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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 COVENANTS AND RESTRICTIONS FOR
EAST VILLAGE HOMEOWNERS ASSOCIATION
(formerly Bud's Dairy)
a Class 1 Planned Community

ARTICLE 1
DEFINITIONS

Restated and Amended 8/26/11

1.1 "Articles" shall mean the articles of incorporation for East Village Homeowners Association, an Oregon mutual-benefit nonprofit corporation, as filed with the Oregon Corporation Division.

1.2 "Association" shall mean and refer to the Association referred to in the Articles, its successors and assigns.

1.3 "Bylaws" shall mean and refer to the Bylaws of the Association being recorded herewith in the Official Records of Jackson County, Oregon.

1.4 "Board" shall refer to the Board of Directors of the Association.

1.5 "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 will be conveyed to the Association.

1.6. "Declaration" shall mean the covenants, restrictions and all other provisions set forth in this Declaration of Covenants and Restrictions for the Property.

1.7 "Declarant" shall mean and refer to the undersigned its successors or assigns.

1.8 "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.

1.9 "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.

1.10 "Lot" shall mean and refer to each and any of Lots 1 through 36 of the Property, and any which may be subsequently annexed to the Planned Community, 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 the Property.

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

1.13 "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 its 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.

1.14 "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" attached hereto, together with such additional Lots and Common Property as may, from time to time, be annexed to the Planned Community.

1.15 "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 as may be from time to time amended.

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 as described on Exhibit "A" attached, and consists of Lots and the adjoining Common Property, together with any Property

which may be subsequently annexed to the Planned Community.

ARTICLE 3

GENERAL PLAN OF DEVELOPMENT

3.1 General. The Declarant intends to develop 35 individual single family Lots, and one Lot to accommodate a six unit apartment complex, in accordance with the requirements of the City of Ashland's Affordable Housing Program. Each Lot shall be served by Ashland City services, including public water, sewer, storm drainage, natural gas, electric service, telephone, and cable television service.

3.2 Ownership of Common Property. The Declarant shall convey the Common Property to the Association within sixty (60) days after 80% of the Lots have been conveyed to purchasers. The legal description of the Common Property to be initially conveyed in the Association is set forth in Exhibit "B" attached hereto. In the event the Common Property is ever assessed for property tax purposes separately from the Lots, the Association, by and through its Board of Directors shall take such steps as may be necessary to assess all Members equally for their share of such taxes and to pay such property taxes upon a current basis.

3.3 Improvements in the Common Property. The Common Property will be improved with landscaping or held in its natural state. It is contemplated that all improvements will be completed prior in conveyance of a Lot within that phase to any Member or a surety bond or security deposit posted therefor as required by applicable government agencies.

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, and 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 unless screened from street view as approved by the Architectural Review Board. The same

shall apply in trash receptacles and recycle bins. Sidewalks may not be blocked. Approved items for front porches shall be limited to outdoor patio furniture and plants. Front porches shall not be used for storage of personal property such as bicycles, indoor furnishings, recreational equipment, children's play objects, outdoor grills or barbecues. Front porches and decks shall be maintained in a neat, tidy and good condition.

4.1.3 Combination, Division. No Member shall have the right to divide any Lot. Any Member, 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 the Association may construct (reconstruct or replace) one Unit on 2 or more Lots.

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, excepting "home offices" allowed by applicable zoning laws. Provided however, subject to compliance with applicable laws and any rules or regulations of the Association, a Member 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 Common Property. No Member 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.

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 common areas, and all landscaping and lawns on Members' Lots, excluding only so much of the same as is completely enclosed by a fence or courtyard in the private backyards of each Members Lots. The Association shall be responsible for the maintenance, repair and replacement of sewer service laterals and water service laterals from the sewer and water service connections owned and maintained by the service provider to a point where the laterals intersect a Lot's Property line.

4.4.2 Member Responsibilities. Each Member shall perform all maintenance, repair and replacement of the exterior and interior of Units on Lots, and shall perform all maintenance, planting, pruning, mowing, and cleaning of all lawns and landscaping on the private back yards of each Members Lot within areas enclosed by a fence or courtyard. Each Member shall be responsible for the maintenance, repair and replacement of any improvements, or materials located within the area on such Members Lot enclosed by a courtyard or fence. Each Member shall be responsible for the maintenance, repair and replacement of sewer service laterals and water service laterals from a point at the Lot's property line up to and including the plumbing in within the Living Unit(s).

