

Declaration of Covenants, Conditions & Restrictions of

Lauren Estates

State of Oregon, County of Klamath
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Article I – Declaration

Declarant is the owner of the real property located in Klamath County, Oregon, described in Article II (Property). Declarant hereby declares that the Property, and each Lot, building lot, parcel or portion thereof, is and shall be held, conveyed, occupied and improved subject to the following restrictions, covenants, limitations, easements, conditions and equitable servitudes (CC&Rs), all of which are declared and agreed to be in furtherance of a general plan for the protection, maintenance and improvement of the Property, and to enhance the value, desirability and attractiveness of the Property.

The CC&Rs shall, without further reference, be deed restrictions and run with the land in each lot described in these CC&Rs and shall be binding upon all persons having or acquiring any right, title or interest in the Property. These CC&Rs shall inure to the benefit of and be binding upon Declarant and each owner of lots upon the Property, their successors in interest, each grantee and each grantee's respective successor in interest. These CC&Rs may be enforced by Declarant, any grantee or owner of any lot upon the Property or any successor in interest.

Article II - Property Subject To This Declaration

The Property which is subject to these CC&Rs is described on the attached *Property Description*.

Article III - Definitions

Accessory Buildings

A subordinate building or portion of a principal building, other than a garage, the use of which is incidental to that of the home and customary in connection with that use.

Architectural Review Committee

The Committee provided for in Article IV (ARC).

Articles of Incorporation

The Articles of Incorporation of Lauren Estates Homeowners' Association, an Oregon nonprofit corporation, which are or shall be filed in the Office of the Secretary of State of Oregon, as may be amended from time to time.

Association

Lauren Estates Homeowners' Association, a nonprofit corporation described in these CC&Rs, its successors and/or assigns.

Board

The Board of Directors of the Association.

Building

Any structure having a roof, supported by columns or walls, and intended for the shelter, housing or enclosure of any person, animal, chattel or property of any kind.

Drainage Easement

The easement area described on the Plat Map as the "Drainage Easement."

Bylaws

The Bylaws of the Association, as may be amended from time to time.

Common Area

There are no common areas.

Dwelling

A home for single family occupancy permitted to be located on a Lot.

Family

One or more persons each related to the other by blood, marriage or legal adoption, maintaining a common household in a Dwelling.

Garage

A Building or portion of a Building designated for the purpose of parking and sheltering automobiles, whether attached to or separate from the Dwelling.

Grade

Any excavation, fill or combination of excavation and fill upon all or any part of a Lot, or any slope or other condition which results from an excavation or fill.

Grantor

Declarant or its successors and assigns.

Lauren Estates

All of the real property referred to in the attached *Property Description*.

Lot

Each parcel of land shown as a Lot in the recorded final Plat Map for the Property and designated on the Plat Map by a separate number.

Lot Line, Side

Any boundary line of a Lot which is not a front or rear lot line.

Maintenance Assessment

Any assessment levied by the Association for maintenance of the Storm Drainage Facility, Street Lights and other Association property and any other Association expenses as provided in these CC&Rs.

Owner

The person or persons, including Declarant, owning the fee title to any Lot.

Parking Space

A portion of a Lot designated for the purpose of, and containing adequate space for, parking of an automobile.

Plat Map

The final Plat Map, recorded in the real property records showing the lots, easements, streets and access roads within and adjacent to Lauren Estates.

Property

All of the real property referred to in the attached *Property Description*.

Storm Drainage Facility

All pipes, pumps, tanks, pump houses, control systems and other components and structures used for water drainage, collection, impoundment and discharge located in the drainage easement shown on the Plat Map within the boundary of the Property and extending onto public rights of way and any other municipal, county or governmental property.

Street Lights

All street lights located upon the easement area shown on the Plat Map adjacent to the North side of Sturdivant Road, within the boundary of the Property.

Streets

Roads as shown on the Plat Map.

Structure

Anything erected, constructed, placed, laid or installed in, on or over the Property, the use of which requires a location on or in the ground.

Article IV - General Restrictions

Land Use & Building Type

All Lots shall be used for single family residential purposes only. No manufactured homes, prefabricated homes or trailers may be used as a Dwelling. No Dwelling shall be constructed, erected, placed, altered or maintained on any Lot, unless first approved in writing by the ARC. Any Garage or Parking Space shall be used solely by the Owner or occupants and guests of the Dwelling to which it is appurtenant. No vehicles shall be parked in a way that extends over or beyond a common sidewalk or common street curb.

Dwelling Home Size

Without the prior written consent of the ARC, the exterior dimensions of each Dwelling, exclusive of Garages, open terraces, open patios, open porches, breezeways and basements, shall not be less than 1,600 square feet. All Dwellings must include a two-car garage that must be constructed at the same time as the Dwelling shall contain a minimum of 400 square feet of enclosed storage. All structures on a Lot are not to exceed thirty feet (30) feet in height measured from the midpoint of the highest gable to the average grade five feet from the structure, unless approved by the ARC.

Building Materials

The outside walls for all Dwellings shall be double wall construction. The siding on Dwelling walls facing a street must contain a minimum of 100 square feet of stone or brick. The remainder of the siding on Dwellings and all other buildings must be stone, stucco, brick, natural wood lap or panel siding or cement-fiber composite lap or panel siding on all exterior walls. No vinyl siding is allowed. Roofing materials must be textured composition shingles, wood shingles, shakes, concrete tile or slate. No metal roofs are allowed.

Roof Pitch

The pitch of all roofs on all Dwellings and Buildings shall be at least a 6/12 pitch.

Accessory Buildings

Accessory Buildings may be erected only after approval in writing has been obtained from the ARC. Only one Accessory Buildings in the likeness of the Dwelling will be allowed. Any Accessory Buildings must not exceed 150 square feet and may not exceed fifteen (15) feet in height measured from the midpoint of the highest gable to the average grade five feet from the structure, unless approved by the ARC.

