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I, Christine Walker, County Clerk for Jackson County, Oregon, certify
that the instrument identified herein was recorded in the Clerk
records.

Christine Walker - County Clerk

DECLARATION OF CONDITIONS, COVENANTS AND RESTRICTIONS:
FOR
OAK GROVE ESTATES HOMEOWNERS ASSOCIATION

THIS DECLARATION is made and executed in Jackson County, Oregon, this 22 day of October 2009, by CMP Properties, Inc: Developer Of OAK GROVE ESTATES, hereinafter referred to as "Declarant":

WHEREAS, The City of Medford, Oregon has issued its approval for a planned townhouse development consisting of 153 units.

WHEREAS, the development includes the necessity for each subsequent property owner to contribute and be responsible for the maintenance of the common areas (auto parking areas, landscaped areas, common area including backyards, private streets, recreation facilities, etc.) within the development, and,

WHEREAS, the provisions for responsibility and maintenance are contained in the Bylaws of the OAK GROVE ESTATES Homeowners Association, Inc, which have been prepared by Declarant,

RECITALS

Declarant is the owner of all the real property described in Exhibit "A" hereto attached. including Lots 1 through 39, Phases 1 and 2, depicted in the plat of OAK GROVE ESTATES Planned Unit Development filed in the Plat Records of Jackson County, Oregon (the "Property"), and desires to create thereon a planned community to be known as OAK GROVE ESTATES , with permanent roadways, utility installations and open spaces for the benefit of such community.

Declarant is reserving the right, but not undertaking the obligation, to annex additional property to the Association and subject it to the terms and provisions of this Declaration, the Articles and the Bylaws, as the same may be amended or supplemented. This right shall be limited to the remaining 114 lots of OAK GROVE ESTATES which encompasses phases 3-7 and the Common Property adjacent thereto. The property which in the future may be annexed is described in Exhibit "B." The Declarant may annex all or a portion of this property to the OAK GROVE ESTATES Homeowners Association in one or more Supplemental Declarations.

Declarant desires to provide for the preservation and enhancement of the property values, amenities and opportunities in OAK GROVE ESTATES and for the maintenance of the Property and improvements thereon, and to this end desires to subject the Property to the covenants, restrictions, easements, charges and liens hereinafter set forth, each and all of which is and are for the benefit of the Property and each owner of any lot thereof.

Declarant has deemed it desirable for the efficient preservation of the values and amenities in such community to create a non-profit corporation, to which should be delegated and assigned the powers of owning, maintaining and administering the common property and facilities and administering and enforcing the covenants and restrictions and collecting and disbursing the assessments and charges hereinafter created, and promoting the recreation, health, safety and welfare of the residents.

NOW, THEREFORE, the Declarant declares that the Property shall be held, transferred, sold, conveyed and occupied subject to the provisions of the Oregon Planned Community Act, ORS 94.550 et seq., and to the covenants, restrictions, easements, charges and liens hereinafter set forth in this Declaration.

ARTICLE 1
DEFINITIONS

1.1 "Articles" shall mean the Articles of Incorporation for the non-profit corporation, OAK GROVE ESTATES Homeowners' Association, Inc., as filed with the Oregon Corporation Commissioner.

1.2 "Association" shall mean and refer to OAK GROVE ESTATES Homeowners' Association, Inc., its successors and assigns.

1.3 "Bylaws" shall mean and refer to the Bylaws of the Association.

1.4 "Common Property" shall mean and refer to that area of land shown on the recorded plat of the Property, including any improvements thereon, which are intended to be devoted to the common use and enjoyment of the members and which land has been conveyed to the Association. This includes all private streets within the developments; add streets.

1.5 "Declaration" shall mean the covenants, restrictions, and all other provisions set forth in this Declaration of Covenants and Restrictions for OAK GROVE ESTATES .

1.6 "Declarant" shall mean and refer to CMP Properties Inc., its successors or assigns, or any successor or assign to all remainder of his or her interest in the development of the Property.

1.7 "General Plan of Development" shall mean the Declarant's general plan of development of the Property as approved by appropriate governmental agencies and as set forth in this Declaration which shall represent the total general plan and general uses of land within the boundaries of the Property, as may be amended from time to time.

1.8 "Living Unit" or "Unit" shall mean and refer to any portion of a structure situated upon the Property designed and intended for use and occupancy as a residence by a single family.

1.9 "Lot" shall mean and refer to each and any of Lots 1 through 39 of OAK GROVE ESTATES Phase 1 and 2, and any of Lots 40-153 which may be subsequently annexed to the Association, together with any other lots that may be designed as Lots intended for residential use on any supplemental declaration and plat submitting additional property to the terms of this Declaration. Provided, however, that "Lot" shall not include any lot depicted on any plat of the Property which is designated for use as Common Property on such plat or declaration of OAK GROVE ESTATES .

1.10 "Occupant" shall mean and refer to the occupant of a Living Unit who shall be either the owner, lessee or any other person authorized by the owner to occupy the premises.

1.11 "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot or a purchaser in possession under a land sale contract. The foregoing does not include persons or entities who hold an interest in any Lot merely as security for the performance of an obligation.

1.12 "Property" shall mean and refer to all real property, the Common Property and all improvements located on the real property subject to this Declaration, as more particularly set forth on Exhibit "A" hereto attached, together with such additional Lots and Common Property as may, from time to time, be annexed to the Association.

1.13 "Rules and Regulations" shall mean and refer to the documents containing rules and regulations and policies adopted by the Board of Directors of the Association or the Architectural Review Board as may be from time to time amended.

1.14 "OAK GROVE ESTATES " shall mean Lots 1 through 153 and all Common Property included within OAK GROVE ESTATES .

ARTICLE 2

PROPERTY SUBJECT TO THIS DECLARATION

The real property which is and shall be held, transferred, sold, conveyed and occupied subject to this Declaration is located in Medford, Jackson County, Oregon and consists of Lots 1 through 39 and the adjoining Common Property, together with any of Lots 40 through 153 and adjacent Common Property which may be subsequently annexed to the Association.

ARTICLE 3

GENERAL PLAN OF DEVELOPMENT

3.1 General. The Declarant has developed phases 1 and 2 of the Property with (39) buildable residential Lots. Through one or more supplemental declarations, the Declarant intends to create a planned community of up to 114 additional lots. The Declarant reserves the right to replat any portion of OAK GROVE ESTATES before it is annexed to the Association.

3.2 Improvements in the Common Property. The Common Property will be improved with driveways and landscaping. All improvements will be completed prior to conveyance of a Lot to any Owner. There will be a maximum of one hundred fifty three (153) lots when the proposed project is completed.

ARTICLE 4
USE RESTRICTIONS; ARCHITECTURAL CONTROLS
AND MAINTENANCE RESPONSIBILITIES

4.1 General.

4.1.1 Governmental Restrictions. All uses, occupancy, construction and other activities conducted on any Lot shall conform with and be subject to applicable zoning, use restrictions, setback requirements, construction and building codes of all local, state and federal public authorities.

4.1.2 Outdoor Storage. No outdoor storage of recreational vehicles, trailers or boats shall be allowed on the Common Property or outdoors on any Lot.

4.1.3 Garages. No garage shall be used for any purpose other than storage of automobiles, pick-ups, vans, "four wheel drive vehicles" and motorcycles, if such vehicles are intended and used for ordinary highway transportation of passengers and to store golf carts.

4.1.4 Combination, Division. No Owner shall have the right to divide any Lot. Any Owner, upon compliance with the requirements of all applicable zoning, building and land use laws, regulations and ordinances, and the architectural requirements of the Declaration and any rules and regulations of OAK GROVE ESTATES Association may construct (reconstruct or replace) one Living Unit per lot.

4.2 Use. All Lots and Living Units shall be used for residential, recreation and vacation purposes only. No commercial, retail or industrial use shall be allowed on any Lot or in any Living Unit. Provided however, subject to compliance with applicable laws and any rules or regulations of the Association and OAK GROVE ESTATES Association, an owner may rent his or her Living Unit on a nightly, monthly or other basis, even though such rental activity is considered a commercial use.

4.3 Exterior Improvements.

4.3.1 Structures on Lots. Except as otherwise specifically provided in this Declaration, no fence, outbuilding, residential building, or other structure of any type shall be erected, altered, placed or permitted to remain on any Lot other than the original Living Units as originally constructed or replaced in a manner having a substantially similar appearance to the original Living Unit.

4.3.2 Common Property. No Owner shall construct or place any structure, material, planting, equipment or any object of any kind on any portion of the Common Property, unless granted written permission by the Board of Directors, and then only in strict compliance with such authorization. All backyards and associated fencing is common property and falls under the guidelines states here.

4.3.3 Walls and Fences. The walls and/or fences in OAK GROVE ESTATES shall not be altered without written consent of all Owners of Living Units in the building where the wall or fence is located and upon compliance with the provisions of Section 4.7.

4.4 Exterior Maintenance, Repair and Replacement.

4.4.1 Association Responsibilities. The Association shall perform all maintenance, planting, pruning, mowing and cleaning of all lawns and landscaping on the Property, including, without limitation, all landscaping and lawns on Owners' Lots, excluding only so much of the same as is completely enclosed by a fence or courtyard on Owners' Lots. The Association shall be responsible for the maintenance, repair and replacement of sanitary sewer lines from the connection with the main service line owned and maintained by the service provider to a point within or under an Owner's Living Unit and within or under an Owner's courtyard and for water service lines up to the meter measuring water service to individual Living Units. The Association is responsible for the upkeep of all private roads within OAK GROVE ESTATES .

