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Howard M. Feuerstein, Esq.
Stoel Rives LLP
900 SW Fifth Avenue, Suite 2600
Portland, OR 97204

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AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR

THE GROVE AT GRAND OAKS SUMMIT

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AMENDED AND RESTATED
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND
EASEMENTS FOR

THE GROVE AT GRAND OAKS SUMMIT

THIS AMENDED AND RESTATED DECLARATION is made this 11 day of September, 2000, by PAHLISCH NIELSEN HOMES, LLC, an Oregon limited liability company ("Declarant") and THE GROVE AT GRAND OAKS SUMMIT OWNERS ASSOCIATION (the "Association").

RECITALS

A. Declarant has executed and recorded the Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Grove at Grand Oaks Summit, dated May 3, 1999 and recorded May 6, 1999, as Document No. M266536-99 of the Microfilm Records of Benton County, Oregon (the "Original Declaration").

B. Association is the owners association established pursuant to the Original Declaration.

C. In accordance with Section 10.1 of the Original Declaration, Declarant, Association and the Owners wish to amend and restate the Original Declaration as set forth in this Amended and Restated Declaration, which, upon recording, will replace and supersede the Original Declaration. Thereafter, the Association shall be dissolved.

D. By Declaration of Protective Covenants, Conditions, Restrictions and Easements for Grand Oaks Summit dated April 5, 1999 and recorded April 7, 1999, in the Records of Benton County, Oregon, as Document No. M264744-99 (the "Master Declaration"), the lots within the plat of "Grand Oaks Summit No. 1" were subjected to the covenants, conditions, restrictions and easements of the Master Declaration.

E. Declarant has recorded the plat of "Grand Oaks Summit No. 2" and wishes to annex such property to Grand Oaks Summit as Additional Property and designate certain lots and tracts within Grand Oaks Summit No. 2 as the first phase of a Project within Grand Oaks Summit to be known as "The Grove at Grand Oaks Summit" and to subject such lots to certain additional covenants, conditions, restrictions and easements, which shall be in addition to, but not in lieu of, those contained in the Master Declaration.

NOW, THEREFORE, Declarant hereby declares that the property described in Section 2.1 below shall be held, sold and conveyed subject to the following easements, covenants,

conditions and charges, which shall run with such property and shall be binding upon all parties having or acquiring any right, title or interest in such property or any part thereof and shall inure to the benefit of each owner thereof.

ARTICLE 1

DEFINITIONS

As used in this Project Declaration, the terms set forth below shall have the following meanings:

1.1 "**Additional Project Parcel**" means any land which is made subject to this Project Declaration as provided in Section 2.2 below.

1.2 "**Declarant**" means Pahlisch Nielsen Homes, LLC, an Oregon limited liability company, and its successors and assigns if such successor or assignee should acquire Declarant's interest in the remainder of the proposed Project site, or less than all of such property if a recorded instrument executed by Declarant assigns the transferee all of Declarant's rights under this Project Declaration.

1.3 "**Front Yard**" means the area between the plane of the fence line toward any street and includes any public walkway easement and any portion of the street right of way between the curb and the Lot line.

1.4 "**Initial Project Parcel**" means the property referred to in Section 2.1 below.

1.5 "**Lot**" means a numerically designated and platted lot within the Project (including the Unit located on such Lot).

1.6 "**Master Association**" means the Grand Oaks Summit Owners Association established pursuant to Article 8 of the Master Declaration.

1.7 "**Master Common Areas**" means those Lots or tracts designated as such on any plat of the Project or in this Project Declaration or any declaration annexing an Additional Project Parcel to this Project Declaration, which property shall be a "Common Area" as defined in Section 1.5 of the Master Declaration. Master Common Areas shall not include Project Common Areas.

1.8 "**Master Declaration**" means the Declaration of Protective Covenants, Conditions, Restrictions and Easements for Grand Oaks Summit dated April 5, 1999 and recorded April 7, 1999 in the Records of Benton County, Oregon as Document No. M264744-99, as the same may be amended or supplemented from time to time in accordance with the provisions thereof.

1.9 "**Mortgage**" means a mortgage or trust deed; "**mortgagee**" means a mortgagee or beneficiary of a trust deed; and "**mortgagor**" means a mortgagor or a grantor of a trust deed.

1.10 "**Owner**" means the person or persons, including Declarant, owning any Lot in the Project, but does not include a tenant or holder of a leasehold interest or person holding only a security interest in a Lot. The rights, obligations and other status of being an Owner commence upon acquisition of the ownership of the Lot and terminate upon disposition of such ownership, but termination of ownership shall not discharge an Owner from obligations incurred prior to termination.