The Owner of each Lot shall maintain the Living Units(s) and all Improvements located on said Owner's Lot in a clean and attractive condition, in good repair and in such fashion as not to create a fire or other unreasonable risks of damage, loss or hazard. Such maintenance shall include, without limitation, painting, repair, replacement and care for roofs, gutters, downspouts, exterior building surfaces (siding, trim, stonework, railings, porches) , driveways, walks and other exterior improvements. Peeling, worn or greatly faded paint must be attended to and touched up or repainted as necessary to maintain a neat appearance. In the event that any Owner shall permit any improvement which is the responsibility of such Owner to maintain to fall into disrepair so as to create a dangerous, unsafe, unsightly or unattractive condition, or so as to damage adjoining property or facilities, the Architectural Review Board after giving fifteen days written notice to the Owner of such property, shall have the right to require the Owner to take corrective action within 60 days unless the Board specifies otherwise.

Damages suffered by Lots and/or Improvements located thereon caused by fire, flood, storm, earthquake, riot, vandalism, or any other cause shall be the responsibility of the Owner to repair or restore to prior undamaged condition within the time reasonably and objectively necessary in order to effect such repairs or restoration, following damage. Fence maintenance, repair, and re-staining are the responsibility of the Member. Fence color shall be uniform throughout the Property as prescribed by the Architectural Review Board.

All repainting or re-staining, any change in roof material or color, and any exterior remodeling or changes, shall be subject to prior review and approval by the Architectural Review Board.

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 Member shall have the right to lease or rent his or her Unit for any period of time, subject to full compliance with applicable laws, the Declaration, Bylaws and Rules and Regulations of the 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, Bylaws and Rules and Regulations of the 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. Such leases or tenancy agreements shall further provide that any failure by the lessee or tenant to comply with the terms of this Declaration, said Bylaws, and said Rules and Regulations shall, constitute a default thereunder and cause for immediate termination of the tenancy created thereby. The lessee's or renters 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 act 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, a Member 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.

If the Board of Directors of the Association shall determine that a lessee or tenant has violated any provisions of this Declaration, the Bylaws, or any one or more of the rules and regulations mentioned above, then, after having provided the Owner of the Lot or Living Unit occupied by such lessee or tenant, no less than ten (10) days advance notice of its intention to do so, unless it is in receipt of reasonable assurance that such Owner has taken measures to prevent further violation by such lessee or tenant which the Board, at its' discretion, finds adequate to insure that such violations will not recur, the Board may require the Owner to terminate such lease or rental agreement.

4.7 Architectural Review Board

4.7.1 Composition. The Board of Directors shall appoint and replace, when necessary, an Architectural Review Board. A quorum for the Architectural Review Board action shall be a majority of its members.

4.7.2 Duties. It shall be the duty of the Architectural Review Board to regulate the external design, appearance, location, and maintenance of all the Property, and of improvements thereon, whether on a Lot or Common Property, and to regulate use of such Property as described in this Declaration. The Board of Directors shall adopt general rules to implement the purposes and interpret the covenants of this Article, including, but not limited to, rules not less restrictive than those contained in this Declaration to regulate animals and tenants, storage and use of recreational vehicles, storage and use of machinery, use of outdoor drying lines, trash containers, planting, maintenance, and removal of vegetation on the Property.

4.7.3 Approval Required. No building, fence, wall, or other structure of any type shall be erected upon the Property nor shall any exterior addition to, change in painting or staining of, or alteration to any Unit, outbuilding, fence, wall, or other structure on the Property of any type be made until the plans and specifications showing the nature, kind, shape, height, materials, color, and location of the same shall have been submitted to and approved in writing by the Architectural Review Board as to the harmony of external design, materials, color, and location in relation to surrounding structures and topography.

4.7.4 Procedure. A Member wishing to take any action requiring approval under this article, shall submit their proposal to the Architectural Review Board, together with complete plans and specifications at least ten week days prior to the next scheduled Board meeting. The Board shall render a decision, in writing, within 45 days, unless the Board determines that additional information is needed. The Board shall have 30 days from the receipt of a complete submittal to review the Member's submission and render a decision. Interested Members shall have an opportunity to comment on the request at all such meetings, which shall be open to all Members.