4.4.2 Owner Responsibilities. Each Owner shall perform all maintenance, repair and replacement of the interior of such Owner's Living Unit, and shall perform all maintenance, planting, pruning, mowing and cleaning of all lawns and landscaping on such Owner's Lot within areas enclosed by a fence or courtyard. Each Owner shall be responsible for the maintenance, repair and replacement of any improvements, or materials located within the area on such Owner's Lot enclosed by a courtyard or fence. Each Owner shall be responsible for the maintenance, repair and replacement of sanitary sewer lines within and under an Owner's Living Unit and within or under an Owner's courtyard.

4.5 Underground Utilities. No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication purposes nor any pole, antennae, satellite receiving dish, tower or other structure for independent reception, transmission or support of any of the above shall be erected, placed or maintained within the Property.

4.6 Leases/Rentals. Each Owner shall have the right to lease or rent his or her Living Unit for any period of time, subject to full compliance with applicable laws, the Articles, Declaration, Bylaws and Rules and Regulations of OAK GROVE ESTATES Owners' Association and applicable local, state and federal laws and regulations. All such leases or rental agreements shall be in writing and shall be deemed to provide that their terms shall be subject in all respects to the provisions of this Declaration, the Articles, Bylaws and Rules of OAK GROVE ESTATES Owners' Association and that any failure by the lessee or renter to comply with the provisions of such documents shall constitute a default under said lease or rental agreement. The lessee's or

renter's use and enjoyment of the Common property under such lease or rental agreement shall be subject to suspension by the Board of Directors for any of the causes set forth elsewhere in this Declaration, including, without limitation, the nonpayment of assessments with respect to the Lot occupied by the lessee or renter. Any such lessee or renter shall be entitled to the use and enjoyment of the Common Property; provided, an Owner may not sever the right to the use and enjoyment of the Common Property from the right to occupy his or her Lot and the improvements thereon by means of a lease, rental agreement or otherwise.

4.7 Nuisance. No noxious or offensive conditions shall be permitted upon any part of said property, nor shall anything be done thereon which may be or become an annoyance or nuisance to the complex. Nuisance, as used in this section, includes loud and offensive noise, storage of junked, wrecked or inoperative vehicles, offensive odors and other conditions deemed a nuisance by the Board of Directors of the Association.

4.8 Temporary Residence: No camper, Recreational Vehicle, tent, trailer or other vehicle or structure shall be used at any time for a temporary residence on this property. It is illegal per the city of Medford to park any vehicle used as a residence within the city limits excepts in those places so designated.

4.9 Rubbish. No part of said property shall be used or maintained as a dumping ground for rubbish, trash, garbage or any other waste. No garbage, trash or other waste shall be kept or maintained on any part of said property except in a sanitary container, which shall be kept in a clean and sanitary condition, and shall be stored so as not to be visible from the street or common areas

4.10 Parking. No trailer, camper, tent, tent-camper, RV (Recreational Vehicle), boat or boat trailer shall be parked on any part of the property, or on public ways adjacent thereto, except within the confines of a garage. No vehicles shall be parked continuously in one location, except in a garage, or designated parking area, for a period in excess of 24 hours. Only passenger vehicles (automobiles, pickup trucks, station wagons, etc) are to be parked within the project. No maintenance (oil changes, lubrication, etc) or repair work (engine repair, body and fender, etc.) on vehicles, except emergency repairs, shall be done on said property or the public ways adjacent thereto. Automobile washing, waxing, etc. is exempt from this requirement.

4.11 Jurisdiction. The Homeowners Association shall have jurisdiction over activities permitted in the Common Area. All disputes, complaints, or matters regarding existing or future use of the common area and property shall be submitted to the Board of Directors for arbitration.

4.12 Amendment. The conditions, covenants and restrictions of this Declaration shall run with and bind the land, and shall inure to the benefit of and be enforceable by the Association, or the owner of any Lot subject to this declaration, their respective legal representatives, heirs, successor and assigns, for a term of twenty-five (25) years from the date this declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten (10) years each. Any of the conditions, covenants or restrictions of this declaration may be amended by an instrument signed by members entitled to cast not less than seventy-five percent (75%) of the eligible votes, as noted in Article 16 of the Bylaws of the Homeowners Association. All such amendments shall be recorded in the appropriate Deed Records of Jackson County, Oregon, to be effective.

ARTICLE 5

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

5.1 Members. Every person or entity who is a owner of record under the terms of Article II of the Bylaws for the Association, shall be a member of the Association. Article II, Section 4 of the Bylaws provides for the association responsibilities, subject to the following Conditions, Covenants and Restrictions, which have been established for the welfare, safety and value of the properties described herein.

5.2 Proxy. Each Owner may cast his or her vote by absentee ballot or pursuant to a proxy executed by the Owner. An Owner may not revoke a proxy given pursuant to this section except by actual notice of revocation to the person presiding over a meeting of the Association. A proxy shall not be valid if it is undated or purports to be revocable without notice. A proxy shall terminate one (1) year after its date, unless the proxy specifies a shorter term.

5.3 Voting Rights. The Association shall have two (2) classes of voting members:

5.3.1 Class A. Class A members shall be all Owners of Lots other than the Declarant, and each Class A member shall be entitled to one (1) vote for each Units owned with respect to all matters upon which Owners are entitled to vote.

5.3.2 Class B. The Class B member shall be the Declarant, its successors and assigns. The Class B member shall have three (3) votes for each Unit owned. Provided, however, that all Class B memberships shall cease upon the earlier of a date seven (7) years from the recording of this Declaration or the conveyance by the Declarant of Lots, representing seventy-five percent (75%) of the total number of votes. Thereafter, each Owner, including the Declarant, shall be entitled to one (1) vote for each Unit owned with respect to all matters upon which owners are entitled to vote, and the total number of votes shall be equal to the total number of Units.

When more than one (1) person or entity owns a Lot, the vote for such Lot may be cast as they shall determine, but in no event will fractional voting be allowed. Fractionalized or split votes shall be disregarded, except for purposes of determining a quorum. The total number of votes as of such termination date and thereafter shall be equal to the total number of Lots annexed to the Property and subjected to this Declaration as of such termination date.

5.4 Procedure. All meetings of the Association, the Board of Directors, the Architectural Review Board, and Association committees shall be conducted in accordance with such rules of order as may from time to time be adopted by the Board of Directors. A tie vote does not constitute a majority or approval of any motion or resolution.

5.5 Membership in OAK GROVE ESTATES Homeowners Association. Each owner shall be a member of OAK GROVE ESTATES Homeowners Association, and such Owner and the Lot owned by such Owner shall be subject to all the terms and provisions of the OAK GROVE ESTATES Homeowners Covenants, Conditions and Restrictions, Articles of Incorporation, Bylaws, design guidelines and rules and regulations, including, without limitation, the power of OAK GROVE ESTATES Homeowners to impose and collect assessments against the Owners and their Lots.

ARTICLE 6

COVENANTS FOR MAINTENANCE ASSESSMENTS/SPECIAL ASSESSMENTS; AND COMMON PROFITS

6.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants, and each Owner of any Lot by acceptance of a deed thereof, whether or not it shall be so expressed in such deed, is deemed to covenant and agrees to pay the Association (1) regular assessments or charges for common expenses, and (2) special assessments as provided in Section 6.7. All such assessments, together with interest thereon at the rate established from time to time by resolution of the Board of Directors and together with all other costs, fees, charges and fines allowed by law, shall be a lien and charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Such lien shall exist and be executed, recorded and foreclosed in the manner provided by law.

6.2 General Assessments.

6.2.1 Purpose of Assessments. The assessments levied under this Article shall be used exclusively for the purpose of promoting the recreation, health, safety and welfare of the residents of the Property, and for the improvement and maintenance of such Property, including payment of premiums for insurance required under this Declaration and to fund a replacement reserve for those items the association has maintenance responsibility, and for payment of any common operating expenses such as landscaping, maintenance, association water, management services, legal and accounting services and the like. Neither the association, nor any assessments of the owners shall be used to engage in lobbying or to exert political influence.

6.2.2 Basis for Assessment. There shall be two levels of assessments against Lots dependent upon whether such Lots have been improved with a substantially completed Living Unit.

(a) Unimproved Lots. Lots that have not been improved with a substantially completed Living Unit will be assessed liability insurance premiums covering the Common Property.

(b) Improved Lots. Lots that have been improved with a substantially completed Living Unit shall be assessed equally with other such Lots. The assessment of Lots improved with substantially complete Living Units shall include the following items:

- (1) Expenses of administration.
- (2) Expenses of maintenance, repair or replacement of all improvements and buildings on the Common Property.
- (3) Expenses of maintenance, repair and replacement of the exterior of the Living Units for which the Association has responsibility, as more particularly set forth in the Declaration.
- (4) Any deficit in common expenses for any prior period.
- (5) Utilities for the Common Property and other utilities with a common meter or commonly billed, such as water and sewer.
- (6) The cost of any professional management desired by the Board of Directors.
- (7) Any other items properly chargeable as an expense of the Association.
- (8) Reserve items as more particularly set forth in Sections 6.5 and 6.6.

All initial, general and special assessments shall be equally allocated among the Lots, except that improved and unimproved Lots shall be assessed in different manners as described herein.