1.11 "**Project Assessments**" mean all assessments and other charges, fines and fees imposed by the Master Association on an Owner in accordance with this Project Declaration.

1.12 "**Project Common Areas**" means those Lots or tracts designated as such on any plat of the Project or in this Project Declaration or any declaration annexing Additional Project Parcels to the Project, including any improvements thereon. Project Common Areas shall not include Master Common Areas.

1.13 "**Project Rules and Regulations**" means those policies, procedures, rules and regulations adopted by the Master Association pursuant to the authority granted in this Project Declaration, as the same may be amended from time to time.

1.14 "**The Project**" means the Initial Project Parcel and any Additional Project Parcels, as defined in this Project Declaration.

1.15 "**This Project Declaration**" means all of the easements, covenants, restrictions and charges set forth in this Amended and Restated Declaration, together with any Project Rules and Regulations promulgated hereunder, as the same may be amended or supplemented from time to time in accordance with the provisions hereof.

1.16 "**Unit**" means a building or portion of a building located upon a Lot within the Project designated for separate occupancy as a dwelling, including any attached deck or patio.

ARTICLE 2

PROPERTY SUBJECT TO THIS PROJECT DECLARATION

2.1 **Initial Project Parcel.** Declarant hereby declares that all of the real property described below is owned and shall be owned, conveyed, hypothecated, encumbered, used, occupied and improved subject to the Master Declaration and this Project Declaration:

Lots 49 through 125 and Tracts I through N within that certain plat entitled "Grand Oaks Summit No. 2" filed in the Plat Records of Benton County, Oregon, and Lots

1 through 12 of Grand Oaks Park (a replat of Lots 98-104 and 107-117 of Grand Oaks Summit No. 2).

2.2 **Annexation of Additional Project Parcels.** Declarant may from time to time and in its sole discretion annex to the Project as Additional Project Parcels any real property now or hereafter acquired by it, and may also from time to time and in its sole discretion permit other holders of real property to annex the real property owned by them to the Project. The annexation of such real property shall be accomplished as follows:

(a) The owner or owners of such real property shall record a declaration which shall be executed by or bear the approval of Declarant and shall, among other things, describe the real property to be annexed, establish land classifications for the Additional Project Parcel, establish any additional limitations, uses, restrictions, covenants and conditions which are intended to be applicable to such property, and declare that such property is held and shall be held, conveyed, hypothecated, encumbered, used, occupied and improved subject to this Project Declaration.

(b) The property included in any such annexation shall thereby become a part of the Project and this Project Declaration, and the Declarant and the Master Association shall have and shall accept and exercise administration of this Project Declaration with respect to such Additional Project Parcel.

(c) Notwithstanding any provision apparently to the contrary, a declaration with respect to any Additional Project Parcel may:

(i) establish such new land classifications and such limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of the Additional Project Parcel.

(ii) with respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions with respect thereto as Declarant may deem to be appropriate for the development of such Additional Project Parcel.

(d) There is no limitation on the number of Lots or Units which Declarant may create or annex to the Project, except as may be established by applicable ordinances of the Benton County, Oregon. Similarly, there is no limitation on the right of Declarant to annex common property, except as may be established by Benton County, Oregon.

(e) The formula to be used for reallocating the common expenses if additional Lots are annexed and the manner of reapportioning the common expenses if additional Lots are annexed during a fiscal year are set forth in Section 6.7 below.

2.3 **Improvements.** Declarant does not agree to build any additional improvements, but may elect, at its option, to build additional improvements.

ARTICLE 3

LAND CLASSIFICATIONS

3.1 **Designation of Project.** Declarant hereby declares that the development contemplated hereby is a "Project" as defined in Section 1.18 of the Master Declaration, and that this Project Declaration is a "Project Declaration" as defined in Section 1.22 of the Master Declaration.

3.2 **Lots.** Each Lot, as defined in this Project Declaration, shall be a " Lot" as defined in Section 1.14 of the Master Declaration.

3.3 **Master Common Areas.** Tracts K, O and N on the plat of the Initial Project Parcel, plus the Limited Common Areas referred to below, are Master Common Areas; provided, however, that Declarant shall retain ownership of Tract N until such time as the City of Corvallis is ready to accept dedication of such tract for public park purposes. At that time, Declarant will convey Tract N to the City of Corvallis for park purposes and such tract shall cease to be a Master Common Area, except that the Master Association shall retain responsibility for maintenance of the steep sloped areas of the park.