4.7.5 Appeal. The decision of the Architectural Review Board under this Article (including any failure to approve or disapprove within the time allowed) shall be subject to appeal by any interested Member as set forth in this Article. Upon the

payment of a reasonable fee established by the Architectural Review Board to cover administrative costs, any interested Member may appeal the decision of the Architectural Review Board to the Association Members. The appeal shall be made in writing and shall be filed with the Secretary of the Association within 30 days of the decision of the Architectural Review Board. The Board of Directors shall call a special or ballot meeting to be held after 10 days notice and within 30 days after the appeal has been filed with the Secretary of the Association. It shall require a vote of at least a majority of the votes of Association Members to reverse or modify the decision of the Architectural Review Board.

4.8 Nuisances:

4.8.1 No noxious or offensive activities shall be generated by vehicles, persons, appliances, tools or pets in or around any Living Unit or in the common areas, nor shall anything be done, thereon which may become a source of continuous or persistent annoyance or nuisance to any residents of the Property. Each Owner shall be responsible for compliance with this covenant with respect to his own behavior and that of his guests, licensees and invitees on the private areas and common areas.

4.8.2 Residents shall exercise due care to avoid creating disturbances and making excessive noise that may disturb other residences. No resident may generate noise from any Living Unit or Lot that is unreasonably loud or raucous such that the noise disturbs other residents (especially between the hours of 10:00 p.m. and 7:00 a.m.)

4.8.3 No unlawful use shall be made of a Lot or any Common Property, or any part thereof, and all laws, zoning ordinances, and regulations of all governmental bodies having jurisdiction over the Property shall be observed at all times.

4.8.4 Owners or responsible persons shall not permit the continual barking of any dog or dogs.

4.8.5 The Board shall have the sole authority to determine nuisances and its decision shall be final and conclusive.

ARTICLE 5

ASSOCIATION MEMBERSHIP AND VOTING RIGHTS

Each Member shall be a mandatory member of the Association as provided in the Bylaws and subject to all the terms thereof. Voting rights shall be set forth in Article 3 of the Bylaws.

ARTICLE 6

COMMON PROPERTY

6.1 Obligations of the Association. Subject to the rights of Members set forth in this Declaration, the Association shall be responsible for the exclusive management and control of the Common Property and any improvements thereon as set forth in the Bylaws.

6.2 Members' Easement of Enjoyment. Subject to the provisions of this Declaration, the Bylaws, and Rules and Regulations of the Association, every Member shall have a nonexclusive right and easement of enjoyment in and to the Common Property, which shall be appurtenant to and shall pass with the title to every Lot.

6.3 Extent of Members' Easements. The Members' easements of enjoyment created hereby shall be subject to the following:

6.3.1 Subject to Rules and Fees. The right of the Association to establish reasonable rules and to charge reasonable assessments and fees for capital expenditures on the Common Property and the maintenance and upkeep of the Common Property and payment of all the Association expenses.

6.2. Suspension of Member's Right. The Association may suspend the right of a Member or any occupant of a Lot to use the Common Property and facilities for any period during which any assessment against such Member or occupant's Lot remains unpaid for more than 30 days after notice of such nonpayment. Provided, however, that no such suspension pursuant to this subsection shall deprive a Member of access to his or her Lot.

6.3 Sale of Common Property. With the prior approval of City of Ashland Planning Department, the Association has the right to sell, dedicate or transfer any portion of the Common Property or to create a security interest therein. Except as to the grant of easements for utilities and similar or related purposes, no such sale, dedication or transfer shall be effective unless approved by 90% of the votes held by Members. A sale of the Common Property may provide that it be released from any restriction imposed by this Declaration, however, it may not deprive any Lot of its right of access to, or support for, the Lot without the consent of its Owner.

6.4 Declaration of Use. Any Member may delegate his or her right of enjoyment to

the Common Property to the Member's family and tenants, and to a reasonable number of guests subject to Rules and Regulations as may be established from time to time by the Association.

6.5. Damage or Destruction of Common Property by a Member. In the event any Common Property is damaged or destroyed by a Member or any of his or her guests, tenants, licensees, agent, or members of his or her family in a manner that would subject such Member to liability for such damage under Oregon law, such Member does hereby authorize the Association to repair such damage. The Association shall repair damage in a good and workmanlike manner as originally constituted or as the area may be modified or altered subsequently by the Association in the discretion of the Association. The reasonable cost necessary for such repairs shall become a special assessment upon the Lot of the Member who caused or is otherwise responsible for such damage.

