidation of any one of these Covenants or Restrictions by judgment or court order shall not affect the other provisions, which shall remain in full force and effect.
- 10.4 <u>Duration</u>. The Covenants and Restrictions of these CCRs shall run with and bind the land for a term of thirty-five (35) years from the date of these CCRs being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at east ninety percent (90%) of the Owners and ninety percent (90%) of the first mortgagees; provided in these CCRs; provided, however, that if any of the provisions of these CCRs violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law.
- approved by not less than seventy-five percent (75%) of the total votes. Any amendment must be executed, recorded and certified as provided by law; provided, however, that no amendment of these CCRs shall effect an amendment of the Bylaws, the Articles of Incorporation without compliance of such documents 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.
- 10.6 Release of Right of Control. Declarant may give up its right of control, in writing, at any time by notice to the Association.
- 10.7 <u>Unilateral Amendment by Declarant.</u> Declarant may amend these CCRs in order to comply with the requirements of the Federal Housing Administration of the

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 other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, 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. Prior to the Turnover Meeting, no such amendment shall require notice to or approval by any Member.

United States, the Federal National Mortgage Association, the Government National

Resolution of Document Conflicts. In the event of a conflict among any 10.8 of the provisions in the documents governing SilverRidge, such conflict shall be resolved by looking to the following documents in the order shown below:

10.8.1 Declaration of Covenants, Conditions and Restrictions ("CCRs");

10.8.2 Articles of Incorporation;

10.8.3 Bylaws; and

10.8.4 Rules and Regulations

IN WITNESS WHEREOF, the undersigned as Declarant has executed this instrument this 11 day of April, 2005. "Declarant" VERNON C. PALMER, INC., an Oregon Corporation

By: Venor, C. Palmer Date: 6/20/05 Vernon C. Palmer

STATE OF OREGON

COUNTY OFDESCHUTES

The above named Vernon C. Palmer, personally appeared before me and acknowledged the execution of the foregoing instrument to be his free and voluntary act.

Notary Public for State of Oregon

My Commission expires: 0208 2008

OFFICIAL SEAL SHERYL ABELL NOTARY PUBLIC-OREGON COMMISSION NO. 377194 COMMISSION EXPIRES FEB. 8, 2008

ACKNOWLEDGED AND CONSENTED TO: THE ASPEN SKY, LLC, an Oregon Corporation By: Irving Potter	Date: 6-17-05
STATE OF OREGON)	
COUNTY OF DESCRIPTION ()	

The above named <u>Irving Potter</u> personally appeared before me and acknowledged the execution of the foregoing instrument to be his free and voluntary act.

Notary Public for State of Oregon

My Commission expires: 5-24-06



EXHIBIT A PROPERTY INCLUDED

SILVER RIGGE P.U.D.

All lands as shown on the Plat of SilverRidge Thase I as recorded in Deschutes County Records, Volume 2005, page 38425 on June 20, 2005.

BYLAWS OF SILVERRIDGE SILVER RIDGE PU.D. HOMEOWNERS ASSOCIATION, INC.

ARTICLE 1. NAME

The name of this association shall be "SilverRilge Homeowners Association, Inc." (the "Association").

ARTICLE 2. OBJECT

Section 2.1 Purpose.

The object of the Association shall be those actions required to protect and enhance all properties lying within the boundaries of the SilverRidge properties.

Section 2.2 Applicability.

All present of future Owners, tenants, occupants, or their employees, or any other person that might use the facilities of SilverRidge, in any manner, are subject to the regulations set forth in these Bylaws.

Section 2.3 Definitions.

The terms in these Bylaws shall have the same meaning as set forth in the Declaration of Covenants, Conditions and Restrictions ("CCRs").

ARTICLE 3. MEMBERSHIP

Section 3.1 Membership in the Association.

Membership in the Association shall be by ownership, either by deed or purchase under a contract of sale, of one or more Lots. All Owners shall automatically be Members of the Association and shall remain a Member of the Association until such time as the Member's ownership ceases.

Section 3.2 Voting Rights.

- 3.2.1 Members. Member shall be entitled to one (1) vote for each Lot owned by the Member with respect to all matters upon which Owners are entitled to vote.
- 3.2.2 Declarant. Notwithstanding paragraph 3.2.1, Declarant reserves the right to vote on behalf of all Members of the Association, until one hundred eighty (180) days after Declarant has sold eighty five percent (85%) of the

BYLAWS (6/16/2005)

EXHIBIT B - 1

Lots in the Property or until Declarant terminates this reservation of special Declarant rights by notice in writing to the Association.

disregarded, except for purposes of determining a quorum.

Lot. When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event will fractional voting be allowed. Fractionalized or split votes shall be

Majority of Owners Section 3.3

As used in these Bylaws, the term "Majority" shall mean those Owners holding over fifty percent (50%) of the votes present at any legal meeting.

Section 3.4 Quorum

Except as otherwise provided in these Bylaws, the presence, in person, by absentee ballot or by proxy, of Owners holding fifteen percent (15%) or more of the outstanding votes in the Association, as defined in these Bylaws, shall constitute a quorum. A legal meeting is one duly called pursuant to these Bylaws where a quorum is present, in person or by proxy, at a formal gathering. Unless otherwise stated in these Bylaws, the act of a Majority of Owners present shall be the act of the Members.

Written Ballot. Section 3.5

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 Place of Meetings.

Meetings of the Association shall be held at the Association's principal office or such other suitable place convenient to the Owners as may be designated by the Board of Directors.

Annual Meetings. Section 3.7

The Association shall hold an Annual Meeting as directed by the Board of Directors. At such meeting, new Members of the Board of Directors shall be elected 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 percent (20%) or more of the Owners.

Section 3.9 Notice of Meetings.