3.4 **Limited Common Areas.** Tracts I, J, L and M on the plat of the Initial Project Parcel shall be Limited Common Areas for the purposes of Section 1.11 of the Master Declaration, which shall pertain to and be and for vehicular access to and from the abutting Lots.

3.5 **Public Areas.** The streets and public alleyways shown on the plat of the Initial Project Parcel shall be Public Areas for purposes of Section 1.24 of the Master Declaration.

3.6 **Common Easement Areas.** There are no Project Common Areas or Common Easement Areas within the Initial Project Parcel.

ARTICLE 4

PROPERTY RIGHTS IN LOTS

4.1 **Use and Occupancy.** The Owner of a Lot in the Project shall be entitled to the exclusive use and benefit of such Lot, except as otherwise expressly provided in this Project Declaration, but the Lot shall be bound by and the Owner shall comply with the restrictions contained in Article 5 below, and all other provisions of this Project Declaration for the mutual benefit of all Owners.

4.2 **Easements Reserved.** In addition to any utility and drainage easements shown on the recorded plats, Declarant hereby reserves the following easements for the benefit of Declarant and the Master Association:

(a) **Right of Entry.** Declarant and any representative of the Master Association authorized by it may at any reasonable time, and from time to time at reasonable intervals, enter upon any Lot for the purpose of performing the maintenance referred to in Section 6.1 below and determining whether or not the use and/or improvements of such Lot are then in compliance with this Project Declaration. No such entry shall be deemed to constitute a trespass or otherwise create any right of action in the Owner of such Lot.

(b) **Encroachments.** Each Lot shall have an easement over all adjoining Lots for the purpose of accommodating any present or future encroachment as a result of engineering errors, construction, reconstruction, repairs, settlement, shifting or movement of any portion of the Project, or any other similar cause, and any encroachment due to building overhang or projection. There shall be valid easements for the maintenance of the encroaching Units so long as the encroachments shall exist, and the rights and obligations of Owners shall not be altered in any way by the encroachment. The encroachments described in this paragraph shall not be construed to be encumbrances affecting the marketability of title to any Lot. Nothing in this section shall relieve an Owner of liability in the case of the Owner's willful misconduct.

(c) **Utilities.** Each Lot shall have an easement under and across all other Lots whose units are joined by a series of common walls, for installation, maintenance and use of power, gas, electric, water and other utility and communication lines and services and for meters measuring such services.

(d) **Irrigation Meters.** In some cases, including Lots 55, 65, 76 and 122, irrigation meters for the Project Common Areas have been attached to the exterior walls of Units and use the power supply of that Unit. In each case the Association shall have an easement for such meter, including access to the meter and the ability to use the Unit's power supply for such purpose. The Owner of the Unit shall not disturb the meter.

4.3 **Party Walls.** Each wall which is built as a part of the original construction of the dwellings within the Property and placed upon the dividing line between Lots shall constitute a "party wall," and the following provisions shall apply:

(a) **General Rules of Law to Apply.** The general rules of the law of the State of Oregon regarding party walls and of liability for property damage due to negligence or willful acts or omissions shall apply to all such party walls, to the extent such rules are not inconsistent with the provisions of this section. Each party to the party wall shall have a perpetual easement in that part of the Lot of the other Lot on which the party wall is located for party wall purposes.

(b) **Maintenance and Repairs.** The Owner of each Lot sharing a party wall shall pay any costs associated with maintaining the interior portions of the party wall on its respective side. All repairs or maintenance necessary to maintain the structural integrity of the party wall shall be shared equally by the Owners using the wall. The decision whether to undertake a particular repair and who shall be responsible with carrying out the repair of the party wall shall be agreed upon by the Owners, or in the case of a dispute over this matter, the question shall be determined by arbitration as provided below.

(c) **Damage to Party Wall.** In the event of damage to or destruction of the party wall from any cause, other than the negligence of either party sharing the wall, then the Owners shall, at their joint expense, repair or rebuild the party wall, and each party, its successors and assigns, shall have the right to the full use of the wall so repaired or rebuilt. If either party's action or negligence causes the damage to or destruction of the wall, such negligent party shall bear the entire cost of repair or reconstruction. In the event of any dispute as to the cause of the damage or the repair or restoration of the party wall, the matter shall be determined by arbitration as provided below.

(d) **Drilling Through Party Wall.** Either party shall have the right to break through the party wall for the purpose of repairing or restoring sewerage, water and other utilities, subject to the obligation to restore the wall, including common foundation wall and/or roof, to its previous structural and cosmetic condition at such party's own expense and the payment to the adjoining Owner of any damages negligently caused thereby.

(e) **Alterations.** Neither party shall alter or change a party wall, including foundation wall and associated roof, in any manner, interior decoration excepted, and the party walls shall always remain in the same location as when first erected.

(f) **Downspouts.** Downspouts, if any, attached to the Unit and placed upon Lot lines shall be maintained at the joint expense of the adjoining Owners. The cleaning, repairing, painting, replacing of such downspouts and catch basins and drains shall be shared equally by the adjoining Owners.

(g) **Arbitration.** In the event of any disputes arising concerning a party wall, or under the provisions of this Section 4.3, the Board of Directors of the Master Association shall act as arbitrators and their decision shall be final.

4.4 **Side Yard Easements.** Each adjoining side yard between two Units shall be subject to a cross easement for maintenance of the Units and to allow the occupant of each of such Units access to the rear yard of their Lot. The cross easement shall be over the first 36 inches from the common property line, thereby creating a six foot wide pathway centered between the Units. Each Owner shall be responsible for maintaining such Owner's portion of the easement area surface and to keep the easement area clear of obstructions which in any manner might hinder

access to their rear yards. Any disputes between Owners relating to such easement area shall be settled by the Master Association.

ARTICLE 5

RESTRICTIONS ON USE

5.1 **Master Declaration.** The Project shall be subject to each of the covenants and restrictions contained in the Master Declaration. The Master Association shall have the power to enforce the covenants and restrictions contained in the Master Declaration to the extent such covenants and restrictions relate to the Project.

5.2 **Windows, Decks, Porches, Patios and Outside Walls.** In order to preserve the attractive appearance of the Project, the Board of Directors of the Master Association may regulate the nature of items which may be placed in or on windows, decks, porches, patios and the outside walls so as to be visible from outside the Lot. Garments, rugs, laundry and other similar items may not be hung from windows, facades, porches, patios or decks.

5.3 **Noise.** Unit occupants shall exercise extreme care not to make noises which may disturb other Unit occupants.

5.4 **Alterations.** Except for original construction installed by Declarant or the original builder, Owners may not change the exterior appearance of any building or other structure on a Lot, including, without limitation, change of siding, color or roofing material, without the written permission of the Board of Directors of the Project Association and without obtaining an approval required by the Master Declaration.

5.5 **Exterior Appearance.** Each Owner shall maintain the exterior appearance of the dwelling located on such Owner's Lot in a neat and attractive condition. If in the opinion of the Board of Directors of the Master Association, any improvement located on the Lot is in a state of disrepair or is otherwise unsightly due to flaking, fading or chipping paint, excessive moss on the roof, or excessively weathered roofing or siding, or rusted or leaking gutters, the Master Association may repair or repaint the same at the Owner's expense in accordance with the provisions of Section 7.1.

5.6 **Landscaping.** All exterior landscape installation and maintenance of Front Yards will be performed by the Master Association. Each Owner shall be responsible for installing and maintaining the landscaping on the remainder of their Lot in a neat and well kept condition.

5.7 **Garage Doors.** All garage doors shall remain closed except to permit entrance and exit therefrom.

5.8 **Insurance.** Each Owner shall keep such Owner's Unit insured against property damage, and promptly restore any casualty damage to the Unit.

5.9 **Project Rules and Regulations.** In addition, the Master Association from time to time may adopt, modify or revoke such Project Rules and Regulations governing the conduct of persons and the operation and use of the Lots as it may deem necessary or appropriate in order to preserve the peaceful and orderly use and enjoyment of the Project. A copy of the Project Rules and Regulations, upon adoption, and a copy of each amendment, modification or revocation thereof, shall be delivered by the Master Association Board of Directors promptly to each Owner and shall be binding upon all Owners and occupants of all Lots upon the date of delivery. The method of adoption of such Project Rules and Regulations shall be as provided in the Bylaws of the Master Association.

ARTICLE 6

MAINTENANCE AND ASSESSMENTS

6.1 **Maintenance of Project Common Area and Front Yards.** The Master Association shall provide for and perform all maintenance upon the Project Common Area, the island within the right of way of S.W. Arbor Grove Drive and all Front Yards. The Master Association shall have the right to enter each Front Yard for the purpose of carrying out such maintenance.

6.2 **Purpose of Assessments.** The Project Assessments levied by the Master Association pursuant to this Declaration shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in the Project and in particular for the improvement and maintenance of properties, services, and facilities devoted to this purpose and related to the use and enjoyment of the Project Common Area and Lots situated upon the Project, including, but not limited to the costs of providing the maintenance required in Section 6.1 above, including the costs of water for irrigation related to such maintenance.

6.3 **Duty of the Board of Directors.** The Board of Directors of the Master Association shall fix the amount of the Project Assessments against each Lot for the purposes set forth above, taking into account the need for reasonable reserves for such purposes. The Board of Directors shall give each Owner written notice of such assessment at least thirty (30) days in advance of the due date of the assessment and shall cause to be prepared a roster of the Lots showing assessments applicable to each Lot. The roster shall be kept in the Master Association office and shall be subject to inspection by any Owner during regular business hours. Upon demand, the Board of Directors shall furnish to any Owner a certificate in writing setting forth whether the Project Assessments on such Owner's Lot have been paid.

6.4 **Amount of Project Assessments.** The annual Project Assessment for purposes of Section 6.2 above shall be assessed equally to each Lot based upon the number of assessment units

assigned to the Lot, except that no assessment shall be levied against any Lot until such time as it is first occupied or sold to a purchaser other than a successor Declarant. Each Lot will be assigned one assessment unit, except that Lots 1 through 12 of Grand Oaks Park and any other Lots so designated in the declaration annexing such Lots to this Project Declaration, shall be assigned 1.5 assessment units.

6.5 **Special Assessments.** In addition to the assessments authorized by Section 6.4 above, the Master Association may levy in any assessment year a special Project Assessment, applicable to that year only, for the purpose of defraying all or part of the cost of any construction or reconstruction, unexpected repair, or replacement of a described capital improvement upon the Project Common Area, or for any other one-time expenditure not to be paid for out of regular annual Project Assessments. No such assessment may be levied without the vote or written consent of the Owners of seventy-five percent (75%) of the Lots within the Project and the consent of the Class B member of the Master Association, if any. The special Project Assessment shall be assessed among the Lots as provided in Section 6.4.

6.6 **Creation of Lien and Personal Obligation of Assessments.** Declarant, for each Lot owned by it within the Project, does hereby covenant, and each Owner of any 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 Master Association all assessments or other charges as may be fixed, established and collected from time to time in the manner provided in this Project Declaration. Such assessments and charges, together with any interest, expenses or attorneys' fees imposed pursuant to Section 7.5, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such 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 Article 7 below.

6.7 **Annexation of Additional Project Parcels.** When Additional Project Parcels are annexed to the Project, the Lots included therein shall become subject to Project Assessments from the date of such annexation. Lots owned by Declarant shall not be subject to such Project Assessments until occupied for residential use. All other Lots shall pay such Project Assessments in the amount then being paid by other Lots. The Board of Directors of the Master Association, however, at its option may elect to recompute the budget based upon the additional Lots subject to assessment and recompute annual Project Assessments for all Lots, including the new Lots, for the balance of the fiscal year.

ARTICLE 7

ENFORCEMENT

7.1 **Violation of Protective Covenants.** In the event any Owner violates any of the protective covenants contained in this Project Declaration or the Project Rules and Regulations,

then the Master Association acting through its Board of Directors shall notify the Owner in writing of any such specific violations and shall require the Owner to remedy or abate the same. If the Owner is unable, unwilling or refuses to comply with the Master Association's specific directives for remedy or abatement, or the Owner and the Master Association cannot agree to a mutually acceptable solution within the framework and intent of this Project Declaration, after notice and opportunity to be heard and within fifteen (15) days of written notice to the Owner, then the Master Association acting through its Board of Directors, shall have the right to do any or all of the following:

(a) Assess reasonable fines against such Owner in the manner and amount the Board deems appropriate in relation to the violation, which finds shall constitute Project Assessments for purposes of this Project Declaration;

(b) Enter the offending Lot and remove the cause of such violation, or alter, repair or change the item which is in violation of this Project Declaration in such a manner as to make it conform thereto, in which case the Master Association may assess such Owner for the entire cost of the work done, provided that no items of construction shall be altered or demolished in the absence of judicial proceedings, or

(c) Bring suit or action against the Owner on behalf of the Master Association and other Owners to enforce this Project Declaration.

7.2 Default in Payment of Project Assessments; Enforcement of Lien. If a Project Assessment or other charge levied under this Project Declaration is not paid within thirty (30) days of its due date, such Project Assessment or charge shall become delinquent and shall bear interest from the due date at the rate set forth below. In such event the Master Association may exercise any or all of the following remedies:

(a) The Master Association may suspend such Owner's voting rights until such amounts, plus other charges under this Project Declaration, are paid in full and may declare all remaining periodic installments of any annual Project Assessment immediately due and payable. In no event, however, shall the Master Association deprive any Owner of access to and from his Lot.

(b) The Master Association shall have a lien against each Lot for any Project Assessment levied against the Lot, including any fines or other charges imposed under this Project Declaration or the Bylaws against the Owner of the Lot from the date on which the Project Assessment is due. The provisions regarding the attachment, notice, recordation and duration of liens established on real property under ORS 94.704 to 94.716 (or any successor thereto) shall apply to the Master Association's lien. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens under ORS Chapter 88. The Master Association, through its duly authorized agents, may bid on the Lot at such foreclosure sale, and may acquire and hold, lease, mortgage and convey the Lot.

(c) The Master Association may bring an action to recover a money judgment for unpaid Project Assessments under this Project Declaration without foreclosing or waiving the lien described in paragraph (b) above. Recovery on any such action, however, shall operate to satisfy the lien, or the portion thereof, for which recovery is made.

(d) The Master Association shall have any other remedy available to it by law or in equity.

7.3 **Notification of First Mortgagee.** The Board of Directors shall notify any first mortgagee of any individual Lot of any default in performance of this Project Declaration by the Lot Owner which is not cured within sixty (60) days.

7.4 **Subordination of Lien to Mortgages.** The lien of the Project Assessments or charges provided for in this Project Declaration shall be subordinate to the lien of any mortgage or deed of trust on such Lot which was made in good faith and for value and which was recorded prior to the recordation of the notice of lien. Sale or transfer of any Lot shall not affect the Project Assessment lien, but the sale or transfer of any Lot which is subject to any mortgage or deed of trust pursuant to a decree of foreclosure thereunder or any deed or proceeding, deed or assignment in lieu of foreclosure shall extinguish any lien of a Project Assessment notice of which was recorded after the recording of the mortgage or trust deed. Such sale or transfer, however, shall not release the Lot from liability for any Project Assessments or charges thereafter becoming due or from the lien of such Project Assessments or charges.

7.5 **Interest, Expenses and Attorneys' Fees.** Any amount not paid to the Master Association when due in accordance with this Project Declaration shall bear interest from the due date until paid at a rate three (3) percentage points per annum above the prevailing Portland, Oregon prime rate at the time, or such other rate as may be established by the Board of Directors, 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 Project Assessment in an amount established from time to time by resolution of the Board of Directors of the Master Association not to exceed thirty percent (30%) of such Project Assessment. In the event the Master Association 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 Board of Directors of the Master Association. In the event the Master Association shall bring any suit or action to enforce this Project Declaration, or to collect any money due hereunder or to foreclose a lien, the Owner-defendant shall pay to the Master Association 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.

7.6 **Nonexclusiveness and Accumulation of Remedies.** An election by the Master Association to pursue any remedy provided for violation of this Project Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted hereunder. The remedies

provided in this Project Declaration are not exclusive but shall be in addition to all other remedies, including actions for damages and suits for injunctions and specific performance, available under applicable law to the Master Association. In addition, any aggrieved Owner may bring an action against another Owner or the Master Association to recover damages or to enjoin, abate or remedy any violation of this Project Declaration by appropriate legal proceedings.

7.7 **Enforcement by City of Corvallis.** The provisions of this Declaration relating to preservation and maintenance of Project Common Areas shall be deemed to be for the benefit of the City of Corvallis as well as the Master Association and Owners of Lots, and the City may enforce such provisions by appropriate proceedings at law or in equity, or may cause such maintenance to be performed, the costs of which shall become a lien upon the Project.

ARTICLE 8

MORTGAGEES

8.1 **Reimbursement of First Mortgagees.** First mortgagees of Lots may, jointly or singly, pay taxes or other charges which are in default and which may or have become a charge against any Lot and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for any Lot. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Master Association to the extent the same was the responsibility of the Master Association.

8.2 **Right of First Mortgagees Relating to Maintenance.** At any time that the Units are not maintained or repaired by the Master Association to the extent reasonably necessary to protect and preserve the value of the Project for security purposes, then the record mortgagee, upon giving written notice as hereinafter provided, shall be entitled to exercise the rights of the Owner of the Lot as a member of the Master Association to vote at all regular and special meetings of the members of the Master Association for a period of one year following the date of such notice. During this one-year period, the Master Association shall give notice of all regular and special meetings to both the Owner and the mortgagee, and the Owner may attend such meetings as an observer. Notice from the mortgagee under this section shall quote this Section 8.2 and shall be sent postage prepaid by certified United States mail, return receipt requested, to the Owner with a copy by regular mail to the Master Association at the last known address of each.

ARTICLE 9

MISCELLANEOUS PROVISIONS

9.1 **Amendment and Repeal.** This Project Declaration, or any provision thereof, as from time to time in effect with respect to all or any part of the Project, may be amended or repealed by the vote or written consent of Owners owning not less than seventy-five percent

(75%) of the Lots within the Project, together with the written consent of the Class B member of the Master Association, if such membership has not been terminated as provided herein. Any such amendment or repeal shall become effective only upon recordation in the Deed Records of Benton County, Oregon, of a certificate of the president or secretary of the Master Association setting forth in full the amendment, amendments or repeal so approved and certifying that said amendment, amendments or repeal have been approved in the manner required by this Project Declaration. In no event shall an amendment under this section create, limit or diminish special Declarant rights without Declarant's written consent, or change the boundaries of any Lot or any uses to which any Lot is restricted unless the Owners of the affected Lots unanimously consent to the amendment.

9.2 **Regulatory Amendments.** Notwithstanding the provisions of Section 9.1 above, until termination of the Class B membership of the Master Association Declarant shall have the right to amend this Project Declaration in order to comply with the requirements of any applicable statute, ordinance or regulation of the Federal Housing Administration, the Veterans Administration, the Farmers Home Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Loan Mortgage Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon which insures, guarantees or provides financing for a planned community or lots in a planned community.

9.3 **Duration.** This Project Declaration shall run with the land and shall be and remain in full force and effect at all times with respect to all property included within the Project and the Owners thereof for an initial period of thirty (30) years commencing with the date on which this document is recorded. Thereafter, this Project Declaration shall continue to run with the land and be and remain in full force and effect at all times with respect to all property within the Project and the Owners thereof for successive additional periods of ten (10) years each. The continuation from the initial or any additional period into the next subsequent period shall be automatic and without the necessity of any notice, consent or other action whatsoever; provided, however, that this Project Declaration may be terminated at the end of the initial or any additional period by resolution approved not less than six (6) months prior to the intended termination date by the vote or written consent of Owners owning not less than seventy-five percent (75%) of the Lots within the Master Association. Any such termination shall become effective only if a certificate of the president or secretary of the Master Association, certifying that termination as of a specified termination date has been approved in the manner required herein, is duly acknowledged and recorded in the Deed Records of Benton County, Oregon, not less than six (6) months prior to the intended termination date. Such termination shall not have the effect of denying any Owner of access to his Lot unless such Owner and any mortgagee of such Lot have consented in writing to the termination.

9.4 **Joint Owners.** In any case in which two or more persons share the ownership of any Lot, regardless of the form of ownership, the responsibility of such persons to comply with

this Project Declaration shall be a joint and several responsibility and the act or consent of any one or more of such persons shall constitute the act or consent of the entire ownership interest; provided, however, that in the event such persons disagree among themselves as to the manner in which any vote or right of consent held by them shall be exercised with respect to a pending matter, any such person may deliver written notice of such disagreement to the Master Association, and the vote or right of consent involved shall then be disregarded completely in determining the proportion of votes or consents given with respect to such matter.

9.5 **Lessees and Other Invitees.** Lessees, invitees, contractors, family members and other persons entering the Project under rights derived from an Owner shall comply with all of the provisions of this Project Declaration restricting or regulating the Owner's use, improvement or enjoyment of his Lot and other areas within the Project. The Owner shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same extent as if the failure had been committed by the Owner himself.

9.6 **Enforcement.** The Master Association, or any Owner or the owner of any recorded mortgage on any part of the Project, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provisions of this Project Declaration. Failure by the Master Association or by any Owner to enforce any covenant or restriction contained in this Project Declaration shall in no event be deemed a waiver of the right to do so thereafter.

9.7 **Construction; Severability; Number; Captions.** This Project Declaration shall be liberally construed as an entire document to accomplish the purposes thereof as stated in the introductory paragraphs hereof. Nevertheless, each provision of this Project Declaration shall be deemed independent and severable, and the invalidity or partial invalidity of any provision shall not affect the validity or enforceability of the remaining part of that or any other provision.

As used herein, the singular shall include the plural and the plural the singular, and the masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of this Project Declaration.

9.8 **Notices and Other Documents.** Any notice or other document permitted or required by this Project Declaration may be delivered either personally or by mail. Delivery by mail shall be deemed made twenty-four (24) hours after having been deposited in the United States mail as certified or registered mail, with postage prepaid, addressed as follows: If to Declarant or the Master Association, 12540 SW 68th Parkway, Suite B, Tigard, Oregon 97223; if to an

Owner, at the address given by him at the time of his purchase of a Lot, or at his Lot. The address of a party may be changed by him at any time by notice in writing delivered as provided herein.

IN WITNESS WHEREOF, Declarant has executed this Project Declaration as of the day and year first set forth above.

PAHLISCH NIELSEN HOMES, LLC, an Oregon limited liability company

By *D. F. Pahlisch*
Dennis Pahlisch, Manager/Member

By *Mark A. Nielsen*
Mark A. Nielsen, Manager/Member

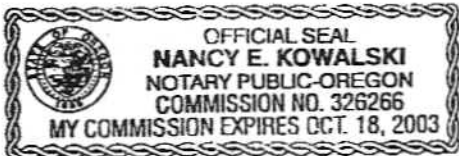
By *Kevin Wiesebold*
Kevin Wiesebold, Manager/Member

THE GROVE AT GRAND OAKS SUMMIT OWNERS ASSOCIATION

By *Scott Houck*
Scott Houck, President

STATE OF OREGON)
)ss.
County of WASHINGTON)

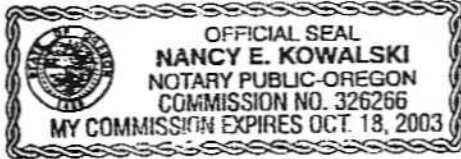
The foregoing instrument was acknowledged before this 11 day of September, 2000, by Dennis Pahlisch, Manager/Member of Pahlisch Nielsen Homes, LLC, an Oregon limited liability company, on its behalf.



Nancy E. Kowalski
Notary Public for Oregon
My commission expires: 10-18-2003

STATE OF OREGON)
)ss.
County of WASHINGTON)

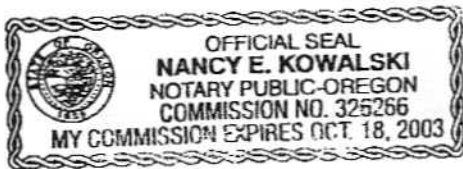
The foregoing instrument was acknowledged before this 11 day of September, 2000, by Mark A. Nielsen, Manager/Member of Pahlisch Nielsen Homes, LLC, an Oregon limited liability company, on its behalf.



Nancy E Kowalski
Notary Public for OREGON
My commission expires: 10-18-2003

STATE OF OREGON)
)ss.
County of WASHINGTON)

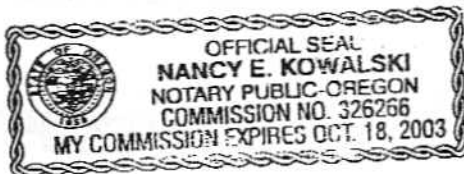
The foregoing instrument was acknowledged before this 11 day of September, 2000, by Kevin Wiebold, Manager/Member of Pahlisch Nielsen Homes, LLC, an Oregon limited liability company, on its behalf.



Nancy E Kowalski
Notary Public for Oregon
My commission expires: 10-18-2003

STATE OF OREGON)
)ss.
County of WASHINGTON)

The foregoing instrument was acknowledged before this 11 day of September, 2000, by Scott Houck, President of The Grove at Grand Oaks Summit Owners Association, on its behalf.



Nancy E Kowalski
Notary Public for OREGON
My commission expires: 10-18-2003

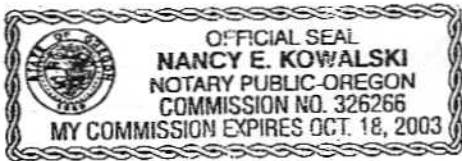
CERTIFICATION

The undersigned President of the Grove at Grand Oaks Summit Owners Association hereby certifies that the within Amended and Restated Declaration of Protective Covenants, Conditions, Restrictions and Easements for The Grove at Grand Oaks Summit has been approved and adopted in accordance with such declaration and applicable law.

Scott Houck
Scott Houck, President

STATE OF OREGON)
County of WASHINGTON) ss.

The foregoing instrument was acknowledged before this 11 day of September, 2000, by Scott Houck, President of The Grove at Grand Oaks Summit Owners Association, on its behalf.



Nancy E. Kowalski
Notary Public for OREGON
My commission expires: 10-18-2003

284635
STATE OF OREGON } ss.
County of Benton

I hereby certify that the within instrument was received for record

PM 3:05 '00SEP14

AND ASSIGNED **M288684** 2000

In the microfilm records of said county

Witness My Hand and Seal of County Of
JOHN K. ANDERSON
County Administrative Officer

By [Signature] Deputy
13/ 20 15 21