ARTICLE 7

COVENANTS FOR MAINTENANCE ASSESSMENTS /SPECIAL ASSESSMENTS; AND COMMON PROFITS

7.1 Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants, and each Member 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 7.7.

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 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.

7.2 General Assessments.

7.2.1 Purpose of Assessments. The assessments levied under this Article shall be used exclusively for the purpose 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 of the Association and to fund a replacement reserve for those items of which the Association has maintenance responsibility, and for the payment of any common operating

expenses such as landscaping, maintenance, Association water, sewer, power, and garbage collection, management services, legal and accounting services and the like. Neither the Association, nor any assessments of the Members shall be used to engage in lobbying or to exert political influence.

7.2.2 Basis for Assessment. The assessment of Lots shall include the following items:

- (1) Expenses of administration;
- (2) Expenses of maintenance, repair and replacement of all improvements and buildings on the Common Property;
- (3) Expenses of maintenance, repair and replacement of the lawns and landscaping on Member's Lots (excluding those portions enclosed by a fence or courtyard in the private back yards of the Members) and of the portions of the sanitary sewer lines and water lines for which the Association has responsibility, in accordance with this 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 7.6 and 7.7;

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.

7.2.3 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 the Association and may be amended by a

majority of the votes of the 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 Board may provide for collection of assessments, annually or in monthly, quarterly or semiannual 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 attorney fees and costs as hereinafter provided. The Board shall have authority to assess fewer than all lots for common expenses benefiting those fewer Lots. If the Board determines that any common expenses are the fault of any Owner, it may assess the expense exclusively against the lot of that Owner.

Notwithstanding any other provisions of this Section 7.2, the general assessments of the Association may not be increased by more than 20% in any one year without approval of a majority of the Members at a meeting at which a quorum exists, or a majority of the votes of all Members, if the vote is taken by written ballot.

General and special assessments for unimproved lots that do not have landscape materials in place, and have not yet improved the lot with a landscape irrigation system in all areas, shall be set at the uniform rate established for all lots. The responsibility for planting, watering, and maintenance of landscaping and lawns and the installation and maintenance of a landscape irrigation system shall be the responsibility of the unimproved lot Owner.

7.3 Initial Assessment. Upon the closing of the sale of each Lot to a Member, each new Member shall contribute a sum equal to two (2) times the monthly assessment 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.

7.4 Common Property Reserve Study. The Board shall conduct a Reserve Study to determine the reserve account requirements and may adjust the amount of payments as indicated by the study or update and provide for other reserve items that the Board may deem appropriate. The study shall include identification of all items for which reserves are required to be established, their estimated remaining useful life, the estimated cost of maintenance, repair or replacement of each item at the end of its useful life, and a 30 year plan to meet that maintenance, repair and replacement schedule.

7.5 Common Property Reserve Account. The assessment against each Lot,

regardless of whether it has been improved, shall include an amount allocated to the reserve account established for the purpose of limiting replacements of those elements of the Common Property that will normally require replacement, in whole or in part, in more than 3 and less than 30 years. The account shall be in the name of the Association and separated from other funds. It shall be used only for the purposes for which the reserves have been established, The account shall also fund other items, whether or not involving common property, if the Association has responsibility to maintain the items unless they could reasonably be funded from operating assessments. 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 based on the results of the Reserve Study described in section 7.4. The reserve account need not include reserves for those items for which one or more Members are responsible for maintenance and replacement under the provisions of this Declaration or the Bylaws. The assessments pursuant to this section shall accrue from the date of conveyance of the first Lot in the Property. The Board may borrow funds from this reserve account to meet high demands on the regular operating funds or to meet other unexpected increases in expenses. The Board shall repay such funds according to a written payment plan adopted no later than the date the budget is adopted for the following year, said plan providing for repayment within a reasonable period. The Association may, on an annual basis by a unanimous vote, elect not to fund the reserve account. By a vote of at least 90% of the Members, the Association may also elect to reduce or increase future assessments for the account.

7.6 Living Unit Reserve Account/ Operating Reserve. The assessments 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 the replacement of those items expected to last between 3 and 30 years. Reserve items for this Planned Community are only those elements held in common by the members, and expressly do not include roofing, paint or any other item on the exterior or interior of Living Units. Amounts assessed with respect to reserves shall take into account estimated retraining 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.

7.7 Special Assessments. The Board of Directors shall have the power to levy special assessments against a member or all Members in the following manner for the following purposes:

- (a) To correct a deficit in the operating budget;
- (b) To collect amounts due to the Association from a Member for breach of the Member's obligations under the Declaration, these Bylaws, or the Association's Rules and Regulations;
- (c) To make repairs or renovations to the common property; or
- (d) To make capital acquisitions, additions or improvements, provided they are approved by vote of at least 50 percent of all votes allocated to the Lots.

7.8 Effect of Non-Payment of Assessments: Remedies of the Association. Any assessment unpaid within 30 days of its due date on the first of the month shall incur a late fee of 10% of the delinquent installment. In addition to any other remedies provided by law, the Association may bring an action at law against the Member personally obligated to pay the same or foreclose a lien upon the Member's Unit. No such action or judgment entered therein shall be a waiver of the lien of the Association. The Board shall have authority to compromise overdue assessment claims if it benefits the Association. No Member 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. An Owner may not claim to offset an assessment for failure of the Association to perform the Association's obligations.

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

Sale or transfer of any Lot shall not affect the assessment lien.

7.10 Common Expenses and Profits. Profits arising from any operation or from the sale of any Association asset shall be shared among the Members in proportion to their liability for payment of assessments, i.e. equally. Common expenses shall be, similarly, shared equally.

ARTICLE 8

INSURANCE

8.1 Insurance Requirements: The Association shall purchase and maintain at all times the following types of insurance:

(a) Commercial General Liability and Property Insurance: Commercial general liability insurance covering bodily injury and property damage, liability insurance covering all Common Areas, and all other areas under the jurisdiction or control of the Association.

(b) Insurance of Common Property: Fire and other hazard insurance covering improvements constructed on the Common Area.

(c) Fidelity Insurance: Fidelity coverage against dishonest acts on the part of directors, officers, managers, trustees, employees, or volunteers responsible for handling funds belonging to or administered by the Association. Such fidelity bonds or insurance shall name the Association as the named insured.

8.2 Insurance by Owner: In addition to the insurance required to be carried by the Association, each Owner is advised, at his own expense, carry any other insurance deemed advisable. The Association shall have no duty whatsoever to insure, protect or maintain real or personal property located upon any Lot. It shall be the individual responsibility of each Owner, at his own expense, to provide Owner's liability and property damage insurance, theft and other insurance covering personal and real property of the Owner. This list is not exhaustive of all insurance coverages that may be important to the Owner.

ARTICLE 9

CONDEMNATION OF COMMON PROPERTY

In the event that all or any portion of the Common Property is appropriated as the result of condemnation or threat or imminence thereof, the following rules and guidelines shall apply:

9.1 Representation by Association. The Board of Directors of the Association shall have the sole authority, right and duty to represent each of the Members for the purpose of negotiating and contesting, if it deems so doing to be necessary or appropriate, any condemnation award offered by the condemning authority in question and may authorize expenditures and assessments to retain adequate counsel or rather experts for such purposes.

9.2 Allocation of Condemnation Award. The Board of Directors of the Association shall allocate and distribute any condemnation award received by it with respect to the Common Property to the Members in proportion to the diminution in fair market value incurred by them with respect to their respective Lots and improvements as a result of said condemnation.

9.3 Arbitration. In the event of any controversy by, among or between any Member or Members and the Board of Directors arising under this Section, each of the disputing parties shall choose one (1) arbitrator and such arbitrators shall choose one (1) additional arbitrator. The 3 arbitrators shall resolve the controversy by majority vote and said decision shall be final, binding and unappealing upon the disputing parties. Any action or decision of the Board of Directors pursuant to this Section shall carry a rebuttable presumption of correctness for purposes of arbitration pursuant to this Section. The disputing parties each shall pay all the fees and expenses of the arbitrator designated by each of them and shall pay equally all fees and expenses of the third arbitrator. The disputing parties each shall pay their own expenses in connection with the arbitration.

9.4 Retention of Rights. No provision of this Section shall be construed as negating the right of the individual Members so such incidental relief as the law may provide as a result of the condemnation of the Common Property.

ARTICLE 10 EASEMENTS

10.1 Association's Easements. The Association has a blanket easement with respect to all Lots on the Property for the purpose of maintaining, repairing and replacing utilities lines and facilities located on the Lots . The easement granted in this Section shall be perpetual and shall run with the land.