6.2.3 Method of Assessment. The Board of Directors shall determine the annual assessment in accordance with the provisions hereof, provided, however, the annual assessment shall be sufficient to meet the obligations imposed by the Declaration. The budget shall be presented to Association and may be amended by a majority of the votes of each class of members. Both annual and special assessments must be fixed at a uniform rate for all Lots. The Board shall set the date(s) such assessment shall become due. The OAK GROVE ESTATES CC&R'S

Board may provide for collection of assessments annually or in monthly, quarterly or semi-annual installments; provided, however, upon the default in the payment of any one or more installments, the entire balance of such assessment may be accelerated at the option of the Board and be declared due and payable in full, together with interest and attorneys fees and costs as hereinafter provided.

Notwithstanding any other provisions of this Section 8.2, the general assessments of the Association may not be increased by more than twenty percent (20%) in any one year without approval of a majority of the Owners at a meeting at which a quorum exists, or a majority of the votes of all Owners, if the vote is taken by written ballot.

6.3 Date of Commencement of Annual Assessments. The general assessments with respect to the Lots shall commence at the time the Directors declare, but in no event later than the first day of the month following the conveyance of a Lot to an Owner other than the Declarant. Following such declaration, the pro rata annual assessment shall commence with respect to an improved Lot within the Property upon the substantial completion of a Living Unit on such Lot.

6.4 Initial Assessment. Upon the closing of the sale of each Lot to an Owner other than the Declarant in OAK GROVE ESTATES (regardless of whether such Lot has been improved with a Living Unit), each Owner shall contribute a sum equal to two (2) times the monthly assessment (as determined for lots improved with Living Units) as a one-time contribution to the working capital of the Association, together with such other sums as may be called for by the sales agreement and Bylaws. In the event that the monthly assessments have been reduced pursuant to the authority granted to the Declarant to subsidize the Association's budget, the initial deposit to the Association pursuant to this section shall be equal to twice the monthly assessment based upon the projected amount of assessments upon the substantial completion of Living Units on all Lots then subject to this Declaration.

6.5 Common Property Reserve Account. The assessment against each Lot, if it has been improved with a substantially complete Living Unit, shall include an amount allocated to a reserve account established for the purpose of funding replacements of those elements of the Common Property that will normally require replacement, in whole or in part, in more than three (3) and less than thirty (30) years. Amounts assessed with respect to reserves 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 assessment under this section shall accrue from the date a Lot is improved with a substantially completed Living Unit and conveyed to an Owner other than Declarant.

6.6 Living Unit Reserve Account/Operating Reserve. The assessment against each Lot that has been improved with a substantially completed Living Unit shall include an amount allocated to a reserve account established for the purpose of funding replacement of streets and other common elements. Amounts assessed with respect to reserves shall take into account the estimated remaining life of the items for which the reserves are established and the current replacement cost of such items. The assessment under this section shall accrue from the date a Lot is improved with a substantially completed Living Unit and conveyed to an Owner other than Declarant.

The Board of Directors shall also fund a general operating reserve account by allocation and payment thereto monthly of an amount determined by the Board of Directors and assessed against the owner of each Living Unit.

6.7 Special Assessments. The Board of Directors shall have the power to levy special assessments against an owner or all owners in the following manner for the following purposes:

(a) To correct a deficit in the operating budget by vote of a majority of the Board;

(b) To collect amounts due to the Association from an owner for breach of the owner's obligations under the Declaration, these Bylaws, or the Association's rules and regulations, by vote of a majority of the Board;

(c) Upon vote of a majority of the Board of Directors, to make repairs or renovations to the common property and/or to those portions of the Living Units for which the Association has the responsibility of maintenance and replacement if sufficient refunds are not available from the operating budget or replacement reserve accounts; or

(d) To make capital acquisitions, additions or improvements, by vote of at least seventy-five percent (75%) of all votes allocated to the Lots.

6.8 Effect of Non-Payment of Assessments: Remedies of the Association. In addition to any other remedies provided by law, the Association may bring an action at law against the Owner personally obligated to pay the same or foreclose a lien upon the Property. No such action or a judgment entered therein shall be a waiver of the lien of the Association. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Property or abandonment of his or her Lot.

6.9 Subordination of the Lien to Mortgages. The lien with respect to any assessment provided for herein shall be prior to any homestead exemption and all other liens and encumbrances on a Lot, except:

(a) A first mortgage of record; and

- (b) A lien for real estate taxes and other governmental assessments or charges; and
- (c) Liens and encumbrances recorded before the recordation of this Declaration.

Sale or transfer of any Lot shall not affect the assessment lien. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof shall extinguish the lien of such assessments which became due prior to such sale or transfer.

6.10 Common Profits. Profits arising from any operation or from the sale of any Association asset shall be shared among the Owners in proportion to their liability for payment of assessments, i.e. equally, unless some lots are unimproved.

ARTICLE 7

DECLARANT'S SPECIAL RIGHTS

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

7.1 Sales Office and Model. The Declarant shall have the right to maintain a sales office and model on one or more of the Lots which the Declarant owns. The Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week.

7.2 "For Sale" Signs. The Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property, including, without limitation, the Common Property.

7.3 Declarant Easements. The Declarant has reserved easements over the Property as more fully described in Article 9 hereof.

ARTICLE 8

DAMAGE AND DESTRUCTION

8.1 Insurance Proceeds Sufficient to Cover Loss. In case of fire, casualty, or any other damage and destruction, the insurance proceeds of the individual owner shall be applied to such reconstruction which shall commence within one hundred twenty (120) days of such damage, or as soon thereafter as proceeds are available. Reconstruction of the damaged or destroyed building, as used in this paragraph, means restoring the building to substantially the same condition in which it existed prior to the fire, casualty or disaster, with each Living Unit and the Common Property having the same boundaries as before. Such reconstruction shall be accomplished under the direction of the Board of Directors.

8.2 Insurance Proceeds Insufficient to Cover Loss. If the insurance proceeds are insufficient to reconstruct the damaged or destroyed building, the damage to, or destruction of, such building shall be promptly repaired and restored under supervision of the Board of Directors, using the proceeds of insurance, if any, on the building for that purpose and all the Owners shall be liable for assessment for any deficiency for such reconstruction, such deficiency to take into consideration as the Owner's contribution any individual policy insurance proceeds provided by such Owner. Such reconstruction shall commence within one hundred twenty (120) days of such damage, or as soon thereafter as proceeds are available.

8.3 Architectural Changes After Damage or Destruction. Notwithstanding all other provisions hereof, the Owners may, by an affirmative vote of a majority of both classes of members cause an amendment to be made to the Declaration and Bylaws so as to facilitate architectural changes that the Owners affected thereby and the Association deem desirable if, and only if, the partial or total destruction of the Property by fire, casualty or other disaster is so great as to require the substantial reconstruction of the whole of the building. Any such amendment of the Declaration and Bylaws shall be valid only upon (i) the recording thereof with the appropriate officer or Multnomah County; and (ii) the recording with that recording officer of the approval thereof of each mortgagee and each other lienholder of record having a lien against any part of the project, or building, affected by such amendment.

8.4 Authority. The Board of Directors shall have sole authority to decide whether to repair or reconstruct a Living Unit that has suffered damage.

ARTICLE 9

EASEMENTS

9.1 Association's Easements. The Declarant hereby grants to the Association a blanket easement with respect to all Lots on the Property for the purpose of maintaining, repairing and replacing sewer and water lines located on the Lots and carrying out the Association's responsibility to maintain the exterior of the

Living Units. It shall be the obligation of the Association to maintain, repair and replace sewer and water lines from the main services lines to the building line of each Living Unit. The easement granted in this Section shall be perpetual and shall run with the land.

9.2 Declarant's Easements. The Declarant hereby reserves to itself a blanket easement over, upon, through and under the Property, including, without limitation, all Lots and Common Property, for all purposes reasonably required in carrying out the General Plan of Development or otherwise developing the real property described on Exhibits "A and B", including, without limitation, ingress and egress, the construction, alteration, completion and decoration of Living Units or other units or improvements developed on the Property. The easement herein reserved shall include the right to store materials on the Common Property at such places and for such periods as may be reasonably required to effect the purposes for which this easement is reserved. The easement shall be perpetual and shall run with the land and shall be freely assignable by the Declarant.

9.3 Owners Easements. Declarant hereby grants to each Owner an easement over the Common Property and over other Lots for roof overhangs and other minor encroachments into the Common Property or other Lots arising from the Living Unit having not been constructed or having been reconstructed precisely on the Lot line. This easement shall be perpetual and shall run with the land.

9.4 City of Medford Easements. The City of Medford may enforce the maintenance or protection of its easements or public facilities. This right shall be perpetual and shall run with the land.

ARTICLE 10 GENERAL PROVISIONS

10.1 Records. The Board of Directors shall preserve and maintain minutes of the meetings of the Association, the Board and any committees. The Board of Directors shall also keep detailed and accurate financial records including individual assessment accounts of owners, the balance sheet and income and expense statements. Individual assessment account shall designate the name and address of the Owner or Owners of the Lot, the amount of each assessment becomes due, the amounts paid upon the account, and the balance due on the assessments. The minutes of the Association, the Board and committees, and the Association's financial records shall be reasonably available for review and copying by the Owners. A reasonable charge may be imposed by the Association for providing copies.

