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WESTERN TITLE & ESCROW CO.

After recording, return to:
William Reed, Jr.
P.O. Box 218
Sisters, OR 97759

DESCHUTES COUNTY OFFICIAL RECORDS
NANCY BLANKENSHIP, COUNTY CLERK

2004-51817

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DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
EAST EMPIRE BUSINESS PARK

These Covenants, Conditions and Restrictions are made this 26TH day of AUGUST, 2004. Reed Bros., Inc., an Oregon corporation, hereinafter referred to as "Declarant", as owner of the real property in the City of Bend, Deschutes County, State of Oregon described in Exhibit A attached hereto and incorporated by reference herein.

The property described in Exhibit A is hereby subject to these Covenants, Conditions and Restrictions and will be known as East Empire Business Park.

East Empire Business Park is being developed as a planned industrial complex. Except where this Declaration of East Empire Business Park conflicts with any applicable government municipal regulations, this Declaration shall be binding upon all owners, lessees, licensees, occupants, and users of the property subject to this Declaration and their successors in interest as set for 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.

Section 1. Definitions.

1.1 East Empire Business Park: The term East Empire Business Park shall mean all of the real property now or hereafter made subject to this Declaration.

1.2 Declarant: The term Declarant shall mean Reed Bros., Inc., or its successors in interest.

1.3 Block: The term Block shall mean those areas designated as Blocks on subdivision or partition maps according to the records of the City of Bend and/or Deschutes County.

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1.4 Lot: The term Lot shall mean the fractional part of Blocks as divided and subdivided on subdivision or partition maps according to the records of the City of Bend and/or Deschutes County.

1.5 Declaration: The Declaration shall mean this Declaration of Covenants, Conditions and Restrictions for East Empire Business Park.

1.6 Owner: Owner shall mean and refer to either all holders of fee title to any Lot, or any other person or persons entitled to possession of the Lot pursuant to a contract of sale.

1.7 Improvements: The term Improvements shall include, but not limited to, any buildings, outbuildings, private roads, driveways, parking areas, fences and barriers, retaining walls and stairs, decks, electrical and gas distribution facilities, hedges, windbreaks, plantings, planted trees and shrubs, signs, loading areas and all other structures or exterior landscaping, vegetation, or ground cover of every type and every kind above the land surface.

1.8 Streets: The term Streets shall mean any street, highway or other thoroughfare within or adjacent to the East Empire Business Park as shown on any recorded subdivision or partition map, or survey map of record, whether designated thereon as street, boulevard, place, drive, road, terrace, way, land, circle or otherwise.

1.9 East Empire Business Park Owners Committee: The East Empire Business Park Owners Committee, (EEBPOC) shall be that committee of Owners formed pursuant to Section 7 herein.

Section 2. Property Subject to the Covenants, Conditions and Restrictions for East Empire Business Park.

2.1 General Declaration Creating East Empire Business Park: Declarant hereby declares that all of the real property located in Deschutes County, Oregon described in Exhibit A is 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 in furtherance of the general plans of the subdivision, and are established with the purpose of protecting the desirability and attractiveness of said real property and every part thereof. All of the Covenants, Conditions and Restrictions of East Empire Business Park run with all of said real property for all purposes and shall be binding upon the inure to the benefit of Declarant and all Owners, and their successors in interest as set forth in this Declaration.

2.2 Addition of Other Real Property by Grantor:

(A) Declarant may, at any time during the term of this Declaration, add all or a portion of any contiguous land now or hereafter owned by Declarant to the property which is covered by this Declaration, and upon recording of a notice of addition of real property, as set forth below, the provisions of this Declaration specified in said notice shall apply to such added land in the same manner as if it were originally covered by this Declaration. Thereafter, to the extent this Declaration is made applicable thereto, the rights, powers and responsibilities of Declarant and Owners of parcels within such added land shall be the same as in the case of the land described in Exhibit A.

(B) The notice of addition of real property referred to above shall contain at least the following provisions:

(1) A reference to this Declaration stating the date of recording and the recording information where the Declaration is recorded.

(2) A statement that the provisions of this Declaration or some specified part thereof shall apply to such added real property.

(3) A legal description of such added real property.

(4) Such other or different covenants, conditions and restrictions as Declarant shall, in its discretion, specify to regulate and control the use, occupancy, and improvement of such added real property.

Section 3. Architectural Controls.