10.2 Member's Easements. Each member has an easement over the Common Property and over other Lots for roof overhangs, driveways, fences, HVAC units, and other minor encroachments into the Common Property or other Lots arising from the Unit and its accessory components having not been constructed, or not having been reconstructed, precisely within the Lot lines. This easement shall be perpetual and run with the land.

ARTICLE 11

GENERAL PROVISIONS

11.1 Enforcement. The Board of Directors and the Members within the Property or any mortgagee on any Lot shall have the right to enforce all 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 Members by any proceeding at law or in equity. Failure by the Board of Directors or by a Member 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 Board of Directors 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. The same shall apply in any litigation brought by the Board of Directors or a Member to enforce compliance with Rules and Regulations enacted by the Association.

11.2 Severability. Invalidation of any 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.

11.3 Duration. The covenants and restrictions of this Declaration shall run with and bind the land for a term of 35 years from the date of this Declaration being recorded, after which time they shall be automatically extended for successive periods of 10 years, unless rescinded by a vote of at least 90% of the voting Members. Provided however, amendments which do not constitute rescission of the planned community may be adopted as provided in Section 11.4.

11.4 Amendment. An amendment on the Declaration or recorded Plat may be proposed by a majority of the Board or by at least 30% of the Members. Except as otherwise set forth elsewhere herein, this Declaration or the recorded Plat may be amended at any time by an instrument approved by not less than 75% of the total votes of Members that are eligible to vote. Any amendment must be executed and certified on behalf of the Association by the President and Secretary as being adopted in accordance with the Declaration and applicable law. It shall be acknowledged as for deeds and recorded as the Declaration is recorded. It shall be

effective only upon recording. Provided, however, that no amendment of this Declaration shall effect an amendment of the Bylaws 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. Provided further, no amendments changing the boundaries or uses of any Lot may be affected unless the Owners of the affected Lots unanimously consent to the amendment.

11.5 Rights of Mortgagees. Any holder of a lien 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 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.

IN WITNESS WHEREOF, the undersigned being President of the Board of the East Village Home Owners Association, formerly known as Bud's Dairy Home Owners Association, has executed this instrument this 26th day of August, 2011.

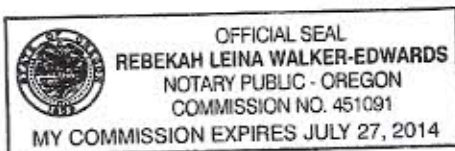
East Village Home Owners Association

Bernie Walter

By: Bernie Walter, its President

State of OREGON)
) §§
County of Jackson)

This instrument was acknowledged before me on August 26, 2011, by Bernadette Walter as President of the East Village Home Owners Association, formerly known as Bud's Dairy Home Owners Association.



[Signature]
Notary Public - State of Oregon

My Commission Expires: 7-27-2014

Signature Page

TELEPHONE
541-772-2782



L. J. FRIAR AND ASSOCIATES, P. C.

CONSULTING LAND SURVEYORS

FAX
541-772-8465

JAMES E HIBBS, PLS

816 WEST 8TH STREET
MEDFORD, OREGON 97501

ljfriar@charter.net

LEGAL DESCRIPTION

Beginning at the Southwest corner of Lot 39 of CHAUTAUQUA TRACE, PHASE 2, A PLANNED COMMUNITY, according to the official plat thereof, now of record, in Jackson County, Oregon and the INITIAL POINT OF BEGINNING; thence along the West line of said PHASE 2, South 00°05'27" West, 111.48 feet to a found 3/4 inch iron pipe marking the Southwest corner of said PHASE 2; thence South 00°07'16" West, 131.52 feet to a point from which a found 5/8 inch iron pin established by Survey No. 8604, on file in the Office of the Jackson County Surveyor, bears South 00°07'16" West; thence North 89°34'07" West, 381.53 feet; thence North 89°38'04" West, 255.60 feet to the East line of Clay Street; thence along said East line, North 00°04'41" East, 325.89 feet to an existing fence line; thence along the boundary line established by Document Nos. 03-72760 through 03-72764, inclusive, said Official Records, South 89°26'59" East, 142.65 feet; thence continue along said boundary line, South 89°43'43" East, 494.62 feet to the West line of said PHASE 2; thence along said West line, South 00°05'27" West, 83.68 feet to the INITIAL POINT OF BEGINNING.