10.2 Indemnification of Directors, Officers, Employees and Agents. The Association shall indemnify any Director, officer, employee or agent who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by the Association) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Association or is or was serving at the request of the Association as a Director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorney fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by said person in connection with such suit, action or proceeding if he or she acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had no reasonable cause to believe his or her conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or with a plea of no contest or its equivalent, shall not of itself create a presumption that a person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Association, and, with respect to any criminal action or proceedings, had reasonable cause to believe his or her conduct was unlawful. Payment under this clause may be made during the pendency of such claim, action, suit or proceeding as and when incurred, subject only to the right of the Association, should it be proven at a later time that said person had no right to such payments. All persons who are ultimately held liable for their actions on behalf of the Association as a Director, officer, employee or agent shall have a right of contribution over and against all other Directors, officers, employees or agents and members of the Association who participated with or benefited from the acts which created said liability.

10.3 Enforcement. The Association and the Owners within the Property or any mortgagee on any Lot shall have the right to enforce all of the covenants, conditions, restrictions, reservations, easements, liens and charges now or hereinafter imposed by any of the provisions of this Declaration as may appertain specifically to such parties or Owners by any proceeding at law or in equity. Failure by either the Association or by any Owner or mortgagee to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter. In the event suit or action is commenced to enforce the terms and provisions of this Declaration, the prevailing party shall be entitled to its attorney fees and costs in such suit or action to be fixed by the trial court, and in the event of an appeal, the cost of the appeal, together with reasonable attorney fees, to be set by the appellate court. In addition thereto, the Association shall be

entitled to its reasonable attorney fees incurred in any enforcement activity taken to collect delinquent assessments, whether or not suit or action is filed.

10.4 Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall not affect the other provisions hereof and the same shall remain in full force and effect.

10.5 Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of thirty-five (35) years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of ten (10) years, unless rescinded by a vote of at least ninety percent (90%) of the Owners and ninety percent (90%) of the first mortgagees. Provided however, amendments which do not constitute rescission of the planned community may be adopted as provided in Section 13.6. Additionally, any such rescission which affects the Common Property shall require the prior written consent of the city of Medford. Provided, however, that if any of the provisions of this Declaration would violate the rule against perpetuities or any other limitation on the duration of the provisions herein contained imposed by law, then such provision shall be deemed to remain in effect only for the maximum period permitted by law or, in the event the rule against perpetuities applies, until twenty-one (21) years after the death of the last survivor of the now living descendants of President Bill Clinton.

10.6 Amendment. As provided by ORS 94.590 and except as otherwise provided in Sections 13.5 and 13.11, and the restrictions set forth elsewhere herein, this Declaration may be amended at any time by an instrument approved by not less than seventy-five percent (75%) of the total votes of each class of members that are eligible to vote. Any amendment must be executed, recorded and certified as provided by law. Provided, however, that no amendment of this Declaration shall effect an amendment of the Bylaws, the Articles of Incorporation without compliance with the provisions of such documents, and the Oregon Non-Profit Corporation Act. Provided further, no amendment affecting the general plan of development or any other right of the Declarant herein contained may be effected without the express written consent of the Declarant or its successors and assigns.

10.7 Rights of Mortgagees. Any holder of a first mortgage or equivalent lien on any Lot and/or the improvements located thereon, upon written request to the Board of Directors of the Association, shall have the right to:

- (a) Receive timely written notice of meetings of the Association;
- (b) Receive timely written notice of any proposed abandonment, termination or contraction of this planned unit development;
- (c) Receive timely written notice of any material amendment of the Declaration or the Articles of Incorporation or Bylaws of the Association;
- (d) Receive timely written notice of any decision by the Association to terminate professional management and to assume self-management of the Property, if the Association previously has retained professional management services;
- (e) Inspect the financial records and similar documents of the Association at reasonable intervals during normal business hours;
- (f) Receive written notice of substantial damage to or destruction of any Lot and/or the improvements thereon or the Common Property and/or any improvements thereon; and
- (g) Receive timely written notice of any condemnation or eminent domain proceeding affecting the Common Property or any portion thereof.

10.8 Notice of Default by Mortgagor. The Association shall give each mortgagee written notification of any default by the mortgagor of such Lot in the performance of such mortgagor's obligations under the Declaration and Bylaws which is not cured within thirty (30) days.

10.9 Prior Consent of Mortgagees. The termination of the status of the Property as a planned community, or any material amendment to this Declaration or the Bylaws of the Association shall require the prior written consent of all first mortgagees or equivalent liens on Lots and/or the improvements located thereon.

10.10 Release of Right of Control. The Declarant may give up its right of control in writing at any time by notice to the Association.

10.11 Unilateral Amendment by Declarant. The Declarant may amend this Declaration in order to comply with the requirements of the Federal Housing Administration of the United States, the Federal National Mortgage Association, the Government National Mortgage Association, the Federal Home Mortgage Loan Corporation, any department, bureau, board, commission or agency of the United States or the State of Oregon, or any other state in which the Lots are marketed and sold, or any corporation wholly owned, directly or indirectly, by the United States or the State of Oregon, or such other state, the approval of which entity is required in order for it to insure, guarantee or provide financing in connection with development of the Property and sale of Lots. Prior to the turnover meeting, no such amendment shall require notice to or approval by any Class A member.

10



I, Christine Walker, County Clerk for Jackson County, Oregon, certify that the instrument identified herein was recorded in the Clerk records.

Christine Walker - County Clerk

**AMENDMENT TO CONDITIONS, COVENANTS, AND RESTRICTIONS
OAK GROVE ESTATES, PHASES 1 AND 2**

This Amendment to the Declaration is made this 3rd day of November, 2009 by the original Declarant and the Owner of the property described herein. On October 22, 2009, Declarant, CMP Properties, Inc. made a Declaration of Conditions, Covenants and Restrictions which was recorded as instrument No. 2009-039754 in Jackson County, Oregon.

Exhibit "A" and Exhibit "B" referenced in the Declaration of Conditions, Covenants and Restrictions recorded as instrument No. 2009-039754 in Jackson County Official Records were inadvertently omitted.

The purpose of this Amendment is to include Exhibit "A" and Exhibit "B" as a part of the Declaration of Conditions, Covenants and Restrictions, which said Exhibits are attached hereto and made a part hereof.

Except as specifically amended above, all other Conditions, Covenants and Restrictions contained in the Declaration recorded on October 22, 2009 as instrument no. 2009-039754 remain unchanged and in full force.

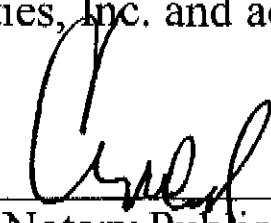
In witness hereof this 3rd day of November, 2009

CMP PROPERTIES, INC.

By: 

State of Oregon
County of Jackson

On this 3rd day of November, 2009 personally appeared before me Charles Smith as President of CMP Properties, Inc. and acknowledged the foregoing to be his voluntary act and deed.