It shall be the duty of the Secretary of the Association to mail a notice of each annual, stating the purpose, time and place of the meeting. Notice shall be mailed at least seven (7) days but not more than fifty (50) days prior to such meeting. The notice shall be mailed to the Owner's address last given the Secretary in writing by the Owner. If Lot ownership is split or the Lot has been sold on contract, notice shall be sent to a single address of which the Secretary has been notified in writing by such parties.

ARTICLE 4. BOARD OF DIRECTORS

Section 4.1 Number and Qualification.

The affairs of the Association shall be governed by b Board of Directors composed of three (3) to five (5) persons, all of whom must 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 do all such acts and things as are not by law, or by these Bylaws, directed to be exercised and done by the Owners.

Section 4.3 Other Duties.

In addition to duties imposed by these Bylaws or by resolutions of the Association, the Board of Directors shall have the authority to carry out and be responsible for the following matters:

- 4.3.1 Establishment and maintenance of replacement reserve accounts and other reserves and annually conducting a reserve study, or review and update an existing study, of the Association maintained property components to determine the reserve account requirements.
- 4.3.2 Designation and collection of monthly assessments from the Owners.
- 4.3.3 Establishment of a budget and payment of all common expenses of the Association, including the method of approving vouchers.
- 4.3.4 Reviewing and maintaining insurance policies in respect to the Association.
- 4.3.5 Designation and dismissal of personnel necessary for the maintenance and repair of the alleyways and of all Association landscaped areas.
- 4.3.6 Preparing and distributing annual financial statements of the Association to each Owner.
- 4.3.7 Adoption and amendment of administrative rules and regulations governing the details of operation, provided, however, any such Rules or

EXHIBIT B-3

Regulations remain subject to rescission or amendment by the Association upon Majority vote of Owners present at any properly called meeting.

Association.

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 and any amendments, most recent annual financial statement, and the current operating budget of the

Income Tax Returns; Determination of Fiscal Year. Section 4.4

The Board of Directors, in its sole discretion, shall determine the manner in which all necessary income tax returns are filed and shall select any and all persons to prepare and file such returns.

Section 4.5 Budgets and Financial Statements.

- The Board of Directors, at least annually, shall adopt a budget for 4.5.1 the planned community.
- The following financial and related information shall be annually 4.5.2 prepared and distributed by the Board of Directors to all Members of the Association:
 - A summary of the budget for the immediately ensuing fiscal 4.5.2.1 year consisting of at least the following information shall be distributed.
 - Estimated revenue and expenses. 4.5.2.1.1
 - The amount of the total cash reserves of the Association 4.5.2.1.2 currently available
 - An estimate of the current replacement costs of, the 4.5.2.1.3 estimated remaining life of, and the methods of funding used to defray the future repair, replacement or additions to, those major components of the property and facilities which the Association is obligated to maintain.
 - A report consisting of the following shall be distributed annually 4.5.2.2 after the close of the fiscal year.
 - A balance sheet as of the end of the fiscal year. 4.5.2.2.1
 - An operating (income) statement for the fiscal year. 4.5.2.2.2
- If the Board of Directors fails to adopt a budget, the last adopted 4.5.3 annual budget shall continue in effect.

Interim Board and Officers. Section 4.6

The Declarant reserves administrative control of the Association until the Termination Date. The Declarant, in his sole discretion, shall have the right to appoint and remove Members of an Interim Board of Directors and interim Officers. Notwithstanding the provisions of this Section, at the Turnover Meeting at least one (1) Director shall be elected by owners other than the Declarant, even if the Declarant otherwise has voting power to elect all other Directors.

Section 4.7 Election and Term of Office

At the Turnover Meeting of the Association, the term of office of Directors shall be staggered so that approximately one-half of the Directors term will expire in one (1) year and the remaining half will expire in two (2) years. Should more Directors be added, the same sequential election terms shall apply as nearly as is practicable. At the expiration of the initial term of office of each respective Director, his or her successor shall be elected to serve a term of two (2) years. The Directors shall hold office until their successors have been elected and hold their first meeting. At the Turnover Meeting, upon agreement by vote of the Owners, the Board of Directors may be elected by a single ballot with each Owner permitted to vote for the number of openings in that year. In such event, the two (2) nominees receiving the highest number of votes shall be the two (2) year Directors and the three (3) nominees receiving the next highest numbers of votes shall be the one (1) year Directors. The Association may increase of decrease the number of Directors and length of terms for which each is elected upon amendment of this Section.

Section 4.8 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 of each directorship by a vote of a Majority of the remaining Directors, even though they may constitute less than a quorum; and each person so elected shall be Director until a successor is elected upon expiration of the term for which such person was elected by the other Directors to serve.

Section 4.9 Removal of Directors

At any legal Annual or Special Meeting, other than a meeting by ballot, any one of more of the Directors may be removed with or without cause, by a Majority vote of the Owners and a successor may be then and there elected to fill the vacancy created; provided, however, the notice of meeting specifically indicates that the removal of one or more named Directors is an agenda item for such meeting. Any Director whose removal has been by the Owners shall be given an opportunity to be heard at the meeting.

Section 4.10 Regular Meetings

Regular 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 Regular Meetings of the Board of Directors may be called by the President of the Association on three (3) days notice to each Director given personally, by mail, telephone, fax or e-mail, which notice shall state t the time, place and purpose of the meeting.

Section 4.11 Special Meetings.

Special Meetings of the Board of Directors may be called by the President or Secretary of the Association or on the written request of a Majority of Directors. Special Meetings of the Board of Directors may be called on three (3) days notice to each Director given personally, by mail, telephone, fax or e-mail, which notice shall state the time, place and purpose of the meeting.

Section 4.12 Waiver of Notice to Directors.

Before, at or after any meeting of the Board of Directors, any Director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. The attendance by a Director at any meeting of the Board shall be a waiver of notice by him or her. If all the Directors are present at any meeting of the Board, no notice to Directors shall be required and any business may be transacted at such meeting.

Section 4.13 Quorum.