EXTERIOR OF SUBDIVISION

391E11CB TL1000

Russ Dale

01-122

February 3, 2004

EXHIBIT A
PAGE 1 OF 1

TELEPHONE
541-772-2782



L. J. FRIAR AND ASSOCIATES, P. C.

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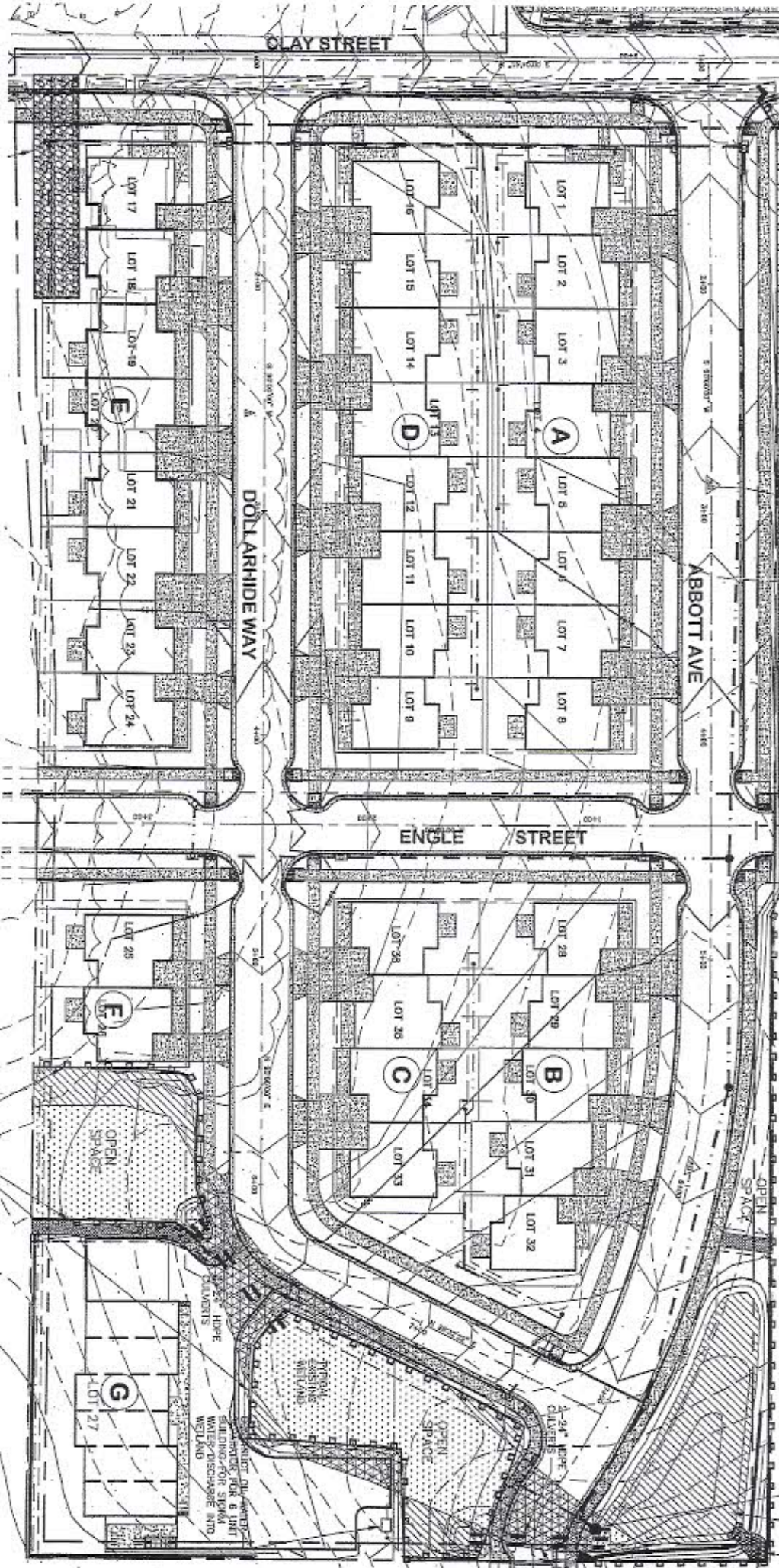
ljfriar@charter.net

LEGAL DESCRIPTION

ALL OF THE OPEN SPACES LYING WITHIN BUDS DAIRY, A PLANNED COMMUNITY,
ACCORDING TO THE OFFICIAL PLAT THEREOF, NOW OF RECORD, IN JACKSON COUNTY,
OREGON.