Location on Lot (Setback Restrictions)

All structures shall be set back ten (10) feet from all Side property lines and twenty-five (25) feet from all rear property lines and any property line abutting a street, except corner Lots (defined as Lots which have a street on two (2) sides), in which case the ten foot setback shall also apply to the side on the non-fronting street. In no event shall a Garage be constructed closer than twenty-five (25) feet from the property line from which the driveway enters the Lot.

For purposes of these CC&Rs, eaves, steps and open walkways shall not be considered as part of a Building or Dwelling. Swimming pools shall be constructed only at locations that have been approved in advance in writing by the ARC.

Any owner of a corner Lot who desires to construct a "drive through" driveway which adjoins both streets shall designate one entrance as the "primary" driveway entrance.

Any deviation from the above restrictions must first be obtained in writing from the ARC.

Driveways & Sidewalks

Access driveways and other paved areas for vehicular use on a Lot shall have a wearing surface of concrete cement. Sidewalks have been constructed on each Lot. Plans and specifications for

all driveways, sidewalks, culverts, pavement, edging or markers shall be first approved in writing by the ARC.

Chimneys

No chimneys shall extend more than six (6) feet above the building height of any Dwelling without the prior written approval of the ARC.

Building Construction

The builder erecting a Dwelling on a Lot may park a construction trailer on the street in front of the job site or on the Lot. The construction trailer must be removed upon completion of the Dwelling. The builder must keep streets and sidewalks clear of debris and obstructions at all times. The builder must, at the builder's expense, repair any damage to streets, sidewalks, curbs or driveways caused by the builder or its agents or by anyone delivering materials or equipment to, operating equipment on or performing services or labor at the Lot. Builders must maintain all job sites in a neat and organized manner and confine all of the builders' activities, materials and refuse to the Lot on which the Dwelling is being built. All processes and materials must be confined to the Lot on which the Dwelling is being built. All work sites will be kept reasonably free of refuse and debris. Builders will promptly and completely remove and dispose of any debris or refuse originating from the work site which finds its way onto other Lots, streets or sidewalks of Lauren Estates. If a builder fails to comply with the builder obligations under these CC&Rs, the ARC may hire personnel it deems appropriate to perform the builder's obligation at the Owner's expense. Working hours must comply with the City of Klamath Falls' noise ordinance.

Nuisances

No noxious or offensive activity shall be carried on, in or upon any part of the Property nor shall anything be done on the Property which may be, or may become, an annoyance or nuisance to the neighborhood. No animals except dogs and cats, and in any case no more than two (2) animals, shall be kept or maintained on any Lot. Any dogs or cats shall be kept as pets and not for commercial or breeding purposes.

- (1) No loud music, loud noises or cursing.
- (2) Dogs must be kept under leash control at all times.
- (3) Pet owners must at all times dispose of pet excrement in a sanitary manner.
- (4) If any pet disturbs the peace or does injury or damage to persons or property and this action is either an ongoing problem or a serious offense, its owner shall remove the pet immediately from the Property, upon notice from the Declarant or Homeowners' Association.
- (5) Owners shall not permit any towels, rugs, blankets, items of wearing apparel or other articles to be hung on the exterior of a Dwelling, garage or other improvement.

- (6) All exterior Christmas or other holiday lighting or decorations must be removed by not more than twenty (20) days following the holiday commemorated.
- (7) All garbage, refuse and other waste must be stored in sanitary trash receptacles with tight fitting lids, supplied by the Owner or sanitary disposal company. Trash receptacles shall not be visible from the street or adjacent homes, except when set out the day to be picked up by a sanitation company.
- (8) Excessively noisy vehicles shall not be permitted on the Property. All vehicles shall be adequately muffled.
- (9) "Quiet Hours" shall be courteously observed between 10:00 PM and 7:00 AM.
- (10) Automobiles not in operating condition or undergoing major repair must be stored in the Garage and not in the Owner's driveway.

Plant Diseases & Noxious Insects

No Owner shall permit any thing or condition to exist upon a Lot which shall induce, breed or harbor infectious plant diseases or noxious insects.

Nameplates, Television or Radio Antennae & Towers, Laundry Drying

There shall be no more than one nameplate on each Lot. Nameplates shall be no more than one hundred forty-four (144) square inches in area, and shall contain the name of the occupant or the address of the Dwelling, or both. A nameplate may be located on the door of the Dwelling or the wall adjacent to the door, or upon the wall of an Accessory Building or Structure or it may be freestanding in the front or side yard, provided that the height of the nameplate is not more than twelve (12) inches above the adjoining ground grade. No television or radio antennae, tower or TV discs shall be erected or used outdoors, whether attached to a Building or Structure or otherwise, unless first approved in writing by ARC. Laundry drying equipment, if installed, must be located in the back yard of the home and must be totally screened from view by neighbors or the general public.

Temporary Structures

No trailer, motorhome, basement of an uncompleted Building, tent, shack, garage or barn, and no temporary Building or Structure of any kind shall be used at any time for a residence, either temporary or permanent.

Underground Utilities

No pipes, conduits, liens, wires, equipment or facilities for the communication, transmission or metering of electricity, gas, water, telephonic current or other utilities shall be constructed, placed or permitted to be placed anywhere in or upon any Lot, other than within Buildings or Structures or attached to the walls, unless they are contained in pipes, conduits, cables or vaults constructed, placed and maintained underground or concealed in or under Buildings or other approved Structures. Easements for installation and maintenance of utilities are hereby reserved to Declarant for the benefit of Declarant, its assigns and the Lot Owners, provided that any utilities not installed at the time any Lot is sold by Declarant can be installed in a designated

easement without the consent of the Owner of the Lot, at the sole expense of Declarant or its assigns.