3.1 Approval Required: No improvement, as defined in Section 1.7 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 Declarant. The Declarant shall appoint a committee of not less than three (3) persons, who shall be responsible for the review and approval of all plans and specifications required to be submitted pursuant to this Section.

3.2 Procedure: Any Owner proposing to construct any improvements within the East Empire Business Park (including any exterior alteration, addition, destruction or modification to any such improvements) shall follow the procedures and shall be subject to the approvals required by Paragraphs 3.3 through 3.7 below. Failure to follow such procedures or obtain such approvals as required by Paragraphs 3.3 through 3.7 below shall be deemed a breach of this Declaration.

3.3 Required Documents: Any Owner proposing to utilize, improve or develop real property within the East Empire Business Park, shall submit the following items for review.

(A) A site plan showing the location, size, configuration and layout of any building, structure or facility (or, where applicable, any alteration, addition, modification or destruction thereto) including appurtenant facilities for parking, tanks, storage, loading, deliveries, fences, vehicular and pedestrian traffic and circulation, and utilities plan.

(B) Architectural plans and drawings showing the nature, style and dimensions of any building, structure, facility, fence, wall, barrier or deck (or, where applicable, any addition, modification or destruction thereof), including the exterior material types, colors, appearance, and the type of screening for roof-mounted fixtures and the type of screening for exterior equipment and tanks and other exterior storage areas. The scale of plans shall be 1 inch = 20 feet or larger.

(C) A landscape plan showing the nature, type, size, location and layout of all landscaping, vegetation and irrigation systems proposed to be planted or installed (or, where applicable, removed or destroyed), together with the location of any proposed signing.

(D) A topographical plan showing the elevation, slope and grade of any site work (including the nature, location and utilization of any removal or filling of soil) proposed to be done in conjunction with any proposed improvement, development, modification or destruction of any building, structure, or facility or of any planting, installation or removal of any landscaping, vegetation, or ground cover.

3.4 Review: All plans and drawings identified in Paragraph 3.3 above, shall be submitted to Declarant for review prior to the performance of any proposed work. Such plans and drawings shall be accompanied with a check payable to Declarant in the amount of \$300.00. No plans shall be reviewed until the architectural review fee is paid in full and all items specified in this section are submitted. Within 30 days following receipt of such plans and drawings, Declarant shall review the plans and shall inform the developer in writing whether the plans conform to the development concept for East Empire Business Park. In the event the Owner is not notified as to the conformity of the plans within the 30 day review period, the plans are conclusively presumed to be approved as submitted. In the event any aspect of any of the plans does not conform to the East Empire Business Park development concept, the Owner shall re-submit those non-conforming portions of the plans for review in accordance with the procedures outlined in Paragraph 3.3 above, and this Paragraph. No work may be performed relating to any improvement unless and until all aspects of all plans required under Paragraph 3.3 above have been approved by Declarant. Any site plans, construction plans or similar plans and drawings submitted to the City of Bend in connection with the construction of any improvement in the East Empire Business Park must bear the prior written approval of Declarant.

3.5 Architectural Guidelines: The development concept for the East Empire Business Park shall be determined by Declarant in accordance with applicable statutes, ordinances, regulations, zoning and other governmental land use controls. Architectural guidelines setting forth various aspects of the development concept, in addition to this Declaration, may be published from time to time by Declarant, but Declarant shall not be required to do so. Declarant shall have the right to alter, rescind, or amend any published guidelines without prior notice to any party; provided however, that once approval has been given pursuant to Paragraph 3.4 above, work may proceed in accordance with the approved plans and drawings, notwithstanding any changes in the development concept. All such guidelines shall be in general conformity with this Declaration.

3.6 Inspection: All work related to any building, structure or facility or any landscaping, vegetation, ground cover or other improvements within the East Empire Business Park shall be performed in strict conformity with the plans and drawings approved under Paragraph 3.4 above. Declarant shall have the right to inspect any such work to determine its conformity with the approved plans and drawings, and reserves the right to order a stop to all work if, in good faith, it believes that any such work is non-conforming. In the event that it is determined in good faith by Declarant that certain work is non-conforming, a stop work notice may be issued, without necessity of court order, which shall require the Owner to correct all non-conforming work specified in the notice before the remainder of the proposed work may be completed. Continued work without correction of any such non-conforming items shall be deemed a breach of this Declaration. The Declarant or officer, director, employee, agent, or servant of Declarant shall not be responsible for damages, loss, delay, cost or legal expense occasioned through a stop work notice given in good faith even if it is ultimately determined that such work was in conformity with the approved plans and drawings.