RUSS DALE
01-122
October 23, 2009

EXHIBIT B
PAGE 1 OF 1



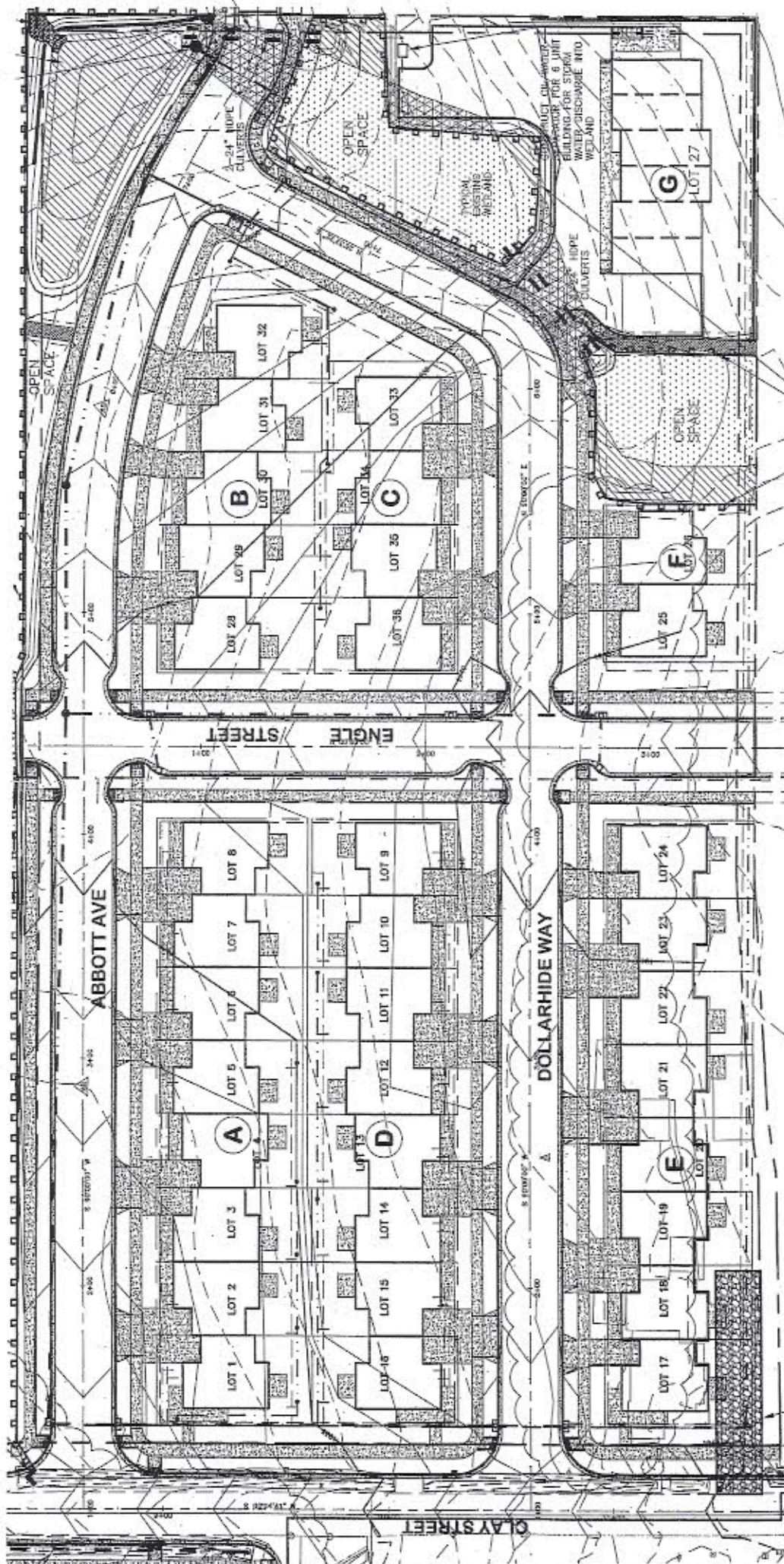


EXHIBIT D
PAGE 1 OF 1