At all meetings of the Board of Directors, a Majority of the existing Directors shall constitute a quorum for the transaction of business, and the acts of the Majority of the Directors shall be the acts of the Board of Directors. If at any meeting of the Board of Directors there is less than a quorum present, the Majority of those present may adjourn the meeting from time to time. At any such adjourned meeting, any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 4.14 Board of Directors Meetings Open to All Association Members.

All meetings of the Board of Directors shall be open to any and all Members of the Association, except that at the discretion of the Board of Directors the following matters may be considered in executive session:

- 4.14.1 Consultation with legal counsel concerning the rights and duties of the Association regarding existing or potential litigation, or criminal matters;
- 4.14.2 Personnel matters including salary negotiations and employee discipline; and
- 4.14.3 Negotiations of contracts with the rd parties.

No Association Member shall have a right to participate in the Board of Directors meetings unless such Member is also a Member of the Board of Directors. The President of the Association shall have the authority to exclude any Association Member who disrupts the proceedings at a meeting of the Board of Directors.

Section 4.15 Notice to Association Members of Board of Directors Meetings.

For other than emergency meetings, notice of Board of Directors meetings shall be posted at a place on the property at least three (3) days prior to the meeting or notice shall

BYLAWS (6/16/2005)

EXHIBIT B-6

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 4.16 Emergency Meetings.

Emergency Meetings may be held without notice if the reason for the Emergency Meeting is stated in the Minutes of the meeting. In the event of an Emergency Meeting, the Board of Directors may conduct the meeting by telephonic communication. Such telephonic meetings shall be carried on by means of a "conference call" in which each Director may speak with any of the other Directors. The Directors shall keep telephone numbers on file with the President o the Association to be used for telephonic meeting of the Board of Directors. No notice to either Directors or Association Members shall be required for a telephonic meeting of the Board of Directors to be held for any emergency action; provided, however, no such telephonic meeting shall occur unless at least seventy-five percent (75%) of the Board of Directors participate in the same and after an attempt has been made to call each Director at the telephone number maintained on file with the Board of Directors for such purpose.

Section 4.17 Compensation of Directors.

No Director shall be compensated in any mariner, except for out-of-pocket expenses, unless such compensation is approved by vote of the Owners.

ARTICLE 5. OFFICERS

Section 5.1 Designation.

The principal Officers of the Association shall be a President, Vice-President, Secretary and Treasurer.

Section 5.2 Election of Officers.

The Officers of the Association shall be elected by the Board of Directors from its Members, and shall hold office at the pleasure of the Board.

Section 5.3 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 5.4 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.

Section 5.5 Vice President.

The Vice President shall act in the stead of the President if the President is unable or fails to act.

Section 5.6 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 of she shall have charge of such books and paper 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 5.7 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 full 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 5.8 Directors as Officers

Any Director may be an Officer of the Association.

ARTICLE 6. OBLIGATION OF THE OWNERS.

Section 6.1 Assessments.

All Owners are obligated to pay assessments imposed by the Association to meet all the Association's general common expenses as more particularly set forth in the CCRs. Assessments shall be payable on a periodic basis, not more frequently than monthly, as determined by the Board of Directors.

Section 6.2 Special Assessments.

Special assessments or charges may be levied as described in the CCRs.

Section 6.3 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 bursuant to these Bylaws, the CCRs and the Oregon Planned Community Act. The Board of Directors may, at its option, impose an interest rate, late charge, collection costs, attorney's fees, or any other appropriate mechanism for monthly assessment not paid when due. 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 CCRs. 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 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. OCCUPANCY RESTRICTION; RULES OF CONDUCT

Failure by an Owner (his family, invitees or lessees) to comply with the rules of conduct and restrictions set forth in the CCRs, these By aws or others promulgated by the Board of Directors shall be cause, for which the Board of Directors may enforce any of the options available to them as set forth in the CCRs.

Section 7.1 Rentals.

Rentals of building for less than thirty (30) flays are prohibited. This provision is intended to prohibit short term rentals of buildings. It is the intent of the Association to insure buildings are Owner occupied or rented on a long term basis.

Section 7.2 Additional Rules.

Rules and regulations concerning other use of the Property may be made and amended from time to time by the Board of Directors. Copies of such rules and regulations will be furnished to all Owners and residents of the Project, upon passage and upon request.

ARTICLE 8. 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.

ARTICLE 9. AMENDMENT

These Bylaws may be amended at any time by an instrument approved by at least a Majority of the Owners. Any amendment must be executed and certified as provided by law; provided, however, no amendment of the Bylaws my effect an amendment of the CCRs or the Articles of Incorporation without compliance with the provisions of such documents and the Oregon Nonprofit Corporation Act.

ARTICLE 10. COMPLIANCE

These Bylaws are intended to comply with the provisions of the Oregon Planned Community Act. In case any of the provisions conflict with the provisions of said statutes, the statutory provisions shall apply. In case of any conflict between the provisions and the CCRs, the provisions of the CCRs shall apply.

ARTICLE 11. 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 of 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 said person in connection with such suit, action or proceeding if he or she acted in good faith and in a manner te 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 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 no 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 my 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 said person had no right to such payments. 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 12. ASSESSMENT COLLECT ON 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 monthly assessment for operating expenses and the funding of reserves, such assessments may include fees, late charges, fines and interest imposed pursuant to Oregon law. In the event suit or action is commenced by the Directors for the collection of any amounts due pursuant to these Bylaws or for the enforcement of any provisions of the CCRs, Bylaws 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 13. WAIVER

No restriction, condition, obligation or provision contained in these Bylaws shall be deemed to have abrogated or been waived by reason of any failure to enforce the same, irrespective of the number of violations or breaches thereof which may occur.

These Bylaws have been adopted by Vernon C. Palmer, Inc. Declarant of SilverRidge.

Dated this 20 day of June, 2005.

SilverRidge Homeowners Association, Inc.