Within the easement areas, no Structure shall be placed or permitted to remain which may damage or interfere with the installation and maintenance of utilities in the easement area.

Signs

No sign or billboard of any kind shall be displayed by any Owner from any Lot, except one sign of a customary and reasonable dimension, not exceeding 24" x 18" in size, advertising the sale or lease of a Lot. Nothing contained in this paragraph shall prohibit or restrict in any way Declarant's or David Hesla Construction's right to construct promotional signs or other sales aids, including a sales office, on or about any portion of the premises which it shall deem reasonably necessary in connection with its sale of Lots now or hereafter owned.

Oil & Mining Operations

No Lot shall be used for the purpose of boring, mining, quarrying, exploring for or removing water, oil or other hydrocarbons, minerals of any kind, gravel or earth. No machinery shall be placed, operated or maintained upon any Lot except as is usual and customary in connection with the maintenance of a private residence.

Home Occupants

No gainful occupation, profession or trade or other non-residential use shall be conducted on any Lot or in any Building without the prior written approval of the ARC. Any garage sales must be approved in advance by the ARC. However, Garage sales as a commercial activity or pastime are not allowed and will not be approved.

Architectural Controls

- (1) The landscape plan for any Lot, including street trees required by the *Street Trees* paragraph hereof, shall be approved in writing by the ARC. No Building or other Structure of any kind, including, without limitation, Dwellings, Accessory Buildings, Garages, fences, walls, retaining walls, sidewalks, steps, awnings, poles or swimming pool, shall be erected, constructed, installed, placed, altered or maintained upon any Lot or upon any adjacent Street, and no landscaping of any Lot, except minor gardening and general maintenance, may be performed, unless and until complete and detailed plans and specifications, color scheme, if appropriate and a plot plan showing and fixing the location of any Structure with reference to Streets and Lot Lines (and the grading plan, if requested) have been first submitted for approval by the ARC. Any refusal by the ARC to approve any plans must be a reasonable determination made in good faith by the ARC. It shall not be considered unreasonable for the ARC to determine that a Building to be erected on a Lot must be of a size and quality similar to that of the majority of Buildings located on Lots in the vicinity of the subject Lot.

A minimum of 600 square feet of lawn and an underground sprinkler system must be installed in front yards exposed to the street.

- (2) If the ARC shall disapprove of any plans and specifications, color scheme, plot plan or grading plan submitted for approval, it shall send notice of its disapproval to the person or persons applying for approval at the address set forth in the application within forty-five (45) days from the date the items are presented to them. If notice of disapproval is not so sent, the plans, etc., as requested shall be deemed to have been approved by the ARC in accordance with the provisions of this paragraph.
- (3) The approval by the ARC of any plans or specifications, color scheme, plot plan or grading plan submitted for approval for use on any particular Lot, shall not be deemed to be a waiver by the ARC of its rights to reasonably object to any features or elements embodied in any subsequent plans and specifications, color schemes, plot plan or grading plan submitted for approval with respect to any other Lots.
- (4) No landscaping of any Lot, except minor gardening and maintenance, for which any plans and specifications have been approved by the ARC, may be performed and no Building, Dwelling or other Structure for which any plans and specifications, color scheme, plot plan or grading plan have been approved by the ARC shall be erected, constructed, installed, placed, altered or maintained, except in strict conformance with the plans and specifications, color scheme, plot plan and grading plan, and the conditions and requirements as the ARC may reasonably impose in connection with its approval. Any deviation from the plans and specifications, color scheme, plot plan or grading plan in the performance, erection, construction, installation, placement, alteration or maintenance shall nullify the approval of the ARC required by this paragraph and shall be deemed to have been undertaken without the ARC's approval or consent.
- (5) Neither Declarant nor the ARC shall be responsible for any defects in any Building or other Structure erected, constructed, installed, placed, altered or maintained in accordance with or pursuant to any plans and specifications, color scheme, plot plan or grading plan approved by the ARC or any conditions or requirements that the Committee may have imposed.

Visual Obstructions, Fences, Rubbish Areas

- (1) No fence, wall, hedge or other visual barrier, except for trees approved by the ARC, shall be erected or grown on any Lot forward of a line parallel with the midpoint on the side of the Dwelling or at any place where a barrier of greater height would obstruct or impair the view from other Lots. No fence, hedge or other visual barrier over six (6) feet in height, except for trees approved in writing by the ARC, shall be erected or grown at any place on any Lot. The restrictions set forth in this paragraph may be waived or modified in writing by the ARC. The ARC shall also supervise the planting and growth of trees and other shrubbery or vegetation on the Lots in the Property (including existing trees) and may remove, direct the Owner of any Lot to remove or prohibit the planting or growth of trees or other shrubbery or vegetation on any Lot so that the view from other Lots will

not be unreasonably obstructed or impaired. Each Lot Owner agrees to abide by any reasonable order of the ARC prohibiting the planting or directing the cutting down, cutting back or removal of trees or other shrubbery or vegetation.

- (2) Owners of Lots may erect fences in the likeness and height of the boundary fence surrounding Lauren Estates upon the Lots along each Side Lot, no closer to the street than midway on the side of the Dwelling, and the Rear Lot Line. Fences shall be of the height, material and construction, and shall extend for the length as shall first be approved in writing by the ARC. Application for approval of the fence shall be made in accordance with the provisions of the *Architectural Controls* paragraph. In the event that the Owners of Lots having common Lot Lines agree to the construction of a party or common fence, it may be located upon the boundary line between the Lots. Owners of Lots shall maintain all fences on the Lots in good condition and repair, including but not limited to painting or staining as often as necessary, repairing or replacing damaged or missing fence material and all other necessary and proper maintenance and repairs.