3.7 Waiver: Any condition or provision of Paragraphs 3.2 through 3.6 above, may be waived by Declarant in their exclusive discretion. Any waiver shall be in general conformity with the development concept and development standards for the East Empire Business Park. Any such waiver shall not be deemed a general waiver of any aspect of the development concept or the required procedures and approvals specified under Paragraphs 3.2 through 3.6. The granting of a waiver as to one Owner shall not automatically entitle any other Owner to the waiver of the same or similar conditions or provisions. No waiver shall be valid unless it is in writing, signed by an authorized representative of Declarant and delivered by certified mail to the party claiming the benefit of such waiver.

Section 4. Regulation of Improvements.

4.1 Minimum Setback Lines.

(A) General. No structure of any kind, and no part thereof, shall be placed on any site closer to a street or front property line than herein provided. The following structures

and improvements are specifically excluded from these setback provisions:

- (1) Roof overhang, subject to the specific approval of Declarant in writing.
- (2) Steps and walks.
- (3) Paving and associated curbing, except that no vehicle parking shall be permitted within ten (10) feet of any property line fronting a street.
- (4) Fences, except that no fence shall be placed within the street setback area unless specific approval is given by Declarant in writing.
- (5) Landscaping, as per Paragraph 4.4 below.
- (6) Gas and service stations, including all pertinent uses, subject to the specific approval of Declarant in writing.
- (7) Signs identifying the Owner, subject to the specific approval of Declarant in writing.

(B) No improvement, except as set forth in Paragraph 4.1 (A) above, shall be placed on any Lot closer than 30 feet to either.

4.2 Completion of Construction: After commencement of construction of any structure, the Owner shall diligently prosecute the work thereon, to the end that the structure shall not remain in a partly finished condition any longer than reasonably necessary for completion thereof.

4.3 Excavation: No excavation shall be made except in connection with construction of an improvement, and upon completion thereof-exposed openings shall be backfilled and disturbed ground shall be graded and leveled in accordance with approved plans.

4.4 Landscaping.

(A) Every site on which a building shall have been placed shall be landscaped according to plans approved as specified herein and maintained thereafter in a sightly and well-kept condition.

(B) The Owner shall landscape and maintain unpaved areas between the property lines and the setback lines. The setback from street property lines shall be used

exclusively for landscaping except for walks and driveways bisecting the required landscape area. The Owner shall also be responsible for the maintenance of any landscaping in the road or street right-of-way adjacent to their property which are not otherwise improved.

(C) Landscaping, as approved by Declarant, shall be installed within one hundred and eighty (180) days of occupancy or completion of the building, whichever occurs first.

(D) All areas within improved Lots proposed for future expansion shall be maintained in a weed-free condition.

4.5 Signs.

(A) No sign shall be permitted, other than the following:

(1) Those identifying the name, business and products of the person or firm occupying the premises; and

(2) Those offering the premises for sale or lease when specifically approved by Declarant in writing.

(B) Signs shall conform to setback lines unless specific approval to the contrary is granted by the DRC in writing.

(C) Signs and identification on building sites shall only be of such size, design and color as is specifically approved by the DRC in writing, and approved by the City of Bend.

4.6 Parking Areas.

(A) General. Adequate off-street parking shall be provided to accommodate all parking needs for employees, visitor and company vehicles on the site. The intent of this provision is to eliminate the need for any on-street parking. If parking requirements increase as a result of a change in use or number of employees, additional off-street parking shall be provided to satisfy the intent of this Section. All parking shall be in conformance with applicable City of Bend ordinances.

(B) Parking shall not be permitted:

(1) Between public street pavement and property lines.

(2) Closer than ten feet (10') to a street property line.

(C) The parking requirements may be modified by the DRC as to any particular site, provided such modification is in writing.

4.7 Storage and Loading Areas.

(A) No materials, supplies or equipment shall be stored in any areas on a site except inside a closed building, or behind a visual barrier, as approved by Declarant, screening such areas so that they effectively reduce visibility from the neighboring property or streets. Screening may be accomplished by dense planting.

(B) Loading docks shall be set back and screened to minimize the effect from the street. Docks shall not be closer than fifty feet (50') to the street property line, unless specifically approved by Declarant in writing.

(C) Refuse collection areas shall be visually screened so as to reduce visibility from streets and neighboring properties. No refuse collection areas shall be permitted between a street and the front of any building.

4.8 Access Restrictions.

(A) General. The City of Bend Street Improvement Standards call for the construction of medians in arterial streets. Northeast 18th Street within the plat of the East Empire Business Park is a designated arterial. However, the City has agreed to forego the requirement of a concrete median within NE 18th Street in return for certain access restrictions to lots abutting NE 18th Street.

(B) Access Restrictions. The following access restrictions shall apply to lots within Phase I of the East Empire Business Park, Lots 1 through 5.

- (i) Lots 1 and 2 shall share access to 18th Street, which access point shall be where Lot 2 abuts NE 18th Street. The shared access will be through a reciprocal easement agreement between the owners of Lots 2 and 3.
- (ii) Lot 3 will share access to 18th Street with either Lot 2 and/or Lot 4. The share access will be through a reciprocal easement agreement.
- (iii) Lot 4 shall have one access to 18th Street directly, or if there is a shared access with Lot 3, then Lot 4 may have two accesses to 18th Street.
- (iv) Lots 5 and 6 shall have one shared access to 18th Street, located at

the approximate intersection of NE Montana Way and NE 18th Street.

(C) The following access restrictions shall apply to all lots within future phases of the East Empire Business Park:

- (i) Lot 7 will have one access to 18th Street directly.
- (ii) Lot 8 will have one access to 18th Street directly.
- (iii) Lot 9 will have one access to 18th Street directly.
- (iv) Lot 11 will have one access to 18th Street directly or shared access with Lot 12 for a total of one access to 18th Street and an additional access to Montana Way.
- (v) Lot 12 will have one access to 18th Street directly or if there is a shared access with Lot 11, then Lot 12 may have two accesses to 18th Street.
- (vi) Lot 13 will have access to 18th Street directly or shared access with Lot 14 for a total of one access to 18th Street and one additional access to Montana Way.
- (vii) Lot 14 will have one access to 18th Street directly or if there is a shared access with Lots 13 or 15, then Lot 14 may have two accesses to 18th Street.
- (viii) Lot 15 will have one access to 18th Street directly, or a shared access with Lot 14, for a total of one access to 18th Street.

(D) The shared access points in Paragraphs (B) and (C) may not be modified or amended without the prior written consent of the City of Bend.

Section 5. Regulation of Operations.

5.1 Permitted Operations and Uses.

(A) Unless otherwise specifically prohibited by Declarant herein, any industrial or commercial operation and use permitted in the applicable City of Bend zoning district will be permitted, provided Declarant consents thereto in writing, if it is performed or carried out entirely within a building that is so designed and constructed that the enclosed

operations and uses do not cause or produce a nuisance to adjacent sites, such as, but not limited, to vibration, sound, electro-mechanical disturbance, radiation, air or water pollution, dust emission of odorous, toxic or non-toxic matter. All lighting is to be shielded and confined within property lines.

(B) An exception to applicable portions of Paragraph 5.1(A) shall be made during periods when a breakdown in equipment occurs in such a manner as to make it evident that the effect was not reasonably preventable.

5.2 Right of Entry: During reasonable hours, and subject to reasonable security requirements, Declarant, or their authorized representative, shall have the right to enter upon and inspect the exterior of any building, site or parcel and the improvements thereon, for the purpose of ascertaining whether or not the provisions of this Declaration have been or are being complied with and neither Declarant nor their authorized representatives, shall deemed to have committed a trespass or other wrongful act by reason of such entry or inspection.

Section 6. Covenant of Maintenance Assessment.

6.1 Creation of the Lien and Personal Obligations of Assessments: The Declarant hereby covenants for East Empire Business Park, each Owner of any Lot by acceptance of a deed or contract of purchase therefore, whether or not it shall be so expressed in any such deed or other conveyance or agreement for conveyance, is deemed to covenant and agrees to pay to Declarant or East Empire Business Park Owner's Committee as the case may be, regular annual, special, or other regular periodic assessments or charges, such assessment to be fixed, established and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be the personal obligation of the person who was the Owner of such property at the time such assessment was levied. The obligation shall remain a lien on the property until paid or foreclosed, but shall not be a personal obligation of successors in title unless expressly assumed by them.

6.2 Nature of Assessments: The assessments levied by the Declarant shall be used exclusively for the improvement and maintenance of the landscaping, irrigation, lighting and signage within the road right-of-ways of East Empire Business Park. After consideration of current maintenance costs and future needs, the Declarant may fix a regular flat assessment upon monthly, quarterly, or annual basis. The regular periodic flat charges must be fixed at a uniform rate for all Lots not exempt and may be collected on a monthly, quarterly, or annual basis in the discretion of the Declarant. Such assessment is to be based on the total acreage of a Lot as compared to total acreage within all Lots and Blocks of East Empire Business Park, excluding dedicated streets. The landscaping and maintenance assessment for the calendar year 2005 shall not exceed \$300.00 per year, per acre, or such fraction thereof per month for the acreage within each Lot. Inflation and increases in material and labor costs in the future are expected to cause

increases in this monthly assessment.

6.3 **Assessment Dates:** All Lots shall be subject to the annual, quarterly, or monthly assessments provided for herein, effective the first day of the month following the month an Owner takes possession of any Lot. The Declarant shall fix the amount of the regular assessment at least thirty (30) days in advance of each assessment period. Written notice of the assessment shall be sent to every Owner subject thereto. The due dates shall be established by the Declarant.

6.4 **Remedies for Nonpayment of Assessments:** Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the lessor rate of 18% per annum or the high-test rate allowed by law per annum. The Declarant shall file in the office of the County Clerk of Deschutes County, State of Oregon, within thirty (30) days after delinquency, a statement of the amount of any such charges assessment, together with interest, which have become delinquent, with respect to any Lot and said property, and upon payment in full thereof, shall execute and file a proper release of the lien securing the same. The aggregate amount of such assessments, together with interest, costs and expenses and a reasonable attorney's fee for the filing and enforcement thereof, shall constitute a lien on the Lot, with respect to which it is fixed from the date the note of delinquency thereof is filed in the office of the County Clerk, until the same has been paid or releases as herein provided. Such lien may be enforced by the Declarant in the manner provided by law with respect to liens upon real property, as provided in ORS Chapter 50. The Owner of said property at the time said assessment is levied shall be personally liable for the expenses, costs and disbursements including reasonable attorney's fees of the Declarant of processing and, if necessary enforcing such liens, all of which expense, costs and disbursements and attorney's fees shall be secured by said lien, including fees on appeal, and such Owner at the time such assessment is levied, shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of his Lot.

6.5 **Subordination of the Lien to Mortgages:** The lien of the assessments provided for herein shall be inferior, junior and subordinate to the lien of any first mortgages and trust deeds now or hereafter placed upon said property or any part thereof. Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot which is subject to any mortgage or trust deed, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to amounts thereof which became due prior to such sale or transfer, and such lien shall attach to the net proceeds of sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. No sale or transfer shall relieve such Lot from liability or any assessments thereafter becoming due or from the lien thereof.

Section 7. East Empire Business Park.

7.1 Declarant's Control: Declarant shall exclusively exercise all architectural, landscaping, signing, and lighting controls as well as those other duties prescribed under this Declaration, including but not limited to assessments, so long as Declarant holds an interest in East Empire Business Park or until Declarant elects to terminate its interest in East Empire Business Park as set forth in Paragraph 7.2 below (whichever occurs first). For purposes of this Declaration, Declarant shall be deemed to hold an interest in East Empire Business Park if either of the following conditions is met:

(A) Declarant holds title to any Lot in East Empire Business Park, or

(B) Declarant elects to exercise architectural, landscaping, signing and lighting controls over any Lot within the East Empire Business Park or elects to exercise any other duties under this Declaration, even though Declarant does not hold title to any Lot within East Empire Business Park.

7.2 Termination of Declarant's Interest: Paragraph 7.1 notwithstanding, Declarant's interest in the East Empire Business Park shall terminate at such time that a certificate of occupancy has been issued by the City of Bend for the use and occupancy of a permanent building, structure or facility on each Lot within East Empire Business Park. In addition, Declarant reserves the right to terminate its interest in East Empire Business Park at any time. At such time that Declarant's interest in East Empire Business Park is terminated (whether voluntarily or involuntarily), Declarant shall cause to be recorded in the Official Records of Deschutes County, Oregon a declaration stating that Declarant no longer holds any interest nor desires to exercise any further controls over development in East Empire Business Park. Copies of such declaration shall be provided to each Owner of a Lot within the East Empire Business Park contemporaneously with recordation of the declaration. Recordation of such declaration shall formally terminate Declarant's interest in the East Empire Business Park and all rights of architectural, landscaping, signing and lighting controls, as well as any other duties of Declarant under this Declaration (except for those duties prescribed by Paragraph 7.4 below).

7.3 Formation of EEBPOC: Upon formal termination of Declarant's interest in East Empire Business Park, Declarant shall form an Oregon non-profit organization called the East Empire Business Park Owner's Committee (EEBPOC). EEBPOC shall be governed by a five-person board of directors. EEBPOC shall succeed to all powers, responsibilities and right of Declarant under this Declaration, except those reserved by Declarant.

7.4 Organization of EEBPOC.

(A) Within 30 days after the commencement date of EEBPOC, the initial board of directors for EEBPOC shall be elected. Persons eligible for the initial EEBPOC board

of directors shall be limited to directors, officers, employees, agents, Owners or partners of any corporation, partnership, joint venture or proprietorship owning any Lot within the East Empire Business Park. Declarant shall solicit from, and then circulate to all Lot Owners, a list of nominees for the initial board of directors' positions within the 30-day EEBPOC organizational period. Declarant shall then conduct an election of the initial board of directors. The five nominees obtaining the five highest vote totals shall constitute the initial board of directors.

(B) The total number of votes entitled to be cast for each EEBPOC director's position shall be based upon the total number of Lots of East Empire Business Park, excluding dedicated streets. Each Lot Owner shall have the right to cast one vote for each Lot owned. The initial board of directors of EEBPOC shall meet within ten (10) days after their election and may at that time adopt any governing documents, including bylaws, guidelines, procedures, or rules and regulations, relating EEBPOC and the East Empire Business Park.

7.5 Failure to Organize: In the event Declarant is unsuccessful in organizing the board of directors of EEBPOC within the 30-day organizational period specified by Paragraph 6.3 above, Declarant shall have no further responsibilities relating to EEBPOC and the EEBPOC board of directors shall be organized exclusively by the Owners of Lots within East Empire Business Park. Such failure of organization of the EEBPOC board of directors shall not affect the existence of EEBP or the effectiveness of the Declaration.

Section 8. Duration and Amendment of this Declaration.

8.1 Duration: The Covenants, Conditions and Restrictions of East Empire Business Park shall continue to remain in full force and effect at all times with respect to all property, and each part thereof, now or hereafter made subject thereto (subject however to the right to amend and repeal as provided for herein) for a period of thirty (30) years from the date this Declaration is recorded. However, unless within one (1) year from the date of said termination, there shall be recorded an instrument directing the termination of this Declaration signed by Owners of not less than two-thirds (2/3) of the property then subject to this Declaration, based on the number of Lots subject to these Restrictions (excluding dedicated streets) this Declaration, as in effect immediately prior to the expiration date, shall be continued automatically without further notice for an additional period of ten (10) years and thereafter for successive periods of ten (10) years unless within one year prior to the expiration of such period the Covenants, Conditions and Restrictions for East Empire Business Park are terminated as set forth above in this Section.

8.2 Amendment: This Declaration or any provisions thereof, or any Covenant, Condition or Restriction contained herein, may be terminated, extended, modified or amended, as to the whole of said property or any part thereof with a written consent of the Owners of two-thirds (2/3) of the property subject to these Restrictions based on the number of Lots owned as compared to the total number of Lots subject to these Restrictions (excluding dedicated streets).

Provided, however, that as long as Declarant owns at least twenty-five percent (25%) of the property subject to these Restrictions, no such termination, extension, modification or amendment shall be effective without the written approval of Declarant. Provided, further, that the provisions of Sections 4 and 5 hereof shall inure to the benefit of and be enforceable solely by Declarant without the consent of any other Owner, person or entity and shall not give any third party and right or cause of action on account of the terms of this Declaration.

8.3 Recordation: Any amendment, deletion or repeal of this Declaration shall not become effective until recorded in the Official Records of Deschutes County, Oregon.

Section 9. Enforcement.

9.1 This Declaration shall be specifically enforceable by Declarant or by any Owner of any Lot in the East Empire Business Park. Any breach of this Declaration, shall subject the breaching party to any and all legal remedies, including damages or the destruction, removal or the enjoining of any offending improvements or condition.

9.2 In the event that legal suit or legal action is instituted for the enforcement of this Declaration or for any remedy for the breach of this Declaration, the prevailing party shall recover that party's reasonable attorney fees incurred in such suit or action (or any appeal therefrom) as adjusted by the trial or appellate court.

9.3 Nonqualifying Improvements and Violation of General Protective Covenants: In the event any Owner constructs or permits to be constructed on such Owner's Lot and improvement contrary to the provisions of this Declaration, or causes or permits any improvement, activity, condition or nuisance contrary to the provisions of this Declaration to remain uncorrected or unabated on such Owner's Lot, then the Declarant may notify the Owner in writing of any such specific violations of this Declaration and may require the Owner to remedy or abate the same in order to bring the Owner's Lot, the improvements thereon, and the Owner's use thereof, into conformance with this Declaration. If the Owner is unable, unwilling or refuses to comply with the Declarant's specific directives for the remedy or abatement, or the Owner and Declarant cannot agree to mutually acceptable solution within the framework and intent of this Declaration, after notice and opportunity to be heard and within sixty (60) days of written notice to the Owner, then the Declarant shall have, in addition to any other rights or remedies provided in this Declaration, at law or in equity, the right to do any or all of the following:

(A) Fines. Impose reasonable fines against such Owner in the manner and amount the Declarant deems appropriate in relation to the violation.

(B) Remove Cause of Violation. Enter onto the offending Lot, without being subject to any trespass, conversion or any other claim for damages, and remove the cause of such

violation or alter, repair or change the item which is in violation of the Declaration in such a manner as to make it conform thereto, in which case the Declarant may assess such Owner for the entire cost of the work done.

(C) Suit or Action. Bring suit or action against the Owner on behalf of the Declarant and other Owners to enforce this Declaration.

(D) Interest, Expenses and Attorneys' Fees. Any amount not paid to the Declarant when due in accordance with this Declaration shall bear interest from the due date until paid at a rate three percentage points per annum above the prevailing Portland, Oregon prime rate at the time, or such other rate as may be established by the Declarant, but not to exceed the lawful rate of interest under the laws of the State of Oregon. A late charge may be charged for each delinquent assessment in an amount established from time to time by resolution of the Declarant, not to exceed thirty percent (30%) of such assessment. In the event the Declarant shall file a notice of lien, the lien amount shall also include the recording fees associated with filing the notice, and a fee for preparing the notice of lien established from time to time by resolution of the Declarant.

9.4 Attorney Fees: In the event the Declarant and/or Owners Committee shall bring any suit or action to enforce this Declaration, or to collect any money due hereunder to foreclose a lien, the Owner-defendant shall pay to the Declarant and/or Owners Committee all costs and expenses incurred by it in connection with such suit or action including a foreclosure title report, and the prevailing party in such suit or action shall recover such amount as the court may determine to be reasonable as attorneys' fees at trial and upon any appeal or petition for review thereof.

Section 10. Effect of Declaration.

The Covenants, Conditions and Restrictions of this Declaration shall run with the land included in East Empire Business Park and shall bind, benefit and burden each Lot in East Empire Business Park, including any additions thereto. The terms of this Declaration shall inure to the benefit and shall bind Declarant, all successors and assigns of Declarant and all Owners of any Lot in East Empire Business Park, their successors, assigns, heirs, administrators, executors, mortgagees, lessees, invitees or any other party claiming or deriving any right, title or interest or use in or to any real property in the East Empire Business Park. The use restrictions and regulations set forth in Section 4 and Section 5 of this Declaration shall be binding upon all Owners, lessees, licensees, occupants and users of the property known as East Empire Business Park and their successors in interest as set forth in this Declaration, including any person who holds such interest as security for the payment of an obligation including any mortgages or other security holder in actual possession of any Lot by foreclosure or otherwise and any other person taking title from such security holder.

DECLARANT:

REED BROS., INC.

By:

Myron F. Reed, PRESIDENT
MYRON F. REED, President

By:

William R. Reed, JR.
WILLIAM R. REED, JR., Secretary

STATE OF OREGON, County of Deschutes: ss.

The foregoing instrument was acknowledged before me this 26 day of August, 2004, by Myron F. Reed and William R. Reed, Jr., who acknowledged that they are the President and Secretary of Reed Bros., Inc. and that they are authorized to execute the foregoing instrument on behalf of the corporation.



Tiana L. Van Landuyt
Notary Public for Oregon
My Commission Expires: 5-21-06

EXHIBIT "A"

All that portion of the land contained in the official plats of EAST EMPIRE BUSINESS PARK, Phases I, II and III, City of Bend, Deschutes County, Oregon.