Gretchen M. Palmer

BEING A SUBDIVISION OF PARCEL 2 OF PARTITION PLAT 2000-57, LOCATED IN THE SOUTHEAST ONE-CUARTER OF THE NORTHWEST ONE-QUARTER (SEI/4 NWI/4) OF SECTION 15, TOWNSHIP 18 SOUTH, RANGE 12 EAST, W.M., CITY OF BEND,

DESCHUTES COUNTY, OREGON

SURVEYOR'S CERTIFICATE

LIFETER A. MANETY REGISTERED PROFESSIONAL LAND SERVEYING FOR THE STATE OF GREGOM, BERNO BLY SERVING, REPORT (A) THE SERVEY FOR THE PROFESSION OF THE RECORD HE CONTINUES SERVEY FOR THE PROFESSION OF THE RECORD HE CONTINUES SERVEY FOR THE PROFESSION FOR THE PROFE

PARCEL 2 OF PARTITION PLAT NO. 2000—57, FLED OCTOBER 23, 2000 IN PARTITION PLAT CABINET 2, PAGE 116 IN THE OFFICE OF THE DESCRIPTES COUNTY CLERK.

SUBJECT TO: ALL EASEMENTS, RESTRICTIONS AND PICKIT—OF—WAYS OF RECORD AND THOSE COMMON AND APPARENT ON THE LAND.

CONTAINS 14.13 ACRES OF WACH 1.33 ACRES ARE TO BE RESERVED AS PRIVATE WATS PER THIS PLAT AND 1.27 ACRES OF COMMON AREAS ARE TO BE CREATED PER THIS PLAT.

DECLARATION:

ASSEN SY, LLC, KSTEE OF THE LAWIS CONTAINED WITHIN THE BOUNDARY OF THIS SUBDIVISION PLAT MORE PARTICULARLY DESCRIBED IN THE SUBPLICITY OF THE CHARTED AS SHOWN ON SHARING ALL THE SALE AND AND TO BE PLATED AS SHOWN ON A CHARTER AS LAW TO THE SALE AND AND THE SUBDIVISION OF THE SUB

AND FRENER CHAINS TO THE CITY OF BEND THE STRIPS EXCENTED AS DEVALED ON SHEET & OF THAS PLATE THESE EXCENSITYS SHALL BE PREMARKENT, PERFETURE AND EXTENSE RIGHTS TO CONSTRUCT, BENEFALM AND OFFICE AND REPORT STRIPS LINES AND ALL RELATED FACULTIES ON THE SHEFACE AND REPORT IN CONSTRUCT, DESCRIPTION, NO PERSON OR CHRIT SHALL BE AUTHORIZED TO CONSTRUCT, ERREST OR MISTIALL ANY STRUCTURES ON FACULTIES ON THE SHEFACE ON BETHER THE LASSIENTS BEHEAUT THEST OBTAINNESS APPROVED, THAN THE CITY OF BEDIN;

AND PRIFIED COLMITS THE PROBLEC LITERY EXSENTIS (PAE) AS SHOWN ON SHEETS 5 AND 6 FOR THE CONSTRUCTION,
MISTALLITION, MANTENANCE AND DECORATION OF PARSE LITERIES, VALUETS SHALL HAVE THE ROBAT TO RESIDELL WHITTING, VALUETS SHALL HAVE THE ROBAT TO RESIDELL WHITTING, VALUETS SHALL HAVE THE ROBAT TO RESIDELL WHITTING, WHITE SHALL THE ROBAT TO RESIDELL WE SHAWN THE LOTS BUSINESS HAVE AND SHALL HAVE THE RECESSANT OF RESIDENCE HE SHAWN THE FOR THE CONSTRUCTION OF THE ROBAT TO SHAPE THE PARSE THAT HAVE THE PARSE TO SHAPE THE FOR THE CONSTRUCTION OF THE WAY OF PARSE HAVE THAT HAVE THE PARSE TO SHAPE THE PARSE HAVE THAT HAVE THE PARSE TO SHAPE THE PARSE HAVE THE PARSE HAVE THE PARSE HAVE THAT HAVE THE PARSE THAT HAVE THE PARSE HAVE THAT HAVE THE PARSE THAT HAVE THE PARSE HAVE THAT HAVE THAT HAVE THE PARSE HAVE THAT HAVE THAT HAVE THE PARSE HAVE THAT HAVE THE PARSE HAVE THAT HAVE THAT HAVE THE PARSE HAVE THAT HAVE THE PARSE HAVE THAT HAVE THAT HAVE THAT HAVE THE PARSE HAVE THAT HAVE THAT

AND FURTHER GRANTS TO ANON WATER COMPANY EASEMENTS FOR WATERLINES AS SHOWN ON SHEETS 3 AND 8 OF THIS PLAT:

AND FLIETHER GRANTS TO ANON WATER COMPANY THE WATER TRANSMISSION FACULTY EASILIENT AS SHOWN ON SMEET 6 OF THIS PLAT:

and furthed grants to abnold brigation district the brigation pareline easlabits shown on sheet 8 of this Plat:

MO FIRENER GRANTS A PEDETULA PABLE ACCES DIER HE PRIVATE MISS DESCRIATED AS MANARE DIRIG. TRETON PLACE, SEDOMA LAME AND SOF HABBOR DEPE AS CREATED AND PORTRAIDE ON SPEETS AND 4 OF THIS PLAT. THE AFOREMENTIONED PRIVATE MISS ARE ALSO RESERVED FOR PUBLIC UTILITIES AND PRIVATE UTILITY SERVICES; AND FURTHER RESERVES THE PRIVATE IRRIGATION EASEMENTS SHOWN ON SHEET 7 FOR DELIVERY OF IRRIGATION WATER;

AND FURDHER GRANTS A PERPETUAL PURKIC ACCESS EASSMENT ONER ALL SIDENMAKS AS SHOWN ON SHEET 5 OF THIS PLAT AND DESIGNATED AS "SIDENMAK EASSMENT";

AND FINITIES RESPIES PRIVITE DIAMAGE EXSEMPLY FOR DISPOSAL OF STREET RAINOF, ACROSS ALL PRIVITE MAYS AND THOSE STREES OF LAND 5 FEET HE MOTH SALAMENT TO AND CONTRIBUTION WITH ALL PRIVITE MAYS, AND ACROSS THOSE STREES OF LAND DESIGNATED TRIVITE DIAMAGE EXSEMPLY AS SHOWN ON SHEET 7 OF THIS PLAT;

AND FURTHER ALL LOTS, COMMON LOTS, AND PRIVATE WAYS SHOWN ON THIS PLAT ARE SUBJECT TO THE WATER AND SEMEN EASTMENTS SHOWN ON SHEETS 5 AND 6 OF THIS PLAT.

(SEE SHEET 2 FOR DECLARATION SIGNATURES)

SURVEYOR'S NAPRATIVE

N OCTOBER OF 2004 ME METRE RETAINED BY ASPEN SKY, LLC TO PREPARE AND MONUMENT THIS PLAT OF "SKINER MIDGE PLILD."

9-71-07 C-1-41 St.--23 3877

04/20/2003 01:43:51 PM

DESCRIPTES COUNTY OFFICIAL RECORDS

送るな **禁**.8

THE LANDS DESCRIBED WITHIN THE BOUNDARES OF THIS PLAT ARE LOCATED WITHIN A PORTROW OF THE SELVA OF THE MANYA OF SECTION 15, TOWNSHIP IS SOUTH, RANGE 12 EAST, WILLAMETTE METRUMA, CITY OF BOND, DESCRIPTS COUNTY, OREICH APPROVED BY THE CITY OF BOND PER NOTRE OF ADMINISTRATIVE REMETW AND DECISIAN FILE MANUSER "72 04-46" DATED APPRIL 8, 2004.

THE DOLUMENTS OF THIS PLAT HERE DITEMBED BY PARTITION PLAT NO. 2007—27, FLED IN THE OFFICE OF THE COUNTY SUPPLYING AS OS PLATES FOR HOLD MAY PROPARED BY PARTITION FOR THE DISCOUNTY SUPPLYING AS OS PLATES FOR HOLD AND THE COUNTY THE COUNTY AND THE COUNTY THE COUNTY WITH THE DOLUMENTS AND HERE FOUND TO FIT RECORD DIMENSIONS SOTY WILL, PREDICTION THE COUNTY WHEN THE COUNTY WITH THE COUNTY AND THE COUNTY WHEN THE COUNTY WE WERE THE COUNTY WITH THE COUNTY WERE THE COUNTY WERE THE COUNTY WITH THE COUNTY WERE THE COUNTY WERE THE COUNTY WITH THE COUNTY WERE THE COUNTY WERE THE COUNTY WITH THE COUNTY WERE THE COUNTY WITH THE COUNTY WERE THE COUNTY WITH THE COUNTY WERE THE COUNTY WITH THE COUNTY WERE THE COUNTY WE WERE THE COUNTY WERE THE COUNTY WERE THE COUNTY WERE THE COUNTY WERE

THERE ARE APPARENT FENCE ENCROACHAENTS UPON THE LANDS WITHIN THE BOUNDARY OF THIS PLAT AS SHOWN ON SHEETS 3 AND 4.

PARTITION FLAT MG. 2000—57 SHOWS A 30 FROT WIDE EASSLENT FOR AM RRINGATION CAMAL (LABELED THE "LAGERA LATERAL") TO AMMIGLE MERICATION DISTRICT. THE FOREIGN OF THIS CAMAL LINES WITHIN THE BOLMALIARES OF THIS STRUMENTS OF THIS CAMAL LINES WITHIN THE BEST MEDICATION AND PRED PET THE PROPOREIGN FLAMS FOR THE SILKER RINGE FLAD. FILE FOR YA-46" (LATE) ALIGNES IS, 2004, AS APPROVED BY THE DITY OF REED AND SONED BY ARMICLE RINGESTROM DISTRICT. WHINCLE RINGESTROM ASSENCE THE ALIGNES WITHIN ARREST TO MARKEN THE WIDTH OF THIS EASTLENT FROM 30 FILET TO 25 FIET AS SHOWN ON SAID IMPROVEDED TO TAKE

PARTITION PLAT NO. 2000-57 SHOWS A 2 POOT WAS PRIVATE ARRIGATION DITCH. THIS DITCH DELINEDS ARRICATION MITCH WASTER TO LANDS CATTAINE THE BOUNDAMY OF THIS SUBDIVISION PLAT, THE PARTITION OF THIS PRIVATE ARRICATION HOT HAS BEEN RECOCKED AND PRED AS SHOWN ON SAID MATCH HAS BEEN RECOCKED AND PRED AS SHOWN ON SAID MATCH CHAIS. THE MIDTH OF THIS EASEDATED VARIES AS SHOWN ON SAID MATCH CHAIS.

REARMAS OF THIS SUPPLY ARE CONTRAL DRECON COORDINATE SYSTEM GOOD REARMAS BASED ON THE REARMS OF THE

COMMER AS BEING MORTH BUST 48" EAST AS DETERMINED FROM AN RIK OPS SURVEY WITH THE BASE RECEIVER OCCUPATION DESCRIPTION DESIGNATES COUNTY COORDINATE SYSTEM CONTROL POINT (0)72000 BEING THE MORTHMEST COMMER OF SAID SECTION 15.

PLATINDEX

SHET 2: PLAT SIGNATURES
INVITED RIGHTS MOTE
POST-MONUMENTATION NOTE SHEET I: SURVEYOR'S CERTIFICATE
DECLARATION SURVENIOR'S MARRATHE

SHEET IS PLAT DRAWNG

SHEET S: EASEMENT DETAILS SHEET & PLAT DRAHING

WHET 7: EASEMENT DETAILS

SHEET & EASEMENT DETAILS

The second secon



The Contract



SHET 10F7

CS16469

WIND ALL CORTER TO SEN

HOLDANING

SILVER RIDGE P.U.D.

LOT FILLING NOTE NO LOTS SHOWN ON THAS PLAT HAVE BEEN PLLED TO A DEFEN HE WAS OF PURINES OF PURINE				AT COMMISSION EXPRESS MAY 24 ADDL	MOTHERS MENTED HOMES MOTHER PUBLIC - ORECOM	THE PORTEONIC HISTORIAN WAS ACKNOWLEDGED BETORE ME ON MAINT. A 24 2005, BY THY I'VING TO HELP MEMBER OF ASSENSAY, LLC. AN ORECON LIMITED LIMINATED	ACCIONI EDGLEVI:	BY: ARTON BONATURES BY: ARTON BONATURES BY: ARTON BONATURES TEXTING FAMOR SECON UNITS OF 15945 ST. LIC. W. OREON UNITS UNBUTY COMPANY, 165 REE UNBUTY COMPANY, 165 REE OF 15945 ST. LIC. W. OREON UNITS		BEING A SUBDINSION OF PARCEL 2 OF PARTITION PLAT 2000-57, LOCATED IN THE SOUTHEAST ONE-QUARTER OF THE NORTHWEST ONE-QUARTER (SEVA NIVI/A) OF SECTION IS, TOWNSHIP IS SOUTH, RANGE 12 EAST, W.M., CITY OF BEND, DESCHUTES COUNTY, OREGON
PS-9.2-9.5 RESTRECT RESTRECT LAND SURVEYOR LAND SURVEYOR RETURN RET	DESCRIPTS COUNTY SURVEYOR	POST MONAMENTATION NOTE: (PETER A MAKEY, CERTY THAT POST MUMMENTATION WILL BE COMPLETED WITHOUT DE COMPLETED WITHOUT MUNICIPAL MAKEY PLS. 2714) NETER A MAKEY PLS. 2714 NETERCE MONAMENTS SET PER AFTONIT OF MONAMENTATION RECORDED IN VOLUME PAGE DATE	AMERICA DESTRUCT 3/23 2005	SIGNATURE BY THE CITY OF BEND PLANAING DIRECTOR AND ENGINEER CONSTITUTES ACCEPTANCE BY THE CITY OF BEND OF ANY DEDICATION MADE HEREIN TO THE PLENAC. NO MATER RIGHTS EXEST MITHIN THE BOLANDAMES OF THIS PLAT.	OSSIGNATION OF COMMISSIONES 6-14 2005	A STANKES COUNTY THAT COLLECTOR A STANKES COUNTY THAT COLLECTOR A HENCEY CHTMTY THAT ALL AD VALOREN THATS AND STEEM ASSESSMENTS. FEES AND OTHER CHARGES REGION OF HIS RAT ALL OR MILL BECOME A LEFT ALREADY AND THE PORT BROOK FEESTME A LEFT ON HIS BECOME A LEFT ALREADY AND THE	OFF OF BOILD PLANAME PRECIONS I HENESY CONTRY THAT ALL TAKES ARE PAID AS OF THIS DATE	MILA SEEN EXIMED NO NOTIONED 3/25/2005 MILA SEEN LA LA GLORIE LANT 3/25/2005 MILA MARIERO DIANES () OTO OF SOLD ENGINES ()	APPROVALS	N THE SOUTHEAST ONE-OUARTER OF THE

BEING A SUBDIVISION OF PARCEL 2 OF PARTITION PLAT 2000-57, LOCATED IN THE SOUTHEAST ONE-QUARTER OF THE

SILVER RIDGE P.U.D.

NORTHWEST ONE-CUARTER (SEV/4 NWV/4) OF SECTION IS, TOWNSHIP IB SOUTH, RANCE IZ EAST, WAL, CITY OF BEND,

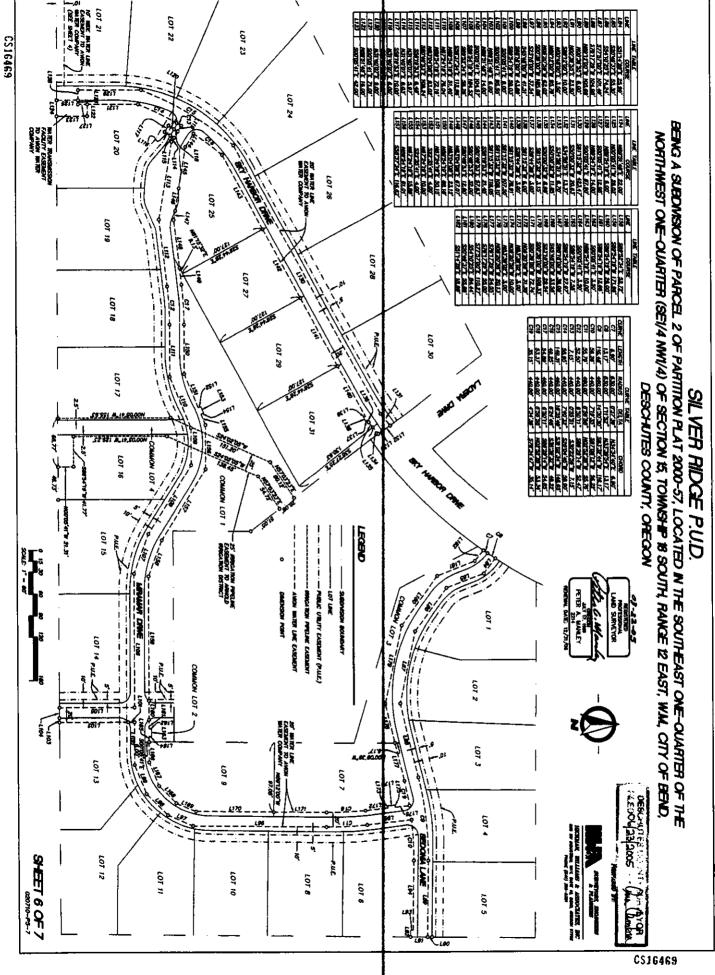
DESCHUTES COUNTY, OREGON

BEING A SUBDIVISION OF PARCEL 2 OF PARTITION PLAT 2000-57, LOCATED IN THE SOUTHEAST ONE-CUARTER OF THE NORTHWEST ONE-QUARTER (SE)/4 NW1/4) OF SECTION 15, TOWNSHIP 18 SOUTH, RANCE 12 EAST, W.M., CITY OF BEND,

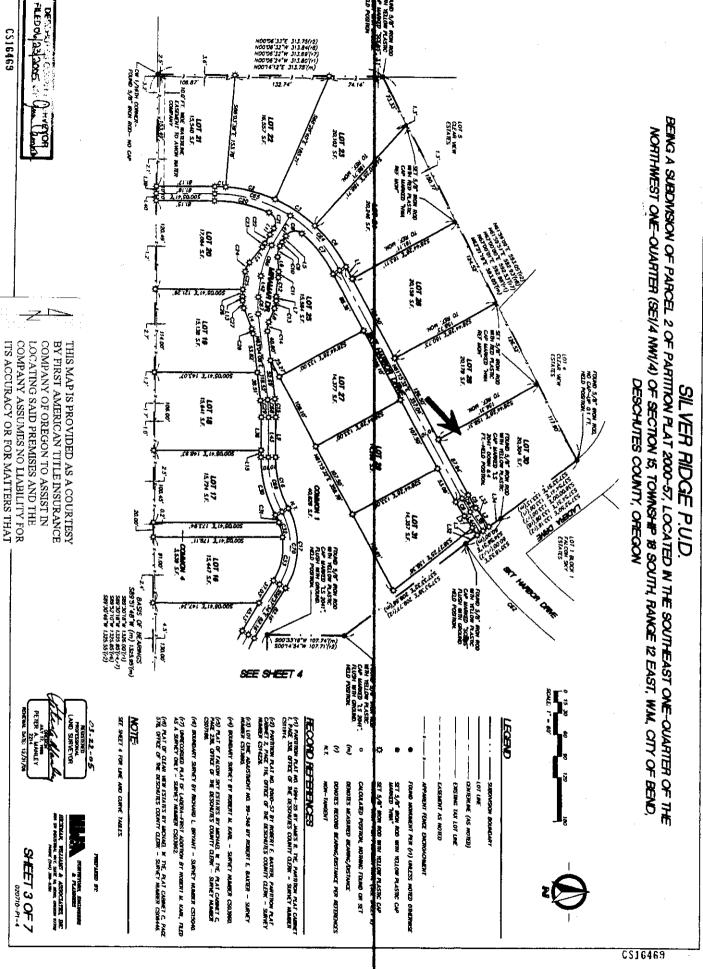
SILVER RIDGE P.U.D.

DESCHUTES COUNTY, OREGON





G-717



MAY BE DISCLOSED BY A SURVEY

DESCHUTES COUNTY OFFICIAL RECORDS NAMED SHOWS BLANKENSHIP, COUNTY CLERK

2004-58961

1017200400019610070075

\$61.00

11/18/2004 10:15:06 AM

AG Cnt=1 Stn=1 BECKEY 35.00 \$11.00 \$10.00 \$5.00

LICENSE

1

APPLICABLE PUBLIC FACILITY IMPROVEMENTS:

✓ SEWER

The CITY OF BEND, an Oregon municipal corporation, hereinafter referred to as "CITY" and **Sky Harbor**, **LLC**, hereinafter referred to as "USER" agree as follows:

GENERAL CONDITIONS

- 1. USER has received, read and understands City's public facility improvement policies which are incorporated herein by reference. The terms used in this agreement have the meanings assigned to them by City's policies unless specifically provided otherwise in this agreement.
 - 1.1 USER desires the extension of public facilities to USER'S property described on Exhibit "A" that is attached hereto and made part of this agreement.
 - 1.2 The USER and City intend that this agreement shall constitute a covenant running with the land, binding on the USER and the USER'S heirs, successors, or assigns.
 - 1.3 USER agrees to pay applicable sewer, water and street System Development Charges (SDC's) in accordance with City policies.

PROVISION OF PUBLIC FACILITY IMPROVEMENTS

- 2. FACILITIES shall be supplied only through components constructed by City approved contractor, installed to City Standards and Specifications and owned by City. All facilities except USER'S service connection lines shall be installed within public Easements shall be granted to City free and clear of all liens and encumbrances.
 - 2.1 USER shall not connect to CITY'S facilities until City accepts facilities installed by USER in writing and a Maintenance Agreement between the City and USER is established.

Silver Ridge P.U.D. PZ04-46/sb Page 1 of 7

- 2.2 USER shall promptly pay all charges for City services when due. Charges shall be as prescribed by the appropriate schedule and may be changed from time to time.
- 2.3 No other use of CITY services or CITY facilities shall be permitted without express written consent of the CITY.
- 2.4 USER shall comply with all applicable governmental laws, rules and regulations including but not imited to CITY ordinances, resolutions and the provisions of City public facility improvement policies as they now exist and as they may be changed from time to time. Any failure to comply with all terms and conditions of this agreement shall entitle CITY to terminate facility improvement services at CITY'S sole discretion.
- 2.5 If USER'S property is outside the City and USER receives City water, sewer and/or street service, USER'S service may be terminated at anytime after three month's written notice.

EXTENSION OF PUBLIC FACILITY IMPROVEMENTS

- 3. USER shall comply with the following conditions if components to USER'S property require extension of sewer, water and street facilities.
 - 3.1 USER agrees to perform all work necessary for the construction of the public facility improvements as shown on engineered construction drawings titled Silver Ridge P.U.D., for City of Bend Project Number PZ 04-46 approved by the City Engineer on October 8, 2004, incorporated herein by reference, at USER'S sole expense and in accordance with the City's Standards and Specifications, within one year unless extended by City in writing.
 - The person, firm or corporation performing the work shall have construction liability coverage. Coverage shall be in the amount of a one million dollar combined single limit for bodily injury liability and property damage. USER shall hold City harmless and indemnify City from any liability of any kind in connection with activities resulting from this agreement.
 - 3.3 USER agrees to submit to the City a statement of all costs incurred on the project upon completion of the project.
 - 3.4 City will charge appropriate ees for services rendered to USER.
 - 3.5 USER agrees to obtain an Oregon State Highway, City or County street cut permit prior to any construction in right of ways.

Silver Ridge P.U.D. PZ04-46/sb Page 2 of 7

- 3.6 When required by CITY, USER agrees to deliver to CITY "AS BUILT" reproducible drawings of the completed work, signed by an Oregon professional engineer prior to acceptance of the work by CITY.
- 3.7 The total amount due and payable upon signing this agreement is listed on Exhibit "C".
- 3.8 USER hereby grants CITY a license to enter and remain on USER's property for the purpose of inspecting public facility improvements constructed pursuant to this Agreement, including, but not limited to, any water lines, meters, backflow prevention devices, sewer lines, streets, test cocks and other facilities.

ADDITIONAL CONDITIONS

FOR PROVISION OF WATER FACILITIES

USER agrees to perform all work necessary to install water service lines with meters and housings if required. Said installations to be completed in accordance with City Standards and Specifications. The meter, to be installed by contractor, must be stamped and registered by CITY Public Works department prior to installation.

USER agrees to perform all work necessary to install on USER'S property at a City approved location a backflow prevention device approved by the Oregon State Health Division and the City of Bend Standards and Specifications if required. This device must pass inspection by a certified backflow prevention inspector. USER agrees to have test cocks installed on this device as shown in the specifications. USER also agrees to comply with the annual requirement for checking the backflow protection valves at USER'S expense.

FIRE SERVICES: When required, fire services shall be constructed in accordance with engineered plans approved by the City Engineer, including locations of all fire services and associated backflow devices.

FOR PROVISION OF SEWER FACILITIES

An Industrial Discharge Permit may be required for some projects. If required, USER shall obtain this permit from the City of Bend Public Works Department.

Silver Ridge P.U.D. PZ04-46/sb Page 3 of 7

FOR PROVISION OF STREET FACILITIES

USER shall construct all required public and private street improvements according to the attached City Street Policies. CITY shall review and approve all private street improvements in accordance with the City of Bend Zoning Ordinance.

LAND USE DECISION REQUIREMENTS

USER shall comply with and meet all requirements specific to this development as stipulated in the City of Bend Land Use Decision and/or Development Agreement, including additional conditions for public facility improvements not mentioned above.

BUILDING PERMIT ISSUANCE POLICY

USER acknowledges that City policy prohibits release of building permits until all of the required public facility improvements for the project have been completed, approved by the City, and the one-year warranty (maintenance) period has begun.

SYSTEMS DEVELOPMENT FEE REIMBURSEMENT

USER understands and acknowledges if master plan facilities, as defined and approved by the City Engineer, are constructed by the applicant and approved by the City, USER has the potential for a system development charge reimbursement entitlement pursuant to City policy, rules, regulations and the Master Plan Facility Reimbursement Agreement.

Silver Ridge P.U.D. PZ04-46/sb Page 4 of 7

DATED this 25th day of Octob	er, 2004.
USER	
By: Vernon C. Palme Sky Harbor, LLC	
STATE OF OREGON County of Deschutes	
This instrument was acknowledged before	me on <u>october 25, 2004</u>
by Vernon C. Palmer	as Managing Member
for Sky Harbor, LLC.	OFFICIAL SEAL SHERYL ABELL NOTARY PUBLIC-OREGON
NOTARY PUBLIC FOR OREGON	COMMISSION NO 377194 MY COMMISSION EXPIRES FEB 8, 2008
CITY OF BEND	
Accepted By: Malin O. My	
STATE OF OREGON County of Deschutes	
This instrument was acknowledged before	me on Catobir 27, 2004
by Michael P. Magee as Interim Engineer	
Engineering Division.	
NOTARY PUBLIC FOR OREGON	OFFICIAL SEAL SHERRI L PETZ NOTARY PUBLIC-OREGON COMMISSION NO. 379146 MY COMMISSION EXPIRES MAR. 31, 2008

Silver Ridge P.U.D. PZ04-46/sb Page 5 of 7

EXHIBIT "A"

Parcel Two (2) of Partition Plat Number 2000-57, Filed October 23, 2004

Silver Ridge P.U.D. PZ04-46/sb Page 6 of 7

EXHIBIT "C"

Engineering Fees						
Grading & Drainage review	1	@	\$	650.00		\$ 650.00
Water plan review	1	@	\$	650.00		\$ 650.00
Water line		If @	\$	2.00	per If	\$ -
Sewer plan review	1_	@	\$	650.00		\$ 650.00
Sewer line	4005	If @	\$	2.00	per If	\$ 8,010.00
Manholes	35	@	\$	250.00	ea	\$ 8,750.00
Inspections (10 hrs)	1	@	\$	500.00		\$ 500.00
Additional (est.)	15	hrs @	\$	50.00	per hr	\$ 750.00
Final Plat review	1	@	\$	275.00		\$ 275.00
•	31	lots @	\$	30.00	per lot	\$ 930.00
Miscellaneous	·		•			-
Agreement Processing	\$ 114.00					\$ 114.00
Recording Fee	\$ 72.00					\$ 72.00
		TOTAL	DU	E		\$ 21,351.00
Engineering: sb 10/14/2004 Initials Date						

Silver Ridge P.U.D. PZ04-46/sb Page 7 of 7

DATE PAID 10/75/11 RECEIPT # 71549