Landscaping & Occupancy

After occupancy of a Dwelling on any Lot has been approved by the appropriate governmental building authority, the Lot shall be landscaped by planting grass or other suitable ground cover, flowers, shrubs, trees or other plant life in accordance with the plans previously submitted and approved by the ARC and landscaping shall be completed within ninety (90) days of the occupancy approval, weather permitting. If no Dwelling is built on a Lot within one year of the purchase of the Lot, the Lot Owner shall, within that year, in accordance with a plan submitted to and approved by the ARC, plant grass or other suitable ground cover on the Lot and maintain the grass or ground cover in a neat and attractive manner.

If landscaping is not proposed and performed by an Owner in accordance with the provisions of this paragraph, the ARC and/or the Association may enter on the Lot to perform landscaping.

Maintenance of Lots & Dwelling

Each Owner shall at all times keep and maintain his or her Lot and the exterior of any Building, Accessory Buildings, Garage or other Structure on the Lot in good condition and repair, including but not limited to keeping the grass and flower beds watered and free of weeds, keeping the grass on the Lot neatly and uniformly cut to a length of not more than four (4) inches, keeping the shrubbery and trees on the Lot neatly and attractively trimmed, promptly removing any dead plants or trees or any refuse from the Lot, and generally maintaining the landscaping on the Lot in a neat and attractive manner, painting as often as necessary, replacement of trim, caulking, roof repairs, structural repairs and all other necessary and proper maintenance and repair. To the extent the same is not performed by any Owner, the ARC and/or the Association may perform any the maintenance and/or repair.

Resubdividing Lots

No portion of any Lot, and no easement covering all or any portion of any Lot, shall be conveyed unless approved in writing by the ARC.

Grades & Slope Control

Without the prior written approval of the ARC (i) no Grade shall be constructed, reconstructed or maintained or altered on any Lot or any portion of any Lot and (ii) no existing or later approved Grade shall be altered or modified by changing its location or the direction of its slope or be replaced in whole or in part. Any Owner requesting a deviation from those requirements shall furnish the Committee with engineering or geological data concerning erosion, earth movement, drainage, hazards to persons or public or private property and any other matters which the Committee shall deem material.

Relaxation of CC&Rs

The ARC shall have the right and privilege to permit the Owner of any Lot or Lots (without the consent of Owners of other Lots) to deviate from any or all of the conditions, covenants and restrictions set forth in this Article IV, provided that the deviation is necessary in order to carry out the general purposes of these CC&Rs. Any such permission by the Committee shall be in writing and shall not constitute a waiver of the Committee's powers of enforcement with respect to any of these CC&Rs as to other Lots.

Trees

Two trees shall be planted on the each Lot between the Dwelling and the front property line abutting the street. No trees shall be planted in the easement area adjacent to the street. Trees shall be approved in writing by the ARC pursuant to the *Architecture Controls* paragraph. No tree may be removed without approval in writing by the ARC. No trees, shrubs, plants or other vegetation of more than six inches in height shall be planted in the easement area adjacent to the street.

Article V - ARC**Creation**

The ARC, is hereby created with all of the rights, powers, privileges and duties set out in these CC&Rs. The Committee shall consist of three (3) members. The initial members are David Smith, David Hesla and Laura Kelton. In the event of the death, incompetency, resignation or inability to act of any Committee member or members, the remaining member or members shall designate a successor. Declarant shall have the right and power at all times to remove any or all members of the ARC or to fill any vacancy or vacancies. Declarant may in its sole discretion at any time assign by supplemental declaration its powers of removing and appointing ARC members, subject to any terms and conditions as Declarant may impose.

On the earlier of (1) the date all of the Lots covered by these CC&Rs have been sold or (2) three (3) years from the date of recordation of these CC&Rs, the members of the ARC may be removed by the Association.

Procedure

All plans and specifications and other material required or permitted to be filed with the ARC shall be filled by depositing the plans and specifications or other material with David Hesla Construction, P.O. Box 383, Klamath Falls, OR 97601. The ARC's approval or disapproval on matters required by this Declaration shall be by majority vote of the Committee.

Functions

The function of the ARC, in addition to the functions set out elsewhere in this Declaration, shall be to consider and approve or disapprove any plans and specifications or other materials submitted to it with respect to Buildings and other Structures to be erected, constructed, installed, altered, placed or maintained on Lots and for the alteration or remodeling of or additions to any then existing Structure on Lots, so that all Structures shall conform to the provisions of these CC&Rs, the general plan of development and the rules the Committee may adopt for the improvement and development of the Property. Nothing in these CC&Rs shall be construed as authorizing or empowering the Committee, by rule or otherwise, to change or waive any provision of these restrictions, except as provided in these CC&Rs.

Article VI – Drainage Easement & Storm Drainage Facility**Reservation of Drainage Easement**

Declarant reserves the Drainage Easement as a perpetual non-exclusive easement for the drainage, collection, impoundment and discharge of storm water from the Property for the benefit of the Property and the Association for (1) pipes, tanks, pumps, pump houses, control systems and other storm water drainage, collection, impoundment and discharge components and structures, (2) placing, installing, constructing, operating, repairing, maintaining, inspecting, reconstructing and replacing pipes, tanks, pumps, pump houses, control systems and other storm water drainage, collection, impoundment and discharge components and structures, (3) the right to enter on the Lots on which the Drainage Easement is located for placing, installing, constructing, operating, repairing, maintaining, inspecting, reconstructing and replacing pipes, tanks, pumps, pump houses, control systems and other storm water drainage, collection, impoundment and discharge components and structures. No Building or Structure shall be erected or placed in the Drainage Easement area.

