

(j) Implied Rights and Obligations. The Association may exercise any other right or privilege reasonably to be implied from the existence of any right or privilege expressly given to the Association under this Declaration or reasonably necessary to effectuate any such right or privilege.

8.6 Liability. A member of the Board of Directors or an officer of the Association shall not be liable to the Association or any member thereof for any damage, loss or prejudice suffered or claimed on account of any action or failure to act in the performance of his duties, except for acts of gross negligence or intentional acts. In the event any member of the Board of Directors or any officer of the Association is made a party to any proceeding because the individual is or was a director or officer of the Association, the Association shall indemnify such individual against liability and expenses incurred to the maximum extent permitted by law.

8.7 Interim Board; Turnover Meeting. Declarant shall have the right to appoint an interim board of three directors, who shall serve as the Board of Directors of the Association until replaced by Declarant or until their successors take office at the next annual meeting following termination of Class B membership. At such meeting the interim directors shall resign and be replaced by their successors, who shall be designated as provided in this Declaration and the Bylaws of the Association. Declarant shall call a meeting of the Association for the purpose of turning over administrative responsibility for the Property to the Association not later than one hundred twenty (120) days after termination of the Class B membership in accordance with Section 8.3 above. At the turnover meeting the interim directors shall resign and their successors shall be elected by the Owners as provided in this Declaration and in the Bylaws of the Association. If Declarant fails to call the turnover meeting required by this section, any Owner or mortgagee of a Lot may call the meeting by giving notice as provided in the Bylaws.

8.8 Contracts Entered into by Declarant or Prior to Turnover Meeting. Notwithstanding any other provision of this Declaration, any management contracts, service contracts or employment contracts entered into by the Declarant or the Board of Directors on behalf of the Association prior to the turnover meeting described in Section 8.7 above shall have a term of not in excess of three (3) years. In addition, any such lease or contract shall provide that it may be terminated without cause or penalty by the Association or Board of Directors upon not less than thirty (30) days' notice to the other party given not later than sixty (60) days after the turnover meeting described in Section 8.7 above.

8.9 Project Associations. Nothing in this Declaration shall be construed as prohibiting the formation of Project Associations within Grand Oaks Summit. The Board of Directors of the Association shall assist the Project Associations in the performance of their duties and obligations under their respective Project Declarations, if any, and the Association shall cooperate with each Project Association so that each of those entities can most efficiently and economically provide their respective services to Owners. It is contemplated that from time to time either the Association or a Project Association may use the services of the other in the furtherance of their respective obligations, and they may contract with each other to better provide for such

cooperation. The payment for such contract services or a variance in services provided may be reflected in an increased Assessment by the Association for the particular Project or by an item in the Project Association's budget which shall be collected through Project Assessments and remitted to the Association. If a Project Association fails or is unable to perform a duty or obligation required by its Project Declaration, then the Association at its option may, after reasonable notice and an opportunity to cure given to the Project Association, perform such duties or obligations until such time as the Project Association is able to resume such functions, and the Association may charge the Project Association or the Owners within the Project a reasonable fee for the performance of such functions.

ARTICLE 9

MAINTENANCE, UTILITIES AND SERVICES

9.1 Maintenance and Lighting of Common Areas. The Association shall provide exterior lighting for and perform all maintenance upon the Common Areas, Common Easement Areas, and Association Limited Common Areas, along with the entrance islands within the right of way of SW Grand Oaks Drive, including but not limited to landscaping, irrigation, walks, private roads, entrance gates, fences, walls, and signs, parking areas, walkways and trails, unless the maintenance thereof is assumed by a public body. The Association shall also maintain and irrigate the area of the street right-of-way between the curb and the sidewalk and between each alley and the bordering fence. Such areas shall be maintained in an attractive condition and in a good and workmanlike manner such as to carry out the purpose for which such areas are intended. For a period of at least three years following recording of this Declaration or any applicable Supplemental Declaration annexing Additional Property, the Association shall irrigate and maintain the City required landscaping in common areas so as to achieve a minimum 90 percent ground coverage as required by the conditions of approval of the City of Corvallis, Order No. 98-92.

9.2 Maintenance of Utilities. The Association shall perform or contract to perform maintenance of all private utilities within Common Areas, such as sanitary sewer service lines, domestic water service lines and storm drainage lines, except to the extent such maintenance is performed by the utilities furnishing such services. The Association shall not be liable for any interruption or failure of such services. Each Owner shall be responsible for maintaining utility lines within his Lot.

9.3 Security. The Association may, but shall not be obligated to, maintain or support certain activities within the Property designed to make the Property safer than it otherwise might be. Neither the Association, Declarant, nor any successor Declarant shall in any way be considered insurers or guarantors of security within the Property, nor shall any of them be held liable for any loss or damage by reason of failure to provide adequate security or of ineffectiveness of security measures undertaken. No representation or warranty is made that any fire protection system, burglar alarm system or other security system cannot be

compromised or circumvented, nor that any such systems or security measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands and covenants to inform its tenants that the Association, its board of directors and committees, Declarant, and any successor Declarant are not insurers and that each person using the Property assumes all risks for loss or damage to persons, to property and to the contents of Lots resulting from acts of third parties and releases such parties from any liability therefor.

9.4 Services. The Association shall provide or contract for such services as the Board may reasonably deem to be of benefit to the Property, including, without limitation, landscape services, garbage and trash removal for Common Areas and security services.

9.5 Project Maintenance. The Association may at its option, in the discretion of the Board of Directors, assume the maintenance responsibilities set out in any Project Declaration for any Project located on the Property, after giving the responsible Project Owner or Association reasonable notice and an opportunity to correct its deficient maintenance. In such event, all costs of such maintenance shall be assessed only against the Owner or Owners of Lots in the Project to which the services are provided and shall be Individual Assessments for purposes of this Declaration. The assumption of this responsibility may take place either by contract or because, in the opinion of the Association Board of Directors, the level and quality of service then being provided is not consistent with the community-wide standard of Grand Oaks Summit.

9.6 Owner's Responsibility. Except as otherwise provided in this Declaration, applicable Project Declarations, or by written agreement with the Association, all maintenance of the Lots and Improvements thereon as provided in Section 6.5 above shall be the sole responsibility of the Owner thereof, who shall maintain such Lot in a neat and attractive condition in accordance with the community-wide standard of Grand Oaks Summit. During the first three years following recording of this Declaration or any applicable Supplemental Declaration, an Owner shall be required to replace any tree located on his Lot as part of the City required tree mitigation plan in the event such tree dies or is destroyed. The replacement tree shall be of an equivalent size and species. The Association shall, in the discretion of the Board of Directors, assume the maintenance responsibilities of such Owner if, in the opinion of the Board of Directors, the level and quality of maintenance being provided by such Owner does not satisfy such standard, and the Project Association or the Project in which the Lot is located has failed to adequately provide such maintenance. Before assuming the maintenance responsibilities, the Board of Directors shall notify the Owner and any applicable Project Association in writing of its intention to do so, and if such Owner or the Project Association has not commenced and diligently pursued remedial action within twenty (20) days after mailing of such written notice, then the Association shall proceed. The expenses of such maintenance by the Association shall be reimbursed to the Association by the Owner, together with interest as provided in Section 11.6 below. Such charges shall be an Individual Assessment and lien on the Lot as provided in Sections 10.8 and 11.3 below.

ARTICLE 10

ASSESSMENTS

10.1 Purpose of Assessments. The Assessments levied by the Association shall be used exclusively to promote the recreation, health, safety, and welfare of the Owners and occupants of Grand Oaks Summit and for the improvement, operation and maintenance of the Common Areas.

10.2 Types of Assessments. The Association may levy Annual Assessments, Special Assessments, Emergency Assessments, Limited Common Area Assessments and Individual Assessments, all as more particularly described below.

10.3 Apportionment of Assessments. Lots owned by Declarant shall not be subject to Assessments until such time as the Lot is occupied for residential use, subject to accrual of reserves as described in Section 10.11 below, or such later date as they are conveyed by Declarant. All other Lots shall pay an equal share of the Annual Assessments, Special Assessments and Emergency Assessments. Notwithstanding the provisions of this section, however, a supplemental declaration annexing a specific Common Area facility may specify a special allocation of assessing the costs of operating and maintaining the facility on such Common Area in order to more fairly allocate such cost, taking into account the extent of use or other factors.

10.4 Annual Assessments. The Board of Directors of the Association shall from time to time and at least annually prepare an operating budget for the Association, taking into account the current costs of maintenance and services and future needs of the Association, any previous overassessment and any common profits of the Association. The budget shall take into account the numbers of Lots subject to assessment as of the first day of the fiscal year for which the budget is prepared and the number of Lots reasonably anticipated to become subject to assessment during the fiscal year. The budget shall provide for such reserve or contingency funds as the Board deems necessary or as may be required by law, but not less than the reserves required by Section 10.11 below. Annual Assessments for such operating expenses and reserves ("Annual Assessments") shall then be apportioned among the Lots as provided in Section 10.3 above. The method of adoption of the budget and the manner of billing and collection of Assessments shall be as provided in the Bylaws.

10.5 Special Assessments. In addition to the Annual Assessment authorized above, the Board of Directors may levy during any fiscal year a Special Assessment ("Special Assessment"), applicable to that year only, for the purpose of deferring all or any part of the cost of any construction or reconstruction, unexpected repair, or acquisition or replacement of a described capital improvement, or for any other one-time expenditure not to be paid for out of Annual Assessments. Special Assessments which in the aggregate in any fiscal year exceed an amount equal to fifteen percent (15%) of the budgeted gross expenses of the Association for the fiscal year may be levied only if approved by a majority of the voting rights voting on such matter, together

with the written consent of the Class B member, if any. Special Assessments shall be apportioned as provided in Section 10.3 above and may be payable in lump sum or in installments, with or without interest or discount, as determined by the Board of Directors.

10.6 Emergency Assessments. If the Annual Assessments levied at any time are, or will become, inadequate to meet all expenses incurred under this Declaration for any reason, including nonpayment of any Owner's Assessments on a current basis, the Board of Directors of the Association shall immediately determine the approximate amount of such inadequacy and issue a supplemental budget, noting the reason therefor, and levy an Emergency Assessment for the amount required to meet all such expenses on a current basis ("Emergency Assessment"). Any Emergency Assessment which in the aggregate in any fiscal year would exceed an amount equal to five percent (5%) of the budgeted gross expenses of the Association for the fiscal year may be levied only if approved by not less than a majority of the voting rights voting on such matter, together with the written consent of the Class B member, if any. Emergency Assessments shall be apportioned as set forth in Section 10.3 above and payable as determined by the Board of Directors.

10.7 Limited Common Area Assessments. Annual Assessments, Special Assessments and Emergency Assessments relating to maintenance, upkeep, repair, replacement or improvements to Limited Common Areas ("Limited Common Area Assessments") shall be assessed exclusively to the Lots having the right to use such Association Limited Common Areas.

10.8 Individual Assessments. Any common expense or any part of a common expense benefitting fewer than all of the Lots may be assessed exclusively against the Lots benefitted ("Individual Assessment"). Individual Assessments include, without limitation, charges for services provided under Sections 8.5(i), 8.9, 9.5 and 9.6. Individual Assessments shall also include default assessments levied against any Lot to reimburse the Association for costs incurred in bringing such Lot or its Owner into compliance with the provisions of this Declaration or the Rules and Regulations of the Association and for fines or other charges imposed pursuant to this Declaration for violation thereof. Unless otherwise provided by the Board of Directors, Individual Assessments shall be due 30 days after the Board of Directors has given written notice thereof to the Owners subject to the Individual Assessments.

10.9 Annexation of Additional Property. When Additional Properties are annexed to Grand Oaks Summit, the Lots included therein shall become subject to Assessments from the date of such annexation to the extent provided in Section 10.3. The Board of Directors of the Association, however, at its option may elect to recompute the budget based upon the additional Lots subject to assessment and additional Common Areas and recompute Annual Assessments for all Lots, including the new Lots, for the balance of the fiscal year. Notwithstanding any provision of this Declaration apparently to the contrary, a declaration annexing Additional Property may provide that such Additional Property does not have the right to use a particular Common Area or facility located thereon, in which case such Additional Property shall not be assessed for the costs of operating, maintaining, repairing, replacing or improving such Common Area or facility.

10.10 Operations Fund. The Association shall keep all funds received by it as Assessments, other than reserves described in Section 10.11, separate and apart from its other funds, in an account to be known as the "Operations Fund." The Association shall use such fund exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents within the Property 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 Common Areas and of the Lots situated upon the Property, including but not limited to:

- (a) Payment of the cost of maintenance, utilities and services as described in Article 9.
- (b) Payment of the cost of insurance as described in the Bylaws of the Association.
- (c) Payment of taxes assessed against the Common Areas and any improvements thereon.
- (d) Payment of the cost of other services which the Association deems to be of general benefit to the Owners, including but not limited to accounting, legal and secretarial services.

10.11 Reserve Fund. The Declarant shall establish a reserve fund for replacement of those items to be maintained by the Association all or a part of which will normally require replacement in more than three (3) and less than thirty (30) years ("Reserve Fund"). Such Reserve Fund shall be funded by Assessments against the individual Lots assessed for maintenance of the items for which the Reserve Fund is being established. The Assessments under this section begin accruing against each Lot from the date the first Lot in the Property is conveyed. The Declarant may defer payment of the accrued Assessments for a Lot until the Lot is conveyed. The amount assessed shall take into account the estimated remaining life of the items for which the reserve is created and the current replacement cost of such items. The Reserve Fund shall be established in the name of the Association and shall be adjusted at regular intervals to recognize changes in current replacement costs over time. The Reserve Fund shall be used only for replacement of common property as determined by the Board of Directors and shall be kept separate from the Operations Fund. After the turnover meeting described in Section 8.7, however, the Board of Directors may borrow funds from the Reserve Fund to meet high seasonal demands on the regular operating funds or to meet other temporary expenses which will later be paid from Annual Assessments, Special Assessments, Emergency Assessments or Limited Common Area Assessments. Nothing in this section shall prohibit prudent investment of the reserve account. Following the second year after the turnover meeting, future Assessments for the Reserve Fund may be reduced, eliminated or decreased by an affirmative vote of not less than seventy-five percent (75%) of the voting power of the Association. Assessments paid into the Reserve Fund are the property of the Association and are not refundable to sellers or Owners of Lots. Sellers

of the Lots, however, may treat their outstanding share of the Reserve Fund as a separate item in any sales agreement.

10.12 Creation of Lien and Personal Obligation of Assessments. Declarant, for each Lot owned by it within the Property, 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 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 Association Bylaws. Such assessments and charges, together with any interest, expenses or attorneys' fees imposed pursuant to Section 11.6, 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 11 below.

ARTICLE 11

ENFORCEMENT

11.1 Use of Common Areas. In the event any Owner shall violate any provision of this Declaration, the Bylaws of the Association or other rules adopted by the Association governing the use of Common Areas, then the Association, acting through its Board of Directors, shall notify the Owner in writing that the violations exist and that he is responsible for them, and may, after reasonable notice and opportunity to be heard, do any or all of the following: (a) suspend his voting rights and right to use the Common Areas for the period that the violations remain unabated, or for any period not to exceed sixty (60) days for any infraction of its rules and regulations, (b) impose reasonable fines upon the Owner, in the manner and amount the Board deems appropriate in relation to the violation, which fines shall be paid into the Operations Fund, or (c) bring suit or action against such Owner to enforce this Declaration. Nothing in this section, however, shall give the Association the right to deprive any Owner of access to and from his Lot.

11.2 Nonqualifying Improvements and Violation of General Protective Covenants. In the event any Owner constructs or permits to be constructed on his Lot an 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, then the Association acting through its Board of Directors shall notify the Owner in writing of any such specific violations of this Declaration and shall require the Owner to remedy or abate the same in order to bring his Lot, the Improvements thereon and his use thereof, into conformance with this Declaration. If the Owner is unable, unwilling or refuses to comply with the Association's specific directives for remedy or abatement, or the Owner and the Association cannot agree to a mutually acceptable solution within the framework and intent of this Declaration, after notice and opportunity to be heard and within fifteen (15) days of written notice to the

Owner, then the 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 fines shall constitute Individual Assessments for purposes of this 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 Declaration in such a manner as to make it conform thereto, in which case the Association may assess such Owner for the entire cost of the work done, which amount shall be payable to the Operations Fund as an Individual Assessment, 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 Association and other Owners to enforce this Declaration.

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

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

(b) The Association shall have a lien against each Lot for any Assessment levied against the Lot and any fines or other charges imposed under this Declaration or the Bylaws against the Owner of the Lot from the date on which the Assessment, fine or charge is due. The provisions regarding the attachment, notice, recordation and duration of liens established on real property under ORS 94.704 to 94.716, as the same may be amended, shall apply to the Association's lien. The lien shall be foreclosed in accordance with the provisions regarding the foreclosure of liens under ORS Chapter 88. The 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 Association may bring an action to recover a money judgment for unpaid Assessments, fines and charges under this 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 Association shall have any other remedy available to it by law or in equity.

11.4 Reports to First Mortgagees. In response to a written request of any first mortgagee of a Lot, the Association shall report to such mortgagee whether such Lot is current or past due with respect to Assessments.

11.5 Subordination of Lien to Mortgages. The lien of the Assessments or charges provided for in this 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 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 an 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 Assessments or charges thereafter becoming due or from the lien of such Assessments or charges.

11.6 Interest, Expenses and Attorneys' Fees. Any amount not paid to the Association 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 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 Assessment in an amount established from time to time by resolution of the Board of Directors of the Association not to exceed thirty percent (30%) of such Assessment. In the event the 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 Association. In the event the Association shall bring any suit or action to enforce this Declaration, or to collect any money due hereunder or to foreclose a lien, the Owner-defendant shall pay to the 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 or in connection with any bankruptcy proceedings or special bankruptcy remedies.

11.7 Nonexclusiveness and Accumulation of Remedies. An election by the Association to pursue any remedy provided for violation of this Declaration shall not prevent concurrent or subsequent exercise of another remedy permitted under this Declaration. The remedies provided in this 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 Association. In addition, any aggrieved Owner may bring an action against another Owner or the Association to recover damages or to enjoin, abate or remedy any violation of this Declaration by appropriate legal proceedings.

11.8 Enforcement by City of Corvallis. The provisions of this Declaration relating to preservation and maintenance of Common Areas shall be deemed to be for the benefit of the City of Corvallis as well as the 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 Property.

ARTICLE 12

MORTGAGEES

12.1 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 Common Area and may pay overdue premiums on hazard insurance policies or secure new hazard insurance coverage on the lapse of a policy, for such Common Area. First mortgagees making such payments shall be owed immediate reimbursement therefor from the Association.

12.2 Right of First Mortgagees Relating to Maintenance. At any time that the Common Areas are not maintained or repaired by the Association to the extent reasonably necessary to protect and preserve the value of the Property for security purposes, then the record mortgagee, upon giving written notice as provided in this paragraph, shall be entitled to exercise the rights of the Owner of the Lot as a member of the Association to vote at all regular and special meetings of the members of the Association for a period of one year following the date of such notice. During this one-year period, the 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 12.2 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 Association at the last known address of each.

ARTICLE 13

MISCELLANEOUS PROVISIONS

13.1 Amendment and Repeal. This Declaration, or any provision thereof, as from time to time in effect with respect to all or any part of the Property, may be amended or repealed by the vote or written consent of Owners holding not less than seventy-five percent (75%) of the voting rights in the Association, together with the written consent of the Class B member, if such Class B membership has not been terminated as provided in this Declaration. 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 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 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. To the extent any amendment relates to the preservation or maintenance of the Common Areas or private utility lines, or the existence of an entity responsible for accomplishing the same, such amendment shall be approved by the Zoning Administrator of the City of Corvallis.

13.2 **Regulatory Amendments.** Notwithstanding the provisions of Section 13.1 above, until termination of the Class B membership Declarant shall have the right to amend this Declaration or the Bylaws of the Association in order to comply with the requirements of any applicable statute, ordinance or regulation or 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.

13.3 **Duration.** This 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 Property and the Owners thereof for an initial period of thirty (30) years commencing with the date on which this document is recorded. Thereafter, this 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 Property 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 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 voting rights in the Association. Any such termination shall become effective only if (a) a certificate of the president or secretary of the 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, and (b) prior to the intended termination date, such termination has been approved by the Zoning Administrator of the City of Corvallis and a copy of which shall have been recorded in the Deed Records of Benton County, Oregon. 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.

13.4 **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 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 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.

13.5 Lessees and Other Invitees. Lessees, employees, invitees, contractors, family members and other persons entering the Property under rights derived from an Owner shall comply with all of the provisions of this Declaration restricting or regulating the Owner's use, improvement or enjoyment of his Lot and other areas within the Property. 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.

13.6 Nonwaiver. Failure by the Association or by any Owner to enforce any covenant or restriction contained in this Declaration shall in no event be deemed a waiver of the right to do so thereafter.

13.7 Construction; Severability; Number; Captions. This 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 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 in this Declaration, 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 Declaration.

13.8 Notices and Other Documents. Any notice or other document permitted or required by this 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 Association, 12540 SW 68th Parkway, Suite B, Tigard, Oregon 97223; if to an Owner, at the

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

IN WITNESS WHEREOF, Declarant has executed this Declaration on the date set forth above.

PAHLISCH NIELSEN HOMES, LLC, an Oregon limited liability company

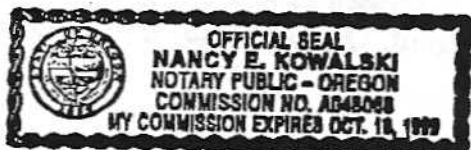
By Dennis Pahlisch
Dennis Pahlisch, Manager/Member

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

By Kevin Wiebold
Kevin Wiebold, Manager/Member

STATE OF OREGON)
County of WASHINGTON)ss.

The foregoing instrument was acknowledged before this 5 day of April, 1999, 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: 10-18-1999

STATE OF OREGON)
)ss.
County of WASHINGTON)

The foregoing instrument was acknowledged before this 5 day of April, 1999, 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: 10-18-1999

STATE OF OREGON)
)ss.
County of WASHINGTON)

The foregoing instrument was acknowledged before this 5 day of April, 1999, by Kevin Wiebold, Manager/Member of Pahlisch Nielsen Homes, LLC, an Oregon limited liability company, on its behalf.



Nancy E. Kowalski
Kevin Wiebold
Notary Public for OREGON
My commission expires: 10-18-1999

GRAND OAKS 1A (THE WOODS)

DWELLING UNIT CONSTRUCTION

A. No building may be erected on any of the said building sites unless it contains a minimum of 1500 square feet of floor area, exclusive of open porches, garages, garden houses and other appurtenances. In the case of a two-story dwelling, the lower or ground level shall not be less than 750 square feet, with a minimum total square footage of 1800 square feet.

B. Front elevation shall include features acceptable to the Architectural Control Committee. The Architectural Control Committee shall approve exterior paint and brick colors. Windows shall be of solid vinyl or vinyl clad construction. All dwelling units shall have a double car garage or larger. Roofing shall be of laminated shingles (minimum 25-year life) or a reasonable substitute acceptable to the Architectural Control Committee.

HEDGES, FENCES AND WALLS

A. Fences shall be consistent with the Fence Design Plans attached hereto, marked Exhibits "A" & "B" and incorporated as part of the Architectural Guidelines. Quality of fence installation workmanship must be acceptable to the Architectural Control Committee. Fences are to remain natural wood color or owner may use clear sealer or tinted cedar color sealer with approval.

B. Location of fences on corner lots to be approved prior to installation. All fences that face the street will be exhibit "A" type.

Architectural Guidelines

GRAND OAKS 1A (THE WOODS)

V. DWELLING UNIT CONSTRUCTION

A. No building may be erected on any of the said building sites unless it contains a minimum of 1500 square feet of floor area, exclusive of open porches, garages, garden houses and other appurtenances. In the case of a two-story dwelling, the lower or ground level shall not be less than 750 square feet, with a minimum total square footage of 1800 square feet.

B. Front elevation shall include features acceptable to the Architectural Control Committee. The Architectural Control Committee shall approve exterior paint and brick colors. Windows shall be of solid vinyl or vinyl clad construction. All dwelling units shall have a double car garage or larger. Roofing shall be of laminated shingles (minimum 25-year life) or a reasonable substitute acceptable to the Architectural Control Committee.

VI. HEDGES, FENCES AND WALLS

A. Fences shall be consistent with the Fence Design Plans attached hereto, marked Exhibits "A" & "B" and incorporated as part of the Architectural Guidelines. Quality of fence installation workmanship must be acceptable to the Architectural Control Committee. Fences are to remain natural wood color or owner may use clear sealer or tinted cedar color sealer with approval.

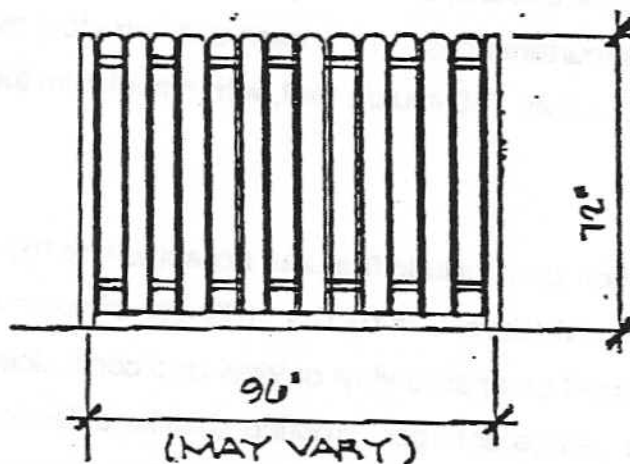
B. Location of fences on corner lots to be approved prior to installation. All fences that face the street will be exhibit "A" type.

EXHIBIT "A"

TO:

HALLADIN HEIGHTS SUBDIVISION

Covenants, Conditions and Restrictions



Yard Perimeter Fencing

Materials:

- 1x8 #1 Cedar tight knot uprights, or
- 1x6 #1 Cedar tight knot uprights
- 4x4 #1 Cedar posts with 2x4 braces or
- 4x4 Pressure-treated posts with 2x4 braces
- All wood materials can be left natural or owner can apply clear sealer or cedar tint color sealer

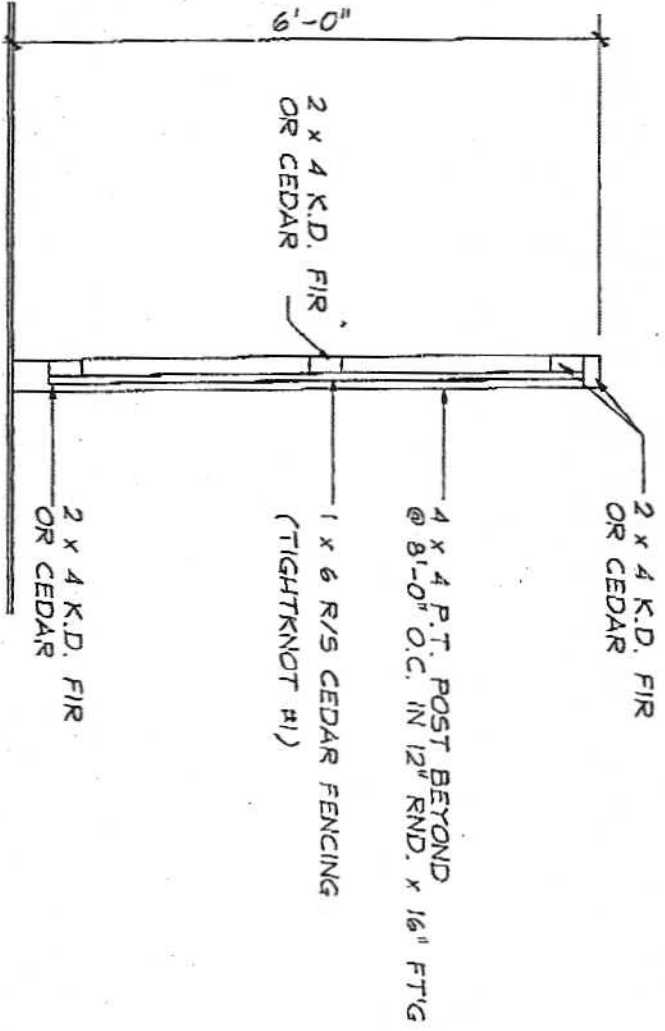
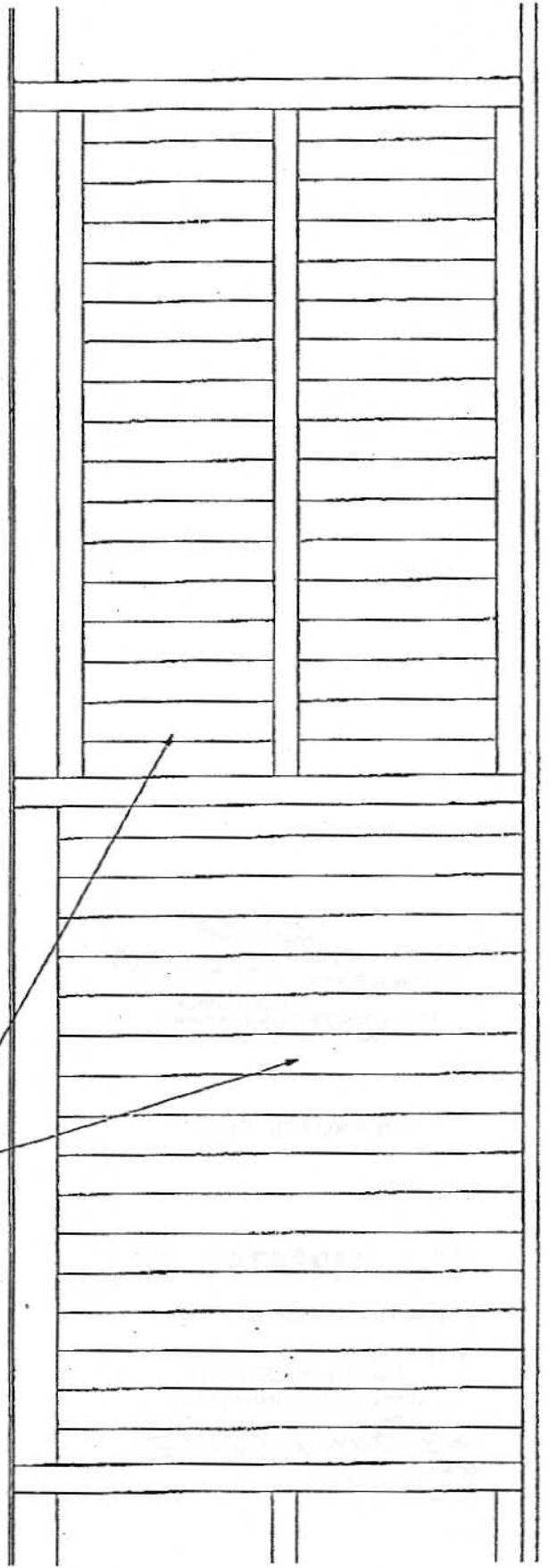
Style:

Beveled top finish not required

Maintenance:

Property owners are to keep fencing in good repair. Broken or decayed fencing must be brought up to "new" condition in a timely manner.

EXHIBIT "B"



ALTERNATE FACE
EVERY OTHER POST

FENCING

SCALE : 1/2" = 1'-0"

STYLE : "TOTAL PRIVACY" BOTH SIDES

MATERIALS : TIGHT KNOT #1 CEDAR

MAINTENANCE : PROPERTY OWNERS TO
 MUST KEEP FENCE IN
 GOOD REPAIR. BROKEN
 OR DECAYING FENCING
 MUST BE REPLACED TO
 "AS NEW" CONDITION IN
 A TIMELY MANNER.

259366
STATE OF OREGON } ss. 259367
County of Benton

259363
I hereby certify that the within instrument
was received for record

'99APR07 PH 2:59

AND 1999
ASSIGNED **M264744**

In the microfilm records of said county

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

By *[Signature]*
250 Deputy

15-615

M288612-00

AFTER RECORDING, RETURN TO:

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

Acco # 00-81

**FIRST AMENDMENT TO
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR GRAND OAKS SUMMIT**

THIS FIRST AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR GRAND OAKS SUMMIT is made this 8 day of September, 2000, by GRAND OAKS SUMMIT OWNERS ASSOCIATION (the "Association").

RECITALS

A. The Declaration of Protective Covenants, Conditions, Restrictions and Easements for Grand Oaks Summit was recorded April 7, 1999, in the Records of Benton County, Oregon, as Document M264744 (the "Declaration"). Association is the association of owners established pursuant to the Declaration.

B. In accordance with Section 13.1 of the Declaration, by affirmative vote or written consent of Owners holding not less than seventy-five percent (75%) of the Association, together with the written consent of the Class B member, the Owners wish to amend the Declaration.

AMENDMENTS

1. The following sentence is hereby deleted from Section 9.1:

"The Association shall also maintain and irrigate the area of the street right-of-way between the curb and the sidewalk and between each alley and the bordering fence."

2. The following sentence is hereby added to Section 9.6:

RECORDED BY OREGON TITLE AS AN ACCOMMODATION ONLY. NO LIABILITY IS ACCEPTED FOR THE CONDITION OF TITLE OR FOR THE VALIDITY, SUFFICIENCY OR EFFECT OF THIS DOCUMENT.

"Each Owner shall also be responsible for maintaining in such manner the area of the street right-of-way between the curb and the sidewalk and between each alley and the bordering fence."

GRAND OAKS SUMMIT OWNERS ASSOCIATION

By Scott Hauck President

Certification

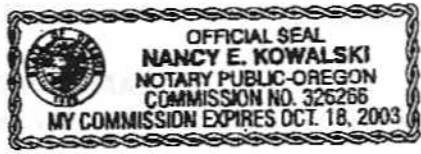
The undersigned President of Grand Oaks Summit Owners Association hereby certifies that the within First Amendment to Declaration of Protective Covenants, Conditions, Restrictions and Easements for Grand Oaks Summit has been approved and adopted in accordance with Section 13.1 of the Declaration.

Scott Hauck President

STATE OF OREGON)
)ss.
County of Washington)

The foregoing was acknowledged before me this 8 day of September, 2000, by Scott Hauck, President of Grand Oaks Summit Owners Association.

Nancy E. Kowalski
Notary Public for Oregon
My commission expires: October 18, 2003



M 320235-02

AFTER RECORDING, RETURN TO:

Nancy Kowalski
Pahlisch Nielsen Homes LLC
7128 SW Gonzaga Street Ste 100
Tigard OR 97223

02-02-27135

AFTER RECORDING RETURN TO:
OREGON TITLE INSURANCE CO.

**SECOND AMENDMENT TO
DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS
FOR GRAND OAKS SUMMIT**

THIS SECOND AMENDMENT TO DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS, RESTRICTIONS AND EASEMENTS FOR GRAND OAKS SUMMIT is made this
day of June, 2002 by GRAND OAKS SUMMIT OWNERS ASSOCIATION (the
"Association").

RECITALS

A. The Declaration of Protective Covenants, Conditions, Restrictions and Easements for Grand Oaks Summit was recorded April 7, 1999, in the Records of Benton County, Oregon as Document M264744 (the "Declaration"). Association is the association of owners established pursuant to the Declaration.

B. In accordance with Section 13.1 of the Declaration, by affirmative vote or written consent of Owners holding not less than seventy-five percent (75%) of the Association, together with the written consent of the Class B member, the Owners wish to amend the Declaration.

AMENDMENTS

The following item (c) shall be added to Section 5.3 of Article 5.

(c) **Retaining Walls.** Easements for installation and maintenance of retaining walls, which shall include private storm drains for the retaining walls, are reserved over portions of lots 188 thru 293, located within the then recorded Grand Oaks Summit Phase 4, 5 and 6.

(i) The Owner of each Lot sharing a retaining wall or private storm drain for the retaining wall shall pay any costs associated with maintaining the retaining wall on its respective side. 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 and side yards.

(ii) The Owner of each Lot sharing a retaining wall or private storm drain for the retaining wall shall share equally the costs of all repairs or maintenance necessary to maintain the structural integrity of the retaining wall. The

decision whether to undertake a particular repair and who shall be responsible with carrying out the repair of the retaining wall or its private storm drain shall be agreed upon by the Owners. In the event of any disputes arising concerning a retaining wall, the Board of Directors of the Association shall act as the arbitrators and their decision shall be final.

- (iii) Each adjoining side yard between two Lots shall be subject to a cross easement for maintenance and to allow the Owner of each Lot access to the rear and side of the retaining wall and it's private storm drain. The cross easement shall be over the first five (5) feet from the common property line, thereby creating a ten foot wide easement centered between the Lots.

GRAND OAKS SUMMIT OWNERS ASSOCIATION

By *Scott Houck* _____
President

Certification

The undersigned President of Grand Oaks Summit Owners Association hereby certifies that the within Second Amendment to Declaration of Protective Covenants, Conditions, Restrictions and Easements for Grand Oaks Summit has been approved and adopted in accordance with Section 13.1 of the Declaration.

Scott Houck _____
President

STATE OF OREGON)
County of *Benton*)ss.

The foregoing was acknowledged before me this *20th* day of *June*, 2002
by Scott Houck, President of Grand Oaks Summit Owners Association.

Harriet Nixon
Notary Public for Oregon
My Commission Expires: *11/30/04*