Notary Public for the State of Oregon

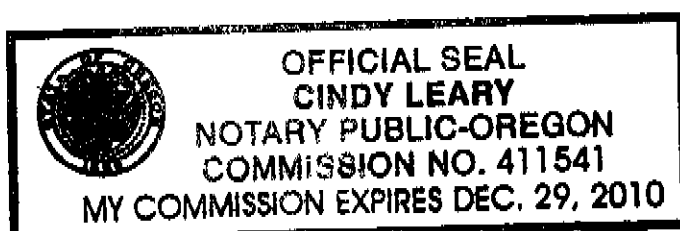
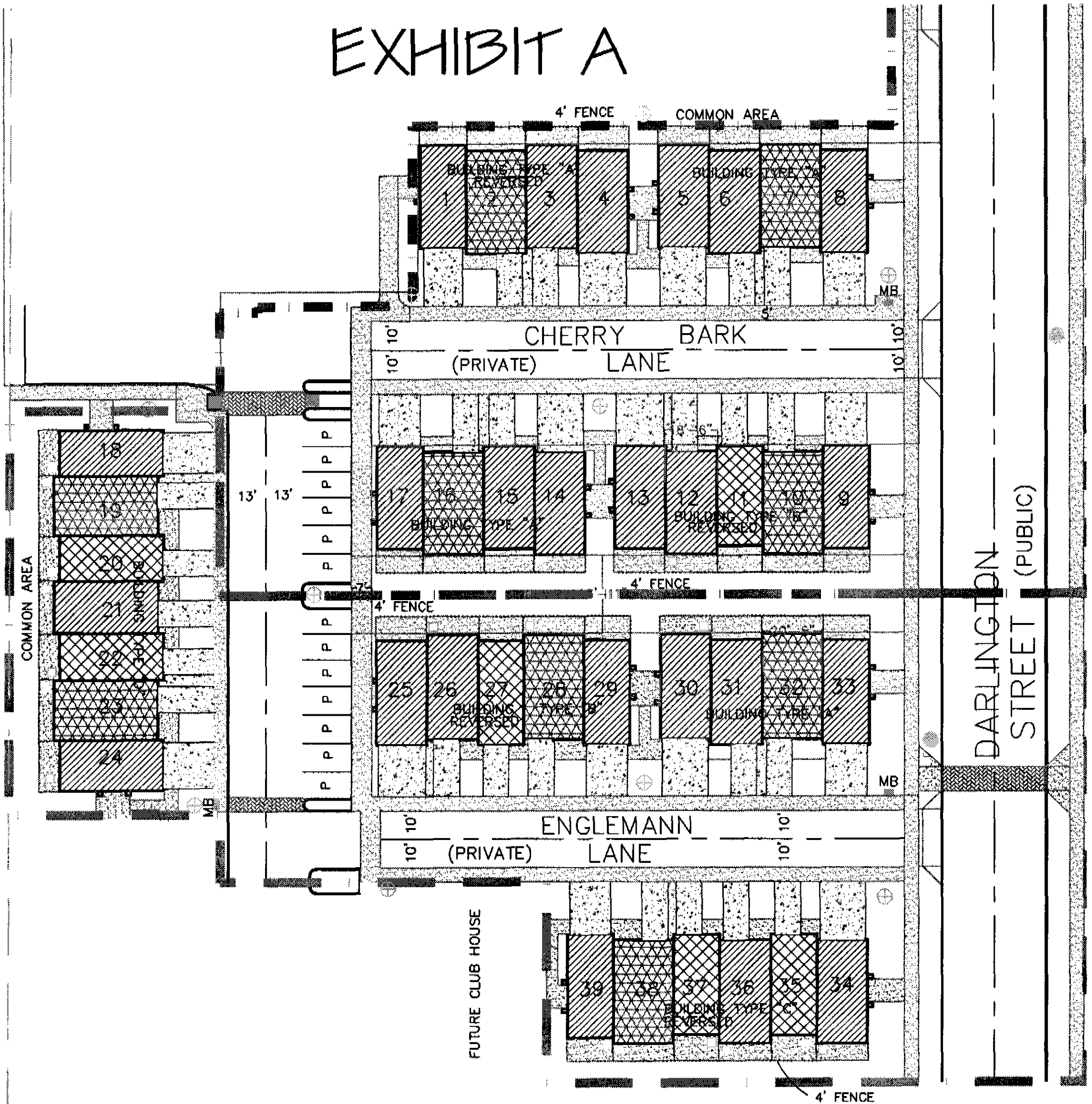
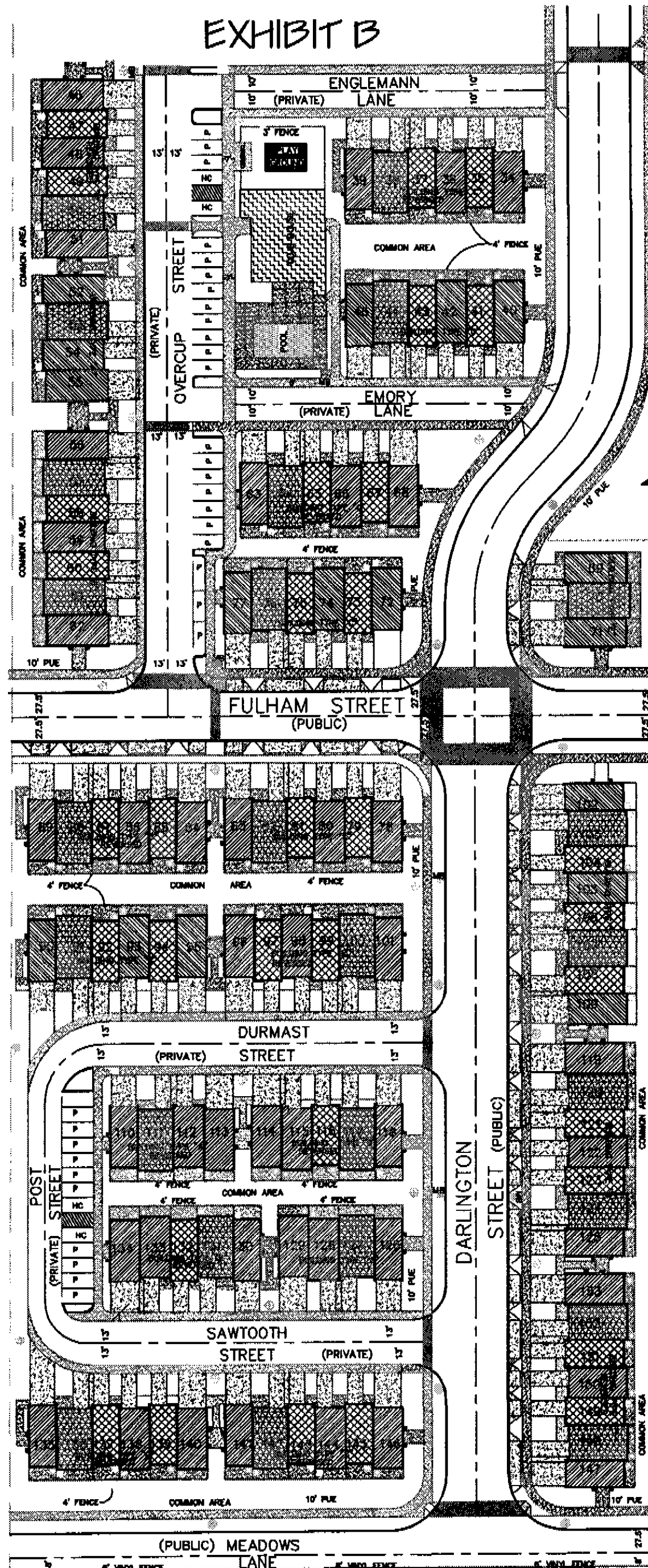


EXHIBIT A



ALL OF OAK GROVE ESTATES, PHASES 1 AND 2

EXHIBIT B





01398904200900397550070070

I, Christine Walker, County Clerk for Jackson County, Oregon, certify that the instrument identified herein was recorded in the Clerk records.

Christine Walker - County Clerk

BYLAWS OF:

OAK GROVE ESTATES HOMEOWNERS ASSOCIATION

ARTICLE I. GENERAL INFORMATION

Section 1: Application:

These Bylaws shall govern the administration of specific real property, a Planned Community known as OAK GROVE ESTATES, located in the City of Medford, Jackson County, Oregon, and more particularly described in the Declaration dated _____ 2009, and recorded in the Official Records of Jackson County, Oregon as Document No. _____ hereinafter referred to as Declaration.

CMP, Properties Inc. hereinafter referred to as Developer are the owners of the real property described in the Declaration and are also the developers of OAK GROVE ESTATES.

Developers here by approve and adopt these Bylaws and annexes the same to the Declaration, and the Bylaws, Declaration and Administrative Rules and Regulations shall govern the operation of the Planned Community.

Section 2. Definitions:

As used in these Bylaws, the following terms are defined as follows:

- (a) "Association" means the association of owners of OAK GROVE ESTATES, the formal title of which is the OAK GROVE ESTATES Homeowners Association;
- (b) "Majority of owners" means the owners of more than fifty percent (50%) of the units in OAK GROVE ESTATES;
- (c) "Planned Community" means OAK GROVE ESTATES, a Townhouse community located in Medford, Oregon, and operated in a manner consistent with ORS 94.600.

Section 3. Personal Application:

All present or future owners, or any other person that might use the property or facilities thereon in any manner, are subject to the regulations set forth in these Bylaws, the Declaration, and any management agreement entered into pursuant to the terms thereof. The mere acquisition of any of the lots in the development or the mere act of occupancy of any of said lots will signify that these Bylaws, the provisions of the Management Agreement and the Declaration are accepted, ratified and will be complied with.

ARTICLE II: ASSOCIATION, MEMBERSHIP AND VOTING

Section 1: Membership in the Association:

Any purchaser of a lot shall automatically, upon becoming the owner of a lot, be a member of the OAK GROVE ESTATES Homeowners Association, and shall remain a member of said Association until such time as his ownership ceases for any reason. Lot ownership shall be determined, for all purposes of the Declaration and the administration of the property, from the record of ownership maintained by the Association. The record shall be established by the owner filing with the Association a copy of the deed to his lot, and to which shall be affixed the certificate of the recording officer of Jackson County, Oregon, showing the date and place of recording of such deed. No person shall be recognized as a lot owner unless a copy of the deed has been filed with the Association, as provided above, showing that person to be the current owner of the lot.

Notwithstanding the foregoing, the Developer shall be the voting member for all lots for which no deed has been filed with the Association indicating the ownership of the lot has changed from the Developer to a new owner.

Section 2. Voting:

The total number of votes of all voting members within the project shall be thirty- nine (39). See Article five (5) of the Declaration of Conditions, Covenants, and Restrictions for an explanation of voting classes. If a voting owner owns or represents more than one unit, the owner shall have votes corresponding with each unit owned or represented.

Section 3: Designation of Voting Owners:

There shall be one "voting owner" of each unit, whether owned individually or jointly. The voting owner shall be designated by the record owner or owners of each lot by written notice to the Association, and in certain cases, need not be a record owner. If the designation is to a first mortgage, the designation may be in the form of an irrevocable proxy; if otherwise, it shall be in the form of a proxy revocable at any time by actual notice to the association noting the transfer, sale, death, or judicially declared incompetency of any lot owner, or by written notice to the Association signed by the record owner or owners of any lot. Such powers of designation and revocation may be exercised by the guardian of a record owner's estate, or by his conservator, or in the case of a minor having no

guardian, by the parent entitled to custody, or during the administration of a record owner's estate, by his executor or administrator where the latter's interest in said property is subject to administration in his estate. Where no designation is made, or where a designation has been made and revoked, and no new designation has been made, the voting owner of each unit shall be the group composed of all of its record owners; any or all of such owners may be present at any meeting of the voting owners in person or by proxy. If those present act unanimously, they may vote or take any other action as a voting owner.

Section 4. Association Responsibilities:

The Association has the responsibility of administering the common areas of the project, approving the annual budget, establishing and collecting monthly assessments, including pro-rata shares of blanket insurance premiums, and arranging for the management of the property by a management agent pursuant to an agreement, containing provisions relating to the duties, responsibilities, obligations, removal and compensation of the management agent.

ARTICLE III: MEETING OF LOT OWNERS

Section 1. General:

The lot owners shall act at a meeting duly called on notice in accordance with these Bylaws at which a quorum is present.

Section 2. Quorum, Action at Meetings, Adjourned Meetings:

At any meeting of the association, lot owners owning more than a majority of the lots present, in person or by proxy, shall constitute a quorum; the concurring vote of a majority of such lot owners present and constituting a quorum shall be valid and binding upon the Association, except as otherwise provide by law, these Bylaws, or the Declaration. If less than a majority of the lot owners are represented at a meeting, a majority of the lot owners so represented at the meeting may adjourn the meeting from time to time without further notice. At such adjourned meeting, at which a quorum is present, any business may be transacted which might have been transacted at the meeting as originally noticed. The lot owners present at a duly organized meeting may continue to transact business until adjournment, notwithstanding withdrawals of unit owners to leave less than a quorum.

Section 3. Place of Meetings:

The office of the Association, or any such other place as the board of Directors shall designate, shall be the place of meeting for all annual and special meetings of the Association.

Section 4. Transitional Advisory Committee and Turnover by Declarant:

As provided for in ORS 94.604, the Declarant shall form a transitional advisory committee to provide for the transition of administrative responsibility of the property from Declarant to the Association, consistent with ORS 94.600. The procedure set forth in said statute shall be followed pertaining to the committee. Pursuant to the provisions of ORS 94.609, the Declarant shall call a meeting for the purpose of turning over the administrative responsibility of the Planned Community to the Association, not later than one hundred and twenty (120) days after lots representing seventy-five (75%) of the votes have been conveyed. ORS 94.616 provides for a turnover meeting, and establishes the procedures to be used by the Declarant and the Association in the conduct of the turnover meeting and the responsibilities of each in complying with the statute. All of the statutory procedures and requirements shall be complied with pertaining to the transition.

Section 5. Annual Meeting:

The annual meeting of the lot owners shall be the third Saturday of January of each year, at 7:00 PM, for the purpose of electing the Directors whose terms expire on the date of the annual meeting, and for conducting such other business as may be properly before the Board at such meeting.

Section 6. Special Meetings:

Special Meetings of the Association may be called by the Chairman or by a majority of the Board of Directors for any purpose, and shall be called by the Chairman at the request of not less than twenty percent (20%) of the lot owners entitled to vote at the meeting.

Section 7. Notice of Meetings:

Written or printed notice stating the place, date and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than fifty (50) days prior to the meeting, either personally or by mail, by or at the discretion of the chairman, the secretary, or the officers or persons calling the meeting, to each lot owner entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail, addressed to the lot owner at his last known address on the record of the Association, with postage thereon prepaid.

Section 8. Proxies:

At all meetings of the Association, a lot owner may vote by proxy executed in writing by the lot owner or by his duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the Association before or at the time of the meeting.

Section 9. Informal Action by Lot Owners:

Any action required to be taken at a meeting of the Association, or any other action which may be taken at a meeting of the Association, may be taken without a meeting only if such action is consented to, in writing, by all of the lot owners entitled to vote on such action.

ARTICLE IV: BOARD OF DIRECTORS

Section 1. Initial Board of Directors:

The initial Board of Directors shall consist of three (3) members, who shall be Chuck Smith, Milo Smith, and Philip Smith who shall serve until their successors are elected and qualified.

Section 2. Election of Directors; Terms of Office:

The initial board of Directors as noted above, or their successors, shall serve as the Board of Directors and govern all affairs of the Association until such time as seventy-five percent (75%) of all lots in the project have been sold, pursuant to Article III of the Declaration, and until the turnover meeting as provided in Article III, Section 4, of these Bylaws. If the developers continue to be lot owners, they may remain on the Board to serve out their remaining term of office.

Terms: One (1) of the three initial directors shall serve on the Board until the third annual meeting following the initial election; one (1) shall serve until the second annual meeting, and one (1) shall serve until the annual meeting following the initial election. At the expiration of the term of each director at the annual meetings, the lot owners shall elect a successor, which can be the director whose term is expiring, to serve until the third annual meeting following his election, or until his successor is elected and qualified. All elected officers must be unit owners.

Section 3. Powers and Duties:

The board of Directors shall govern the affairs of the Association, and shall have such powers and duties as are necessary for governing such affairs, including, but not limited to, the following:

- (a) The Board shall be responsible for the maintenance, upkeep, and repair of the Common Property. In performing this responsibility, the Board may employ such personnel to perform such services as necessary, on such terms and for such compensation as it may determine.
- (b) The Board may employ a Management Agent, at such compensation as the Board may determine, to perform such duties and services as the Board shall deem appropriate, including without limitation the duties of the Board set forth in these Bylaws. The first manager may be appointed by the Developer. All compensation paid to the Management Agent shall constitute a common expense.
- (c) The Board shall determine and collect from each lot owner the assessments provided herein, and may enforce any and all rights the Association may have for such collection, including without limitation and lien on the unit owners for common expenses.
- (d) The Board may, from time to time, adopt and or amend rules and regulations governing the details of operation and use of the common elements.

Section 4. Vacancies on Board of Directors:

Any vacancy occurring on the Board of Directors may be filled by the affirmative vote of a majority of the remaining directors by no less than a quorum of the Board of Directors. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office. Any directorship to be filled by reason of an increase in the number of directors or by reason of the removal of one or more directors shall be filled by election at an annual meeting or at a special meeting of the lot owners called for that purpose.

Section 5. Removal of Directors:

Any or all of the directors may be removed with or without cause at a meeting expressly called for that purpose, by a vote of a majority of the lot owners entitled to vote at an election of directors. A successor may then, or at any other annual or special meeting, be elected to fill the vacancy thus created for the remainder of the term vacated. Any director who ceases to be a lot owner shall cease being a director.

Section 6. Organizational Meeting:

Immediately following the turnover meeting of the lot owners, the newly elected directors shall meet for the purpose of election of officers, and the transaction of such other business as may be appropriate. No separate notice of such meeting is required.

Section 7. Regular Meetings of the Board:

Regular meetings of the Board of Directors may be held at such time and place as shall be determined, from time to time, by a majority of the directors, but at least four (4) such meetings shall be held during each calendar year. Notice of regular meetings shall be given by the chairman or secretary to each director, either personally or by mail, telephone, or telegraph, at least three (3) days but not more than thirty (30) days prior to such meeting, which notice shall state the time, place, and purpose of the meeting.

Section 8. Special Meetings of the Board of Directors:

Special meetings may be called by the chairman or by any two (2) directors upon three (3) days notice, such notice given either personally or by mail, telephone or telegraph, and stating the time, date, place and purpose of the meeting.

Section 9. Board of Directors Quorum:

At all meetings of the Board of Directors, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors in attendance at said meeting shall be the acts of the Board of Directors. If, at any meeting of the Board of Directors, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time without notice until a quorum is seated. At any adjourned meeting, any business that might have been transacted at the meeting as originally called may be transacted without further notice.

Section 10. Presumption of Assent:

A director who is present at a meeting of the Board of Directors, during which action on any matter is taken, shall be presumed to have assented to the action taken unless the director's dissent is entered into the minutes of the meeting, or filed in writing with the person acting as secretary of the meeting, before the adjournment thereof, or shall forward such dissent by certified mail to the secretary within twenty-four (24) hours of the adjournment of the meeting. Such right to dissent shall not apply to a director who voted in favor of such action.

Section 11. Compensation of Directors:

The directors and officers shall not be entitled to any compensation for serving the Association in any of these capacities.

ARTICLE V: OFFICERS

Section 1. Designation:

The principal officers of the Association shall be Chairman, Vice Chairman, Secretary and Treasurer, all of whom shall be elected by and from the Board of Directors. The Board may appoint an assistant treasurer, and an assistant secretary, and any other such officers as in their judgment may be necessary. Any person may hold more than one office, except no one person may simultaneously hold the office of Chairman and Secretary.

Section 2. Election and Term of Office:

The officers shall be elected annually by the board of Directors at the first meeting of the Board held after each annual meeting of the Association, or as soon thereafter as is convenient. Each officer shall hold office until his successor has been duly elected, unless he resigns, dies in office, or has been removed in the manner herein provided.

Section 3. Removal of Officers:

Any officer elected or agent designated by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Association will be served; but such removal shall be without prejudice to the contract right, if any, of the persona so removed.

Section 4. Vacancies in Office/Officers:

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, shall be filled by the Board of Directors for the unexpired portion of the term.

Section 5: Chairman:

The Chairman shall be the principal executive officer of the Association, and is subject to the control of the Board of Directors. The Chairman shall preside at all meetings of the Association (lot owners) and the Board of Directors, and shall perform all duties incident to such office, and such other duties as may be proscribed by the Board, including, but not limited to, the following:

- (a) Supervise and control the affairs of the Association;
- (b) Sign, with the Secretary, or any other proper officer of the Association authorized by the Board of Directors, any deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in those cases where the signing and execution thereof shall be expressly delegated by the Board or these Bylaws to some other officer or agent of the Association, or required by law to be otherwise signed or executed.

Section 6. Vice Chairman:

The Vice Chairman shall take the place of the Chairman, and perform such duties as noted above, and assigned by the Board of Directors whenever the Chairman is absent or unable to act; the Vice Chairman shall perform such other duties as may, from time to time, be imposed by the Board of Directors. If neither the Chairman nor the Vice Chairman is able to perform the official duties of the Chair, the Board shall appoint a member of the Board to do so on an interim basis.

Section 7. Secretary:

The Secretary shall perform all duties incident to the office of the Secretary, and such other duties as from time to time may be assigned by the Chairman or the Board of Director, including, but not limited to,

- (a) Keep the Minutes o the meetings of the Association, and the Board of Directors, in one or more books provided for that purpose;
- (b) See that all notices are duly given in accordance with the provision of these bylaws or as required by law;
- (c) Be custodian of the records of the Association.

Section 8. Treasurer:

The Treasurer shall perform all duties incident to the office of the Treasurer, and such other duties as from time to time may be assigned by the Chairman or the Board of Directors, including, but not limited to the following:

- (a) Charge and custody of, and responsible for, all funds of the Association;
- (b) Receive and give receipts for monies dues and payable to the Association from whatever source,
- (c) Deposit all monies in the name of the Association in such banks, credit unions, trust companies or other depositories as shall be selected by the Board of Directors.

ARTICLE VI: OBLIGATONS OF OWNERS

Section 1. Assessments of Common Expenses:

The owner of a unit shall be liable for, and pay, a pro-rata share of the common expenses in proportion to the number of units owned in the project. Common expenses shall include:

- (a) The cost of maintenance, and all expenses for the Common Property; This includes but is not limited to the following items:
 - 1. All private streets, sidewalks, street lights, and other items that make up the following private streets: Cherry Bark Lane, Englemann Lane, Emory Lane, Overcup Street, Durmast Street, Post Street, and Sawtooth Street.
 - 2. Club house maintenance, operating costs, and such expenses deemed necessary for the operation of the club house following its completion.
 - 3. The upkeep and maintenance of any open areas or other such areas that benefit the association as a whole including park strips along Darlington Street.
 - 4. All back yards associated with each unit are common property and owned by the Home Owners Association. Owners are not allowed to alter any part of such backyards. Owners must permit access to back yards for maintenance and any other item deemed necessary by the Home Owners Association. Under no circumstance should back yard access gates be locked.

- (b) All charges for taxes on the Common Property, specifically excepting there from real property taxes and other taxes assessed separately on each unit;
 - (c) Utility costs, assessments, and liability insurance on the Common Property;
 - (d) Blanket fire and casualty insurance on common areas and structures;
 - (e) Costs of repair, replacement or rebuilding of common areas;
 - (f) Yard, janitorial, and other similar services;
 - (g) Wages, accounting and legal fees, management fees and other expenses actually incurred on or for the Common Property.
1. Common expenses shall also include such amounts that the Board of Directors may deem proper to make up any deficit in the common expenses of any prior year, and a replacement/reserve fund to meet anticipated needs, replacements, repairs and contingencies.

ARTICLES VII: COMMON EXPENSES

Section 1. Manner of Collection:

The Treasurer of the Association shall submit to each owner, at least monthly, a current statement of all assessments for common expenses for which the owner is liable. Each owner shall be entitled to receive an itemized statement of common expenses. Each owner shall have thirty (30) days to pay such statements, and if not paid within that time, the Board of Directors may take whatever action as deemed necessary, consistent with the Declaration and Bylaws.

If the owner shall at any time, rent or least his lot, and default for a period of thirty (30) days or more in the assessment, or any installment thereof, the Board may, at its option, so long as the default continues, demand and receive from the tenant occupying the lot, the rent due, or becoming due, from such tenant to the owner, up to an amount sufficient to pay all funds due from the owner, including interest, if any; and any such payment of rent to the Board by the tenant shall be sufficient discharge of obligation between the tenant and the owner to the extent of the amount so paid. However, any such demand or acceptance of rent from any tenant shall not be deemed a consent to, or approval of, any lease by the owner, or a release or discharge of any of the obligations of the owner hereunder, or surrender of any rights.

In the event the Board makes such demand upon a tenant, as noted above, the tenant shall not have the right to question the authority of the Board to make such payments, provided however, that the Board may not exercise this right if a receiver has been appointed to take charge of the premises pending a mortgage foreclosure, or if a mortgage is in possession pending a mortgage foreclosure.

Section 2. Authorization of Expenses/Approval of Vouchers:

The following rules shall apply to the authorization of the Common Expenses, and approval of Vouchers:

- (a) Nonrecurring common expenses totaling less than five hundred dollars (\$500.00) may be authorized by any officer. Vouchers covering such items may be paid upon approval by the Chairman or the Treasurer.
- (b) Vouchers covering public liability expenses and other similar, regular recurring expenses may be paid upon approval by the Chairman or the Treasurer.
- (c) Items of common expense over five hundred dollars (\$500.00) but less than five thousand dollars (\$5,000.00) may not be paid, except by an affirmative vote of a majority of the Board of Directors.
- (d) Except as provided in subsection a) above, items of common expense exceeding five thousand dollars (\$5,000.00) or more may not be authorized or incurred except by an affirmative vote of a majority of the owners of the Association, at a meeting held in accordance with the provisions of Article III. No vouchers covering such items shall be paid except by the affirmative vote of a majority of the Board of Directors.
- (e) Any items of common expense totaling not more than fifteen thousand dollars (\$15,000.00), in the nature of an emergency expense, such as repair or replacement of destroyed common elements, or the satisfaction of a lien which would cause substantial inconvenience to the lot owners, may be authorized and incurred, and the vouchers covering such items to be paid, only by the affirmative vote of a majority of the Board of Directors, without regard to the limitations of subsections a), b) and c) above; however, such action must be reported to the Association at the next official meeting.

ARTICLE VIII: INSURANCE

Section 1. Association Insurance:

The Association shall obtain, and maintain at all times, insurance policies to cover the following:

- (a) A policy or policies insuring the Developer, the Association, the board of Directors, lot owners, and the management agent against liability to the public or to the owners, their invitees or tenants, incident to the ownership and/or use of the property. There shall be excluded from such policy or policies any coverage of a lot owner (other than as a member of the association or Board of Directors) for liability arising from acts or omissions of such lot owner, and any liability incident to the ownership and/or use of the part of the property to which such lot owner has rights of use or occupancy. Limits of liability under such insurance shall not be less than two hundred and fifty thousand dollars (\$250,000.00) on a combined single limit basis. This limit and coverage is to be reviewed at least annually by the Association, and increased at the discretion of the Association by a majority vote.
- (b) All such policies shall be issued on a comprehensive liability basis, and shall provide cross liability endorsement wherein the rights of named insured shall not be prejudiced.

- (c) Insurance premiums for insurance coverage obtained by the Association in accordance with this article shall be a common expense to be paid by regular assessment levied by the Association, which shall be in addition to, and not included within, the regular monthly assessment provided in Article V of the Declaration, and such payments shall be held in a separate escrow account of the Association and used solely for the payment of the insurance premiums as such come due.
- (d) All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative, provided, however, that where a first mortgage has been designated as a loss payee by a lot owner, such mortgage shall be entitled to settle losses as to the mortgaged lot.

Section 2. Lot Owner Insurance:

- (a) Each lot owner shall be responsible for obtaining, at his own expense, fire, causality, and liability insurance covering his property and against his liability not covered under paragraph (a) above.
 - a. Property owners shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days of the purchase of such insurance. Inadequate policies will be rejected.
 - b. The Association retains the right to obtain insurance in the owner's name and to bill the owner for such costs associated with this insurance.
- (b) Each lot owner shall be required to notify the Board of Directors of all improvements in excess of one thousand dollars (\$1,000.00) made to his lot or unit.
- (c) Any lot owner who obtains individual insurance policies covering any portion of the property other than his personal property and fixtures shall be required to file a copy of such individual policy or policies with the Association within thirty (30) days of the purchase of such insurance.
- (d) The proceeds from any casualty policy, whether held by the Association or a lot owner, payable with respect to any loss or damage to the common elements, shall be held in trust for the benefit of all insured as their interest may appear.
- (e) All losses under policies hereafter in force regarding the property shall be settled exclusively with the Board of Directors or its authorized representative, provided, however, that where a first mortgage has been designated as a loss payee by a lot owner, such mortgage shall be entitled to settle losses as to the mortgaged lot.

ARTICLE IX: FIDELITY BONDS

The Board of Directors shall require that all employees, officers and agents of the Association handling, or responsible for its funds, shall obtain adequate fidelity bonds. The premiums on such bonds shall be common expenses.

ARTICLE X: AUDITS

The Board of Directors may appoint a certified public accountant or certified public accounting firm as auditor, who shall not be an officer of the Association, nor own any interest in any lot in the project, to audit the books and financial records of the Association.

ARTICLE XI: CONTRACTS

The Board of Directors may authorize an officer, a management agent or other agents to enter into any contract, or execute and deliver any instrument in the name of and on behalf of the Association. Such authority may be general, or confined to specific instances. The Board shall have the right to enter into contracts to make additions, alterations or improvements to the Common Property costing less than five thousand dollars (\$5,000.00) consistent with the provisions of Article VII, Section 2, and to pay for the same from the reserve funds established by the Board, or to specifically assess lots within the project thereto as a common expense. For expenditures in excess of five thousand dollars (\$5,000.00), the Board shall receive the approval of 75% of the lot owners.

ARTICLE XII: LOANS

No loan shall be contracted for on behalf of the Association, and no evidence of indebtedness shall be issued in its name unless authorized by the affirmative vote of 75% of the lot owners. Such authority may be general, or confined to specific instances.

ARTICLE XIII: CHECKS, DRAFTS AND VOUCHERS

All checks, drafts, vouchers, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the Association shall be signed by such officer or officers, agent or agents, of the Association in such manner as shall be determined by resolution of the Board of Directors.

ARTICLE XIV: DEPOSITS

All funds of the Association shall be deposited by the Treasurer, or a designated officer of the Association, to the credit of the Association, in such banks, credit unions, trust companies or other depositories selected by the Board of Directors, and accountability will be provided by a bookkeeping system constructed to generally accepted accounting principles.

ARTICLE XV: INDEMNIFICATION

Each director and officer of the Association, now or in officer hereafter, and the heirs, executors and administrators shall be indemnified by the Association against all costs, expenses or liability which are reasonably incurred by that officer or director in connection with, or resulting from, any action, suit, proceeding or claim to which they may be made a party, or in which they may

become involved by reason of acts or alleged acts of omission or commission arising from their performance as a director or officer of the Association, whether or not the officer or director continues in office.

Such indemnification shall not apply, however, with respect to any matter in which a director or officer shall be finally adjudged in any action, suit, proceeding or claim as having been individually guilty of willful misfeasance or malfeasance in the performance of his duties as a director or officer of the Association.

Further, the indemnification provided shall, with respect to any settlement of any suit, action, proceeding or claim, include reimbursement of any amounts paid and expenses reasonably incurred in settling such suit, action, proceeding or claim, when, in the judgment of the Board of Directors, a settlement or reimbursement appears to be in the best interests of the Association. This foregoing right of indemnification shall be in addition to and not exclusive of any and all other rights which any such director or officer may be entitled to under any agreement, vote of Association owners, or otherwise.

ARTICLE XVI: AMENDMENTS TO BYLAWS

Amendments to these Bylaws may be initiated by Resolution of the Board of Directors, or by any member of the Association. Any proposed amendment shall be delivered in writing, either personally or by mail, to each voting member not less than neither ten (10) nor more than thirty (30) days before the date of the meeting at which the proposed amendment will be voted on. If mailed, such notice shall be deemed delivered when the notice was deposited in the United States Mail, addressed to each owner at his last known address as determined by the records of the Association, postage prepaid.

No amendment of the Bylaws shall be effective unless approved by seventy-five percent (75%) of the voting owners, and until a copy of the Bylaws, as amended, has been certified by the Chairman and Secretary of the Association, and recorded with the Clerk and Recorder's Office of Jackson County, Oregon.

ARTICLE XVII: MORTGAGES

Section 1. Notice to Association:

Any lot owner who mortgages his interest in a lot shall notify the Association, through the managing agent or directly to the Secretary, of the name and address of his mortgage, and the Secretary shall maintain such information in the records of ownership of the Association.

Section 2. Notice of Unpaid Assessment:

The managing agent or the Board of Directors, upon request from any mortgage or prospective purchaser of any lot or interest therein, shall report to such person the amount of any unpaid assessments due from the owner of the respective lot.

ARTICLE XVIII: COMPLIANCE

Section 1. Subordination:

These Bylaws are subordinate and subject to the provisions of the Declaration, all amendments thereto and to the Oregon Unit Ownership Law. In case of any conflict the latter shall control. All terms herein shall have the same meaning as in the Declaration or said Oregon Unit Ownership Law.

Section 2. Interpretation and Severability:

In case any provision of these Bylaws shall be held invalid, such invalidity shall not render any other provision of these Bylaws invalid, and they shall stand as written until challenged.

Nothing in these bylaws shall be interpreted to authorize the Association or the Board of Directors to conduct or engage in any act or business for profit on behalf of any, or all, of the lot owners.

ARTICLE XIX: WAIVER OF NOTICE

Whenever any notice is required to be given to a lot owner, member of the Association or a Director of the Association, a waiver thereof, in writing and signed by the person entitled to such notice, shall be equivalent to the giving of such notice.

ARTICLE XX: ADOPTION OF BYLAWS

The undersigned hereby adopt the foregoing on behalf of the Association as the Bylaws of the OAK GROVE ESTATES HOMEOWNERS ASSOCIATION, this 29th day of September 2009:

OAK GROVE ESTATES HOMEOWNERS ASSOCIATION:

By: _____

Chuck Smith for OAK GROVE ESTATES HOMEOWNERS ASSOCIATION



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I, Christine Walker, County Clerk for Jackson County, Oregon, certify that the instrument identified herein was recorded in the Clerk records.

Christine Walker - County Clerk

AMENDMENT TO BYLAWS OAK GROVE ESTATES HOMEOWNER'S ASSOCIATION

This Amendment to the Bylaws of Oak Grove Estates Homeowner's Association is made this 3rd day of November, 2009 by the original Developers of Oak Grove Estates. On October 22, 2009, CMP Properties, Inc. recorded the Bylaws in Jackson County Official Records as document No. 2009-039755.

Said Bylaws are hereby amended as follows:

- 1) To include the recording numbers for the Declaration of Conditions, Covenants and Restrictions for Oak Grove Estate Homeowners Association which were omitted from the first paragraph in the original recording of the Bylaws. That Declaration was "dated October 22, 2009" and recorded as "Document No. 2009-039754".
- 2) To include the signature of acceptance and adoption of the Bylaws on behalf of the Association. The undersigned hereby adopts and approves the Bylaws on behalf of the Association and annexes the same to the Declaration, and the Bylaws, Declaration and Administrative Rules and Regulations shall govern the operation of the Planned Community.

Except as specifically amended above, the Bylaws recorded October 22, 2009 as instrument No. 2009-039755 remain unchanged and in full force.

In witness/hereof this 3rd day of November, 2009.

Oak Grove Estates Homeowner's Association

By: _____

State of Oregon
County of Jackson

Personally appeared before me Charles Smith this 3rd day of November, 2009 and acknowledged the foregoing to be his voluntary act and deed.

Charles Smith
Notary Public for Oregon



130086-ACCOM

City of Medford

Reference: AC-06-333/PUD-06-322

Building Permit: #13-587, 588, 589, 590

BUILDING SITE IMPROVEMENT AGREEMENT

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This agreement is hereby made and entered into by the CITY OF MEDFORD, a municipal corporation of the State of Oregon, hereinafter called "City", and CMP Properties, Inc. hereinafter called "Owner". Owner hereby acknowledges and recognizes the conditions set forth and further agrees to comply with said conditions which have been imposed for the development of the property located at 240, 230, 220, & 210 Cherry Bark Lane (372W26CA taxlots 106, 107, 108, 109, and further described in Exhibit "A".

The owner also agrees to construct the project in accordance with the approved Site Plan and Architectural Commission Report dated May 18, 2007, and acknowledges that ***any modifications of the plan authorization shall require reconsideration prior to construction.***

The conditions are set forth as follows:

- a. Install concrete curbs along the perimeter of all parking and maneuvering areas;

b. Pave all vehicle parking and maneuvering areas to City of Medford specifications;

c. Install exterior lighting per the approved plans and specifications;

d. Construct architecture, building design, and exterior treatments as per the approved building elevations and color scheme;

e. Install landscaping per the approved revised final landscape plan.

Owner agrees to fully complete the above stated items "a-e" within twelve (12) months of the date signed hereon.

This agreement is an instrument affecting the title and possession of the real property described in Exhibit "A". All the terms and conditions herein imposed shall run with the land and shall be binding upon and inure to the benefit of the successors in interest of Owner. Prior to any sale or division of the property described in Exhibit "A", the terms of this agreement shall be completed.

If the work is not completed in accordance with these terms within the allotted time, the property may not thereafter be occupied or used until all deficiencies are corrected. The City may enforce the terms of this agreement through a civil suit for injunction. In the event legal proceedings are pursued to enforce this agreement, the prevailing party shall be entitled to reasonable attorney fees and costs. This agreement shall be enforceable according to its terms, regardless of whether or not it would be enforceable as a covenant of common law.

Dated this 27 day of March, 2013.

Owner: CMP Properties Inc v-president

Charles Smith as vice president of CMP Properties appeared before me this 27 day of

(Printed Name)

March, 2013, and acknowledged the foregoing to be their act and deed.

OFFICIAL SEAL

CHRISTY L JOHNSON

NOTARY PUBLIC-OREGON

COMMISSION NO. 470737

MY COMMISSION EXPIRES AUGUST 09, 2016

Christy L Johnson

Notary Public for Oregon

My commission expires: 8-9-2016

City of Medford: Sandra Johnson

Sandra Johnson, Planner II

(Do not record unless signed by City of Medford)

The foregoing instrument was acknowledged before me this 27th day of March, 2013.

OFFICIAL SEAL

TERRI L ROZZANA

NOTARY PUBLIC-OREGON

COMMISSION NO. 448295

MY COMMISSION EXPIRES MAY 03, 2014

Terri L. Rozzana

Notary Public for Oregon

My commission expires: May 3, 2014

EXHIBIT A

Lot Five (5), Oak Grove Estates, Phase 1, in the City of Medford, Jackson County, Oregon, according to the official plat thereof, recorded March 19, 2009 in Volume 35, Page 9, Plat Records.

Lot Six (6), Oak Grove Estates, Phase 1, in the City of Medford, Jackson County, Oregon, according to the official plat thereof, recorded March 19, 2009 in Volume 35, Page 9, Plat Records.

Lot Seven (7), Oak Grove Estates, Phase 1, in the City of Medford, Jackson County, Oregon, according to the official plat thereof, recorded March 19, 2009 in Volume 35, Page 9, Plat Records.

Lot Eight (8), Oak Grove Estates, Phase 1, in the City of Medford, Jackson County, Oregon, according to the official plat thereof, recorded March 19, 2009 in Volume 35, Page 9, Plat Records.