Drainage Permit

The Klamath County Drainage Service District issued a permit to Declarant to utilize Klamath County Drainage Service District facilities, which constitute an addition or alteration to a general conveyance system covered by the Klamath County Drainage Service District's agreement with the United States. Pursuant to that permit, the Association and Lot Owners shall hold the Klamath County Drainage Service District, its agents and employees, harmless from any loss or damage and from any liability on account of personal injury, death or property damage or claims for personal injury, death or property damage of any nature whatsoever and by whomsoever made arising out of activities under the permit. The Association and Lot Owners shall operate and maintain the Storm Drainage Facility in a manner and condition satisfactory to the Klamath County Drainage Service District. The Association and Lot Owners shall also comply with all applicable ground and air pollution laws and regulation of the United States, the State of Oregon and local authorities.

Storm Drainage Facility Maintenance

The Association, for the benefit of the Owners, shall place, install, construct, operate, repair, maintain, inspect, reconstruct and replace pipes, tanks, pumps, pump houses, control systems and other storm water drainage, collection, impoundment and discharge components and structures.

Duration

The reservation of the Drainage Easement shall be perpetual. However, in the event the Drainage Easement and the Storm Drainage Facility are not used by the Association or by the Property Owners, or any of them, for a period of 30 years or if otherwise abandoned by the Association and the Property Owners, the Drainage Easement shall automatically expire and the Association or the owners of the Property shall upon request execute a recordable document evidencing the expiration.

Future Assurances

The Owners of the Lots on which the Drainage Easement is located, the Association and the Owners of the Property shall, upon the request of any of the other parties, execute and deliver such additional documents as will be necessary or convenient for the purpose of evidencing or performing any rights or interest arising under this Article.

Easement Appurtenant

The Drainage Easement is appurtenant to each Lot.

Article VII - Association**Organization**

Lauren Estates Owners' Association is to be a nonprofit corporation charged with the duties and empowered with the rights set forth herein. The Association is to be created after at least a majority of the Lots covered by these CC&Rs have been sold and the need for such organization exists for the operation, administration, maintenance, regulatory use and enjoyment of the Storm Drainage Facility and Street Lights. At that time the Articles of Incorporation will be filed and the corporation formed. The Board of Directors will be elected from the membership comprised of all Lot Owners, and officers elected from the Board membership. Each Owner shall automatically become a member of the Association. From the date the Plat Map is recorded until the Association is created, Declarant, its successors and assigns, shall be responsible for the duties and obligations of the Association and shall retain the power and authority of the Association, including but not limited to the rule making authority. When exercising the duties, obligations, power and authority of the Association, Declarant, its successors and assigns, shall have no greater liability than that set out in the *Liability of Members of Board* paragraph set out in this Article.

Membership

Each Owner, by virtue of being an Owner and for so long as he is an Owner, shall be a member of the Association. The rights, duties, privileges and obligations of an Owner as a member of the Association shall be those set forth in, and shall be exercised and imposed in accordance with, the provisions of these CC&Rs and the Articles and the Bylaws.

Voting Rights

Each Owner shall be entitled to one vote for each Lot owned by the Owner on all matters properly submitted for vote to the membership of the Association. In the event of multiple Owners of a single Lot, the vote applicable to the Lot shall be cast only if the multiple Owners unanimously agree to cast the vote. At any election of the members of the Board of Directors of

the Association, every Owner entitled to vote may cumulate his or her votes and give any or more candidates a number of votes equal to the number of Lots owned by the Owner multiplied by the number of directors to be elected. The right to vote may not be severed or separated from any Lot, and any sale, transfer or conveyance of any Lot to a new Owner shall operate to transfer the appurtenant vote without the requirement of any express reference.

Duties & Obligations of the Association

The Association shall have the obligations and duties, subject to these CC&Rs, to do and perform each and every one of the following for the benefit of the Owners and for the maintenance and improvement of Lauren Estates. In this connection, the Association shall accept as part of Lauren Estates all property annexed to Lauren Estates pursuant to these CC&Rs, and shall accept all Owners as members of the Association.

- (1) The Association shall provide for the maintenance of the Storm Drainage Facility in good order and repair.
- (2) The Association shall enter upon and maintain, or provide for the maintenance of, any Lot which is not maintained by the Owner in accordance with the requirements of these CC&Rs.
- (3) To the extent not assessed to or paid by the Owners, the Association shall pay all taxes and public improvement assessments levied upon any portion of the Storm Drainage Facility.
- (4) If not provided by municipal, county or other governmental body and unless the cost is assessed, directly or indirectly, against the Owners by the governmental body, the Association shall contract for, employ or otherwise provide, police protection.
- (5) The Association shall own, operate, maintain, preserve, replace and pay all costs, including utility costs, associated with Street Lights, if not provided by a municipal, county or other governmental body, and all other equipment, fixtures and other property owned by the Association.
- (6) To the extent provided herein, the Association shall exercise its rights to appoint and remove members of the ARC to ensure that at all reasonable times there is available a duly constituted and appointed ARC.

Power & Authority of the Association

The Associations shall have all of the power set forth in the Articles, together with its general powers as a corporation, subject only to the limitations upon the exercise of such powers as are expressly set forth in the Articles, the Bylaws and in these CC&Rs, to do any and all lawful things which may be authorized, required or permitted to be done by the Association under and by virtue of these CC&Rs, and to do and perform any and all acts which may be necessary or proper for or incidental to the exercise of any of the express powers of the Association or the peace, health, comfort, safety and general welfare of the Owners. Without in any way limiting the generality of the foregoing:

- (1) The Association is hereby given the right, power and authority at any time, and from time to time, and without liability to any Owner, to enter upon any Lot that has been sold for the purpose of enforcing any and all of the provisions of these CC&Rs, and/or for the purpose of maintaining and repairing any such property if for any reason whatsoever the Owner involved fails to maintain and repair such property as required herein, and all of the costs of such entry, enforcement, maintenance and repair, including, without limitation, attorneys' fees, collection fees, personnel costs and equipment and material costs which shall be added to the amount of the maintenance assessment charged to said Owner and shall be treated as and enforceable as an assessment in accordance with Article VIII hereof. The Association may from time to time, in its own name, on its own behalf or on behalf of any Owner or Owners who consent thereto commence and maintain actions and suits to restrain and enjoin any breach or threatened breach of these CC&Rs and to enforce, by mandatory injunction or otherwise, all of the provisions of these CC&Rs.
- (2) In fulfilling any of its obligations or duties under these CC&Rs, including, without limitation, its obligations or duties for the maintenance, repair, management, operation or administration of the Storm Drainage Facility, Street Lights and other equipment, fixtures and property owned by the Association and, to the extent necessitated by the failure of the Owners on Lots, the Association shall have the power and authority:
 - (a) To place, install, construct, operate, repair, maintain, inspect, reconstruct and replace the Storm Drainage Facility's pipes, tanks, pumps, pump houses, control systems and other water drainage, collection, impoundment and discharge components and structures.
 - (b) To obtain, maintain and pay for such insurance policies or bonds, whether or not required hereunder, as the Association shall deem to be appropriate for the protection or benefit of Lauren Estates, the Association, the members of the Board, the members of the ARC or Owners, including without limitation, workers' compensation insurance, malicious mischief insurance, automobile non-ownership insurance and performance and fidelity bonds.
 - (c) To contract and pay for, or otherwise provide for, such utility services as may from time to time be required.
 - (d) To operate, maintain, preserve, replace and pay all costs, including utility costs, associated with Street Lights, if not provided by a municipal, county or other governmental body, and all other equipment, fixtures and other property owned by the Association.

- (e) To contract and pay for fire, police and such other protection services as the Association shall from time to time deem necessary for the benefit of Lauren Estates.
 - (f) To contract and pay for the services of architects, engineers, attorneys and certified public accountants and other professional and non-professional services as the Association deems necessary.
 - (g) To contract and pay for, or otherwise provide for, materials, supplies, equipment and labor as and to the extent the Association deems necessary.
- (4) The Association may from time to time employ the services of a manager to manage the affairs of the Association and, to the extent not inconsistent with the laws of the State of Oregon and upon conditions as are otherwise deemed advisable to the Association, the Association may delegate to the manager any of its powers under these CC&Rs.
 - (5) The Association shall have the right to pay, compromise or contest any and all taxes and assessments levied against all or any part of the Storm Drainage Facility, Drainage Easement, Street Lights or upon any personal property belonging to the Association, provided, however, that prior to the sale or other disposition of any property to satisfy the payment of any tax or assessment, the Association shall pay and discharge the lien imposed with respect to the property.
 - (6) The Association shall have the power and authority at any time, and from time to time, to require the payment by each Owner of reasonable miscellaneous fees.

Rules

The Association may, subject to the provisions of these CC&Rs, adopt, amend and repeal rules and regulations, to be known as Lauren Estates Rules, governing, among other things:

- (1) The use of and all matters impacting or relating in any way to the Storm Drainage Facility, subject to the requirements of the Klamath County Drainage Service District.
- (2) The collection and disposal of refuse.
- (3) The burning of open fires.
- (4) The maintenance of animals within Lauren Estates.
- (5) Restrictions on using Lots for noxious, offensive or hazardous activities.
- (6) Parking restrictions and limitations on private property.

A copy of the Lauren Estates Rules shall be maintained with the corporate records of the Association and shall be available for inspection by any Owner.

Liability of Members of Board

No member of the Board shall be personally liable to any Owner, or to any other person, including Declarant, for any error or omission of the Association, its representatives and employees, the ARC or the manager, provided, however, that the member has, with the actual knowledge possessed by the member, acted in good faith.

Article VIII - Funds & Assessments

All costs for operation and maintenance of the Storm Water Facility and Street Lights shall be paid by Owners and shall be determined and assessed as follows:

Operating Fund

There shall be an operating fund, into which the Association shall deposit all monies paid to it as:

- (1) Maintenance assessments.
- (2) Special assessments.
- (3) Miscellaneous fees.
- (4) Income and profits attributable to the operating fund.

From this fund, the Association shall make disbursements in performing the functions for which the assessments are levied.

Maintenance Assessment

Within thirty (30) days prior to the commencement of each fiscal year, the Association shall estimate the costs and expenses to be incurred by the Association during the fiscal year in performing its function hereunder (including a reasonable provision for contingencies and replacements), and shall subtract from the estimate an amount equal to the anticipated balance (exclusive of any reserves for contingencies and replacements) in the operating fund at the start of the fiscal year which is attributable to Maintenance Assessments.

The sum or net estimate determined as above provided shall be assessed to the Owners as a Maintenance Assessment, with an equal amount per Lot to be fixed by the Association.

If, at any time, during any fiscal year the Maintenance Assessment proves inadequate for any reason, the Association may levy a further assessment in the amount of the actual or estimated inadequacy, with an equal amount to be assessed to the Owner of each Lot in Lauren Estates.

Maintenance Assessments shall be due and payable by the Owners to the Association in equal monthly installments, on or before the first day of each month during the fiscal year, or in such other manner as the Association shall designate.

Special Assessment

The Association shall levy a special assessment against any Owner as a direct result of whose acts or failure to refusal to act or otherwise to comply with these CC&Rs, the Rules and ARC rules, monies were expended from the operating fund by the Association in performing its functions under these CC&Rs. The assessment shall be in the amount so expended, and shall be due and payable to the Association when levied.

Improvement Assessment

The Association may levy, in any fiscal year, an improvement assessment applicable to that year only for the purpose of defraying, in whole or in part, the cost of any construction, reconstruction, repair or replacement of a capital improvement of the Storm Water Facility or Street Lights, including fixtures and personal property, provided that any such assessment shall have the vote or written consent of fifty-one percent (51%) of the members of the Association, excluding Declarant. Improvement assessments shall be deposited into an improvement fund, from which the Association shall make disbursements in performing the functions for which the assessments are levied.

Default in Payment of Assessments

Each assessment under this Article and each sum to be treated and/or enforced as an assessment under the terms of these CC&Rs shall be a separate, distinct and personal debt and obligation of the Owner against whom it is assessed. If the Owner does not pay the assessment or sum or any installment when due, the Owner shall be deemed to be in default and the amount of the assessment or sum not paid, together with the amount of any subsequent default, plus interest at ten percent (10%), and costs, including reasonable attorneys' fees, shall become a lien upon the Lot or Lots of the Owner upon the recordation by the Association of a notice of default. The lien shall be subject and subordinate to the lien of any mortgage upon the Lot or Lots of the Owner which is made in good faith and for value and is recorded prior to the recordation of the notice of default. The Association shall timely record the notice of default and shall commence proceedings to enforce payment of the lien following recordation by foreclosure in any manner provided by the Laws of the State of Oregon. This remedy shall be in addition to any other remedies provided by law for the enforcement of such obligations.

The Association shall execute and acknowledge a certificate stating the indebtedness secured by the lien upon any Lot or Lots, and such certificate shall be conclusive upon the Association and the Owners, in favor of all persons who rely thereon in good faith, as to the amount of such indebtedness on the date of the certificate. The Association shall furnish a copy of such certificate to any Owner upon request, at a reasonable fee.

Article IX - General Provisions**Effective Date of CC&Rs**

Subject to the *Improvement Assessment* paragraph, each of these CC&Rs set forth in this Declaration shall continue to be binding as set forth in the *CC&Rs to Run With Real Property* from the date of recordation.

CC&Rs to Run With Real Property

Each of these CC&Rs shall run with the Property and each Lot, part or parcel of the Property and bind Declarant, its successors, grantees and assigns, and all parties claiming by, through or under it. Each purchaser of any Lot, part or parcel of or in the Property shall by acceptance of a deed or other conveyance for the real properties thereby be conclusively deemed to have consented to and agreed to all of these CC&Rs for Purchaser and Purchaser's heirs, executors, administrators and assigns, and agrees to observe, perform and be bound by these CC&Rs and to incorporate these CC&Rs by reference in any deed or other conveyance of all or any portion of purchaser's interest in any of the Property or any Lot, part or parcel.

Violation of Restrictions, Enforcement

- (1) Upon any violation of any provision of these CC&Rs, the Association or the ARC may enter any Lot on which a violation occurs, and may modify, remedy or summarily abate, at the expense of the Owner of the Lot, any thing or condition that may be or exist contrary to the provisions of these CC&Rs. The ARC or the Association shall not be deemed to have trespassed upon the Lot, and shall be subject to no liability to the Owner or occupant of the parcel for any entry or other action taken pursuant to this subparagraph. To the extent that Owner of the Lot fails to reimburse the ARC or the Association for any reasonable expense incurred, the unpaid amount shall be added to the amount of the Maintenance Assessment charged to the Owner and shall be enforceable as an assessment in accordance with Article VIII.
- (2) Violation of any Covenant of these CC&Rs may be adjoined, abated, restrained or otherwise remedied by any lawful means or proceedings by Declarant, by the ARC, by the Association or by the Owner. Proceedings to restrain violation of these CC&Rs may be brought at any time that the violation appears reasonably likely to occur in the future. In the event of proceedings brought by Declarant, the ARC or the Association to enforce or restrain violation of any of these CC&Rs or to determine the rights or duties of any person, and Declarant or the ARC or the Association prevails in the proceeding, it may receive reasonable attorneys' fees to be fixed by the court, in addition to court costs and any other relief awarded by the court in the proceedings.
- (3) Each Owner may be penalized for the Owner's violation of any of these CC&Rs or of any provision of the Articles or Bylaws by having the Association assess a fine against the Owner and/or suspend the right of the Owner to vote at meetings of the Association. Provided that any fine may not exceed the Two Hundred Dollars (\$200) per violation and the use and/or voting suspension may not be imposed for a period longer than thirty (30) days per violation. If any fine imposed on any Owner by the Association is not paid by the Owner within sixty (60) days after the Owner has received from the Association written notice of the imposition of the fine, then the amount of the fine shall be added to the amount of the Maintenance Assessment charged to the Owner and shall be enforceable as an Assessment in accordance with Article VIII. No penalty may be imposed under this paragraph until the Owner accused of any violation has been afforded the

right to have a hearing before the Board of Directors of the Association or a committee designated by the Board to conduct the hearing or has, in writing, waived this right. Each such Owner shall have the right to be heard in person, by submission of a written statement or through a spokesman at any hearing.

- (4) These CC&Rs shall be binding and inure to the benefit of and be enforceable by Declarant, the Association, the ARC and the Owner or Owners of any Lot, part or parcel in or of the property and the respective heirs, successors and assigns of each. The failure to enforce these CC&Rs by Declarant, the ARC, the Association or any Owner or any other person entitled to enforce these CC&Rs shall in no event be deemed a waiver of the right of that person or entity to enforce these CC&Rs at a later time.
- (5) Waiver or attempted waiver of any CC&Rs with respect to any Lot shall not be deemed a waiver as to any other Lot, nor shall the violation of any of these CC&Rs upon any Lot or Lots affect the applicability or enforceability of these CC&Rs with respect to any other Lot.

Nullification of CC&Rs

The Owners of the Lots may revoke, modify, amend or supplement, in whole or in part, any or all of these CC&Rs, and may release from any part or all of these CC&Rs all or any part of the Property, but only at the following times and in the following manner:

- (1) Any change of any provision relating in any way to the Drainage Easement or the Storm Drainage Facility shall be effective only if the Klamath County Drainage Service District and the Owners of at least two-thirds (2/3) of the Lots consent.
- (2) Any other change shall be effective only if the Owners of at least two-thirds (2/3) of the Lots consent.
- (3) Any change shall be effective only if expressed in a written instrument executed and acknowledged by each of the consenting Owners and recorded in the Office of the County Recorder, Klamath County, Oregon.

A recordable certificate by a reputable title insurance company doing business in Klamath County, Oregon, as to the record ownership of the Lots shall be deemed conclusive evidence with regard to compliance with the provisions of this section. Upon and after the effective date of any change or changes, it or they shall be binding upon all persons, firms and corporations then owning any Lot, part or parcel in or of the Property and shall run with the land and bind all persons claiming by, through or under any one or more of them.

Mortgages & Deeds of Trust

These CC&Rs shall be subject and subordinate to all mortgages, deeds of trust and other security instruments in the nature of a mortgage or deed of trust now or hereafter executed and made in good faith which encumber the Property and none of provisions of these CC&Rs shall supersede or in any way reduce the security of any mortgage, deed of trust or other security instrument. If any of the Property is acquired in lieu of foreclosure or is purchased under foreclosure of any

such mortgage, deed of trust or other security instrument, or under any judicial sale, any person so acquiring or purchasing the property, and that person's grantees, heirs, personal representatives, successors or assigns shall hold all of the property subject to these CC&Rs.

Severability Article

If a court of competent jurisdiction shall hold invalid or unenforceable any provision of these CC&Rs, that holding shall not impair, invalidate or otherwise affect the remainder of this CC&Rs, which shall remain in full force and effect.

Assignment of Declarant's Rights and Powers

Declarant, its successors and assigns, reserves the right to vest any corporation or association with all or any of the rights, interest, privileges, easements, powers and duties retained or reserved by Declarant by a supplemental declaration and assignment, which shall be effective when recorded in the Office of the County Recorder of Klamath County, Oregon, and Declarant shall then be relieved and discharged from every duty so vested in that other corporation or association.

Mailing Address for Notice

Each Owner of a Lot shall file the correct mailing address of the Owner with Declarant and shall notify Declarant promptly in writing of any subsequent change of address. Declarant shall maintain a file of these addresses. A written or printed notice, deposited in the United States Post Office, postage prepaid, and addressed to any Owner to the last address filed by the Owner with Declarant, shall be sufficient and proper notice to the Owner wherever notices are required in this Declaration. Declarant's address, for the purpose of all notices required or permitted to be given is:

Declarant
David Smith
1312 Brickley Road
Eugene, OR 97401

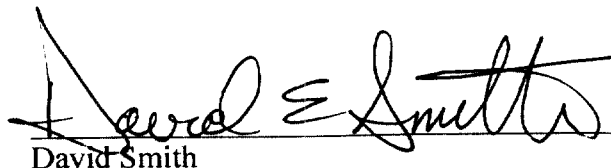
David Hesla
P.O. Box 383
Klamath Falls, OR 97601

or such other address as Declarant shall specify from time to time by supplemental declaration executed by Declarant and recorded in the official records of Klamath County, Oregon.

Headings

The headings of the Articles and paragraphs set out above contained are for convenience only and shall not be used in the construction or interpretation of these CC&Rs.

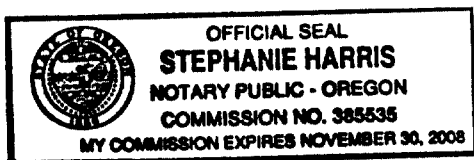
Declarant


David Smith

STATE OF OREGON)
) ss.
County of Lane)

55733

This instrument was acknowledged before me on July 18, 2005 by David Smith as Declarant.



Stephanie Harris
Notary Public for Oregon
My Commission Expires: 11/30/08

Declarant

David M. Hesla
David Hesla

STATE OF OREGON)
) ss.
County of KLAMATH)

This instrument was acknowledged before me on JULY 20, 2005 by David Hesla as Declarant.



Sandra L. Ensor
Notary Public for Oregon
My Commission Expires: 12/8/08

Property Description

55734

"TRACT 1412 - LAUREN ESTATES", SITUATED IN THE SE1/4 SE1/4 OF SECTION 11, T39S, R9EWM, KLAMATH COUNTY, OREGON, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

/ BEGINNING AT A 2" IRON PIPE MARKING THE INITIAL POINT, SAID POINT BEING THE INTERSECTION OF THE SOUTH LINE OF SAID SECTION 11 AND THE WEST RIGHT OF WAY LINE OF THE USBR A-3 LATERAL, FROM WHICH THE SOUTHEAST CORNER OF SAID SECTION 11 BEARS S89°55'40"E 20.00 FEET; THENCE N89°55'40"W, ALONG THE SAID SOUTH LINE, 647.47 FEET TO THE SOUTHEAST CORNER OF "TRACT 1072 - THIRD ADDITION TO CYPRESS VILLA"; THENCE, ALONG THE EAST BOUNDARY OF SAID "TRACT 1072", N00°04'20"E 150.00 FEET, N04°41'20"E 60.20 FEET AND N00°04'20"E 120.02 FEET; THENCE LEAVING SAID BOUNDARY, S89°55'30"E 640.57 FEET TO THE SAID WEST LINE OF THE USBR A-3 LATERAL; THENCE S00°17'02"E 330.00 FEET TO THE POINT OF BEGINNING.

EXCEPTING THEREFROM THE PROPERTY CONVEYED TO KLAMATH COUNTY BY DEED RECORDED IN VOLUME 351 AT PAGE 690., THE TOTAL AREA OF THIS SUBDIVISION IS 3.95 ACRES, MORE OR LESS.