CONDITIONS, COVENANTS AND RESTRICTIONS
FOR BRIDGEWAY II

DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR BRIDGEWAY II, YAMHILL COUNTY, OREGON.

THIS DECLARATION OF CONDITIONS, COVENANTS, AND
RESTRICTIONS FOR BRIDGEWAY II, YAMHILL COUNTY, OREGON (herein,
known as the "Declaration") is hereby made and executed this 24 day of __________, 1999, by Sheridan Resort Properties Inc.
(herien known as the "Declarant").

RECITALS:

WHEREAS. Declarant is the owner of all that certain real
property located in Yamhill County, Oregon and legally described
as BRIDGEWAY II, which has been platted and designated as
BRIDGEWAY II according to the map and plat thereof on file with
the deed and mortgage records of Yamhill County, Oregon.

WHEREAS, Declarant desires to subject BRIDGEWAY II to the
conditions, covenants and restrictions (CCR's) contained herein
for the benefit of all of the lots in BRIDGEWAY II and their
present and subsequent Owners.

SECTION 1 - DEFINITIONS.

The following words and terms, when used in this
Declaration, and supplemental Declarations or any changes, or
modifications hereto, shall have the following meanings:

1.1 "Lot" shall mean and refer to any of the numbered parcels
of the recorded subdivision map or plat of BRIDGEWAY II as
recorded.

1.2 "Owner" shall mean and refer to the Owner of record,
whether one or more persons or entities, of an interest in and to
any Lot which is part of BRIDGEWAY II.

1.3 "Street" shall mean and refer to any street, alley, public
way, highway, cul-de-sac, or other thoroughfare providing a means
of access and shown of any recorded subdivision map or plat of
BRIDGEWAY II.

1.4 "House" shall mean and refer to a detached dwelling and/or
manufactured home, intended for use and occupancy by not more
than one family, having complete living facilities and
constituting one dwelling unit. This term shall also include and
refer to a garage and any accessory buildings or portions of the
principal building used for the parking or storage of vehicles.

1.5 "Mortgagee" shall mean the holder of a mortgage on real
property of BRIDGEWAY II and shall have the meaning set forth in
ORS 86.010, et. seq. and shall include beneficiaries of deeds of

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1.6 "Development" means the subdivision' development known as "BRIDGEWAY II".

SECTION 2 - COMMON SCHEME RESTRICTIONS.

The following restrictions are hereby imposed as a common scheme upon each Lot of BRIDGEWAY II for the benefit of every other Lot in BRIDGEWAY II and may be enforced by any Owner or the Declarant:

2.1 No Lot shall be used for any purpose other than for the construction and occupancy of a house or manufactured home and for residential purposes thereof.

2.2 No animals, livestock, poultry, or fowl of any kind shall be raised, kept or permitted upon any Lot or in any part of BRIDGEWAY II except: domestic dogs, cats, and caged pet birds provided such are not a nuisance to any resident within BRIDGEWAY II. Caged pet birds shall be kept within a House.

2.2.1 No animals shall be allowed to become a nuisance to any resident within BRIDGEWAY II.

2.2.2 All dogs, cats, and birds permitted under this subsection shall not be kept, bred, or raised for commercial purposes or be maintained in unreasonable numbers.

2.3 No lot in any area in or part of BRIDGEWAY II shall be used for the purpose of exploring for, taking therefrom, or the production of gas, oil or any other hydrocarbon or mineral substance.

2.4 No noxious or offensive activity shall be permitted upon any lot or in any area or part of BRIDGEWAY II, nor shall anything be done or maintained thereon that may be or become an annoyance or nuisance to any Owner or detract from the value of BRIDGEWAY II as a high-class residential neighborhood.

2.5 No house or any building or structure shall be occupied in any manner while under the course of original construction or until it complies with all governmental standards for occupancy and use as a residential structure. All construction activity of any type or kind within BRIDGEWAY II and upon any lot or any area in or part therein shall be prosecuted diligently and continuously from the time of commencement until completion. So long as the Declarant is the owner of any of the lots in the said development,

2.5.1 All exterior and visible portions of all houses, buildings, fences, walls or other structures placed on any lot, in any area or in any part of BRIDGEWAY II shall be constructed of new and high-grade materials, unless the use of materials that are not new or other than high grade have been specifically
approved by Declarant.

2.5.2 No houses, buildings or structures constructed elsewhere shall be moved onto or placed upon any lot, any area or part of BRIDGEWAY II (other than manufactured homes as set forth herein) without the express written approval of the Declarant. This provision shall not prohibit or restrict the erection, installation, movement, and use of temporary trailers or structures provided such are exclusively incidental to the sale of lots and construction and sales of houses upon any lot or any area in or part of BRIDGEWAY II, provided such have been specifically approved by the Declarant.

2.6 No trucks rated in excess of one (1) ton, heavy or light equipment (excluding typical non-commercial landscaping maintenance equipment) or any commercial vehicles shall be used, placed, erected, constructed, or maintained for any purpose on any lot or in any part of BRIDGEWAY II, including the streets or access ways unless completely enclosed. This restriction shall not prohibit commercial vehicles from making pickups or deliveries within BRIDGEWAY II nor prohibit or restrict trucks or commercial vehicles that are necessary for the construction of Houses, other buildings or future development by the Declarant to include but not limited to road construction, land clearing, tree removal, etc., or the maintenance thereof within BRIDGEWAY II. Activity or usage in connection with construction projects shall be limited to 7:00 a.m. to 6:00 p.m. Monday through Saturday and 8:00 a.m. to 5:00 p.m. Sundays of any week.

2.7 No personal property such as a trailer, recreational vehicle, boat, camper unit or tent shall be placed, stored or parked on any Lot, or in any part of BRIDGEWAY II for a period of time in excess of fourteen (14) days in any calendar year; except such personal property owned by a Lot owner may be parked or stored in an area of the Lot that does not lie between the front or side of any House and the public street and in such a manner so that it is not a nuisance to any Owner and will not detract from the value of BRIDGEWAY II. No boat, bus, truck, recreational vehicle or inoperable vehicle shall be placed, stored or parked on any Lot, or in any part of BRIDGEWAY II at any time unless enclosed or screened from public view.

2.8 Each Lot shall provide adequate room for the parking of private vehicles. No private vehicle parking shall be allowed on any Street, except as may be necessary in connection with construction activities or as may be required to perform other obligations required hereunder.

2.9 No motorcycle, all terrain vehicle or any other motorized recreational vehicle shall be operated on any Lot, or in any part of BRIDGEWAY II except on streets and then only as a means of transportation and provided its operation does not become an annoyance to any other Owner of any other Lot in BRIDGEWAY II.

2.10 No television antennas or radio aerials shall be permitted
upon any Lot, House, or any part of or area of BRIDGEWAY II. Satellite receivers and dishes shall be permitted on a Lot, House, or any part of or area in BRIDGEWAY II only if such are screened from view of any Street. All utilities shall be installed underground.

2.11 No Lot, or area in or part of BRIDGEWAY II shall be used or maintained as a dumping site or depository for rubbish, refuse, trash, garbage, or any other form or type of waste. Any such waste may be temporarily stored in a location visible from any Street within BRIDGEWAY II for not more than twenty-four (24) hours provided it is stored in a suitable and sanitary container until such waste is picked up or removed. Any containers or other equipment for the storage or disposal of such waste shall be maintained and operated in a safe and sanitary manner and shall not cause or be a form of nuisance to any resident in BRIDGEWAY II. Trimmings, cuttings and like debris may be composted on any Lot provided they are maintained in a singular enclosed location not visible from any Street and so as not to become an annoyance or nuisance to any other resident in BRIDGEWAY II.

2.12 No Lot or other area in BRIDGEWAY II shall have a clothesline or any similar device or structure located so as to be visible from any street in BRIDGEWAY II. Street address and name signs shall conform to and comply with a common design, color and materials plan and scheme selected by the Declarant. No changes or alterations to such scheme are permitted without the prior consent of the Declarant.

SECTION 3 - SPECIFIC BUILDING RESTRICTIONS.

So long as the Declarant is the owner of any of the lots in the said development, the Declarant shall be the sole person (party) who approves the plans, etc. associated with the said construction of the said development.

3.1 No House, garage, fence, wall or other structure or building upon any Lot, or in any area or part of BRIDGEWAY II shall be erected or constructed unless and until a complete set of plans and specifications therefore has been submitted to, reviewed and approved in writing by the Declarant. Said plans and specifications shall include, but not necessarily be limited to, the exterior color scheme, exterior materials, landscaping of the House, building or structure to be erected or constructed that is visible from any Street and be in sufficient detail so as to permit a reasonable determination of the nature, style and finish of the complete structure. Plans should also include all areas of the Lot that are to remain in their native state.

3.2 No construction or other work on, alterations to, or activity related to such construction or other work for or to any House, building or structure on, or to be erected or constructed on any Lot, or any area in or part of BRIDGEWAY II shall be undertaken unless and until the Declarant has specifically
approved such work and authorized its commencement in writing. The Owner, its contractor, subcontractors, agents, employees, guests and invitees, shall comply with any and all governmental regulations, codes and ordinances concerning such work and hereby indemnify and agree to hold the Declarant harmless from any claim, loss or liability, including reasonable attorneys' fees arising from or relating to such work.

3.3 In the event the Declarant or its designees and agents fail to approve or disapprove any submission made in accordance with the provisions of this Section within thirty (30) days after such submission, approval will not be required and the provisions of this Section will be deemed to have been fully complied with.

3.4 Any agent, officer, employee, or designee of the Declarant may, after reasonable notice and during normal business hours or at any other reasonable time, enter into and inspect any and all construction activity or maintenance work to determine compliance with this Section and this Declaration. Persons conducting such inspection shall not be deemed to be guilty of trespass in the course of performing such duties or other activities related thereto.

3.5 The Declarant may cause any construction or maintenance work or activity not specifically authorized by this Section or not being performed in strict compliance with the terms or conditions or prior authorization or approval to be terminated immediately, or changes or corrections made as to make such construction or maintenance work comply with the terms conditions of such prior authorization or approval. All Owners, their contractors, subcontractors, agents and employees do hereby acknowledge the right of the Declarant to terminate such construction or maintenance work, to direct the Owner to make changes or modifications thereto, and Owner agrees to respond promptly to requests for changes or corrections to comply with objections of the Declarant.

3.6 The following standards shall apply to the Lots identified below:

3.6.1 All Lots

3.6.1.1 The total square footage of any House excluding open porches, decks, and garage shall be not less than 1,000 square feet, and the total square footage of any manufactured home shall not be less than 600 square feet.

3.6.1.2 Each House must have at least a one car garage which must be attached. Manufactured homes must have at least a one car garage which may be a detached garage.

3.6.1.3 Roof shall be made of 25 year composition or better.

3.6.1.4 Siding installed on the street side of
the House must be lap siding or better.

3.6.2 Exterior Trim and Other Features. Exterior trim, doors, railings, decks eaves, gutters and exterior finish of garages and other accessory buildings shall be designed, built and maintained so as to be compatible and in harmony with the structure they adjoin.

3.6.3 Windows. The flame materials used for windows in all Houses shall be composed of and constructed with materials and finished in such a manner so as to be compatible and in harmony with the House in which such windows are installed. In no event may any window frame or divider materials be unfinished or painted or anodized in a manner and color not acceptable to the Declarant.

3.6.4 Landscaping. Not more than six (6) months after the substantial completion of any House erected or constructed in BRIDGEWAY II, the yards of the Lot upon which said House or manufactured home has been erected or constructed that are visible from any street, shall be fully and completely landscaped in accordance with the plan for such landscaping submitted to and approved by the Declarant according to the provisions of this Section. Owners are strongly encouraged to use sod for the plantings of lawns. No review or approval of the nonvisible yard landscaping by the Declarant is required. At all times after substantial completion of the construction of a House on a Lot in BRIDGEWAY II and before the installation of landscaping, all Yards shall be maintained so as not to be offensive in appearance nor cause or present any sort or form of hazardous or dangerous condition. In the event of undue hardship caused by weather conditions, reasonable extensions of the time required to comply with these provisions regarding the installation of landscaping may be granted upon written approval of the Declarant. All landscaping installed in and on any Lot in BRIDGEWAY II shall have, as some portion thereof and not necessarily limited to, a grass lawn together with trees, shrubs and other plantings as appropriate. In addition, the landscaping plan and the elements thereof for any Lot in BRIDGEWAY II shall be in harmony and be consistent with the landscaping previously installed in and on other Lots in BRIDGEWAY II. Additional clearing and tree removal is not to be restricted by this Section.

3.6.5 Street Trees. Each Lot shall have installed on it the number and type of street trees required under any landscaping plan submitted by Declarant and approved by the City of Sheridan. Each Owner shall pay to Declarant, upon demand, the amount necessary for Declarant to install the street trees on Owner's Lot. Upon receipt of payment, Declarant shall have the street trees installed. In the event an Owner fails or refused to pay Declarant the cost of the street trees, Declarant shall have a lien upon the Lot for the cost of the street trees, which lien may be perfected and foreclosed as provided under Oregon statutes.
3.6.6 Setbacks from Property Lines. Minimum setbacks on all Lots in BRIDGEWAY II shall be governed by the City of Sheridan Code.

3.6.7 Height Restrictions. Standard City and County height restrictions apply to all Lots.

3.6.8 Driveways to be concrete. All driveways from the Street to the House shall be concrete. No dirt or gravel or asphalt driveways shall be permitted except temporarily during construction of the House.

3.6.9 Design and Style of Houses, Out Buildings and Other Structures. Houses, manufactured homes, out buildings, detached garages, and all other structures and improvements or alterations thereto shall be constructed and maintained utilizing high-quality materials and workmanship and be of such character, style and design as to be in harmony with surrounding Houses, structures and the general area. All Houses, out buildings, detached garages where allowed, or any other structures erected, constructed or maintained in BRIDGEWAY II shall comply in all respects with the provisions of this Declaration and all building codes, ordinances and regulations including, but not necessarily limited to, the Uniform Building Code and the applicable codes and ordinances of City of Sheridan, County of Yamhill and the State of Oregon.

3.6.10 Guidelines and Discretion. So long as the Declarant is the owner of any of the lots in the said development, the Declarant shall have the authority to promulgate and issue and thereafter amend from time to time, design guidelines which shall be binding upon all Owners of Lots as set forth herein. The Declarant, in its sole discretion, may withhold approval of any proposed improvements or other matter under their jurisdiction if such proposed improvement would be inconsistent with the provisions contained herein or would be incompatible or not in harmony with the design standards of and for BRIDGEWAY II. Considerations such as siting, shape, size, color, design, height, impairment of view and other effects on the enjoyment of other Owners of Lots, as well as any other factors which the Declarant believes to be relevant, may be taken into account by the Declarant in determining whether or not to approve any proposed improvement or other matter under its jurisdiction.

3.6.11 Non-waiver. Approval or disapproval by the Declarant of any matter proposed to it or within its jurisdiction shall not constitute a precedent or waiver or impair in any manner whatsoever the right of the Declarant to grant or withhold approval as to any similar matter thereafter proposed or constructed.

3.6.12 No liability. Neither the Declarant, nor any employee or agent thereof, shall be liable to any Owner, occupant, or other person or entity for any damage or loss.
suffered or claimed as a result of any action or failure to act on the part of the Declarant.

SECTION 4 - EASEMENTS.

4.1 Declarant hereby grants and reserves unto itself, its successors and assigns, and any and all others that will or may conduct or perform public or quasi-public utility services or functions, all those easements indicated upon the official map and plat of BRIDGEWAY II recorded in the records of Yamhill County, Oregon, for the purposes noted thereon and as follows:

4.2 Ingress, egress, installation, repair and maintenance of all utilities, including, but not limited to, water, storm and sanitary sewer, gas, telephone, electricity, a master or cable television system and sign monuments.

SECTION 5 - SIGNAGE.

5.1 No sign or other advertising device shall be erected or constructed upon or placed within or on any Lot, manufactured home, house, building, structure or in any area or part of BRIDGEWAY II except one (1) sign not larger than eighteen (18) inches by twenty-four (24) inches advertising such House for sale.

5.2 Section 1 of this Section shall not prohibit, limit or restrict Declarant in any way from erecting or constructing or authorizing the erection and construction of any sizes or types of signs indicating the name, features or availability of Lots or Houses within BRIDGEWAY II as being for sale, lease or rent.

SECTION 6 - MAINTENANCE OF LOTS.

6.1 Each Owner of any Lot in BRIDGEWAY II shall maintain the condition of said Lot and any and any improvements thereon including, without limitation, any House, building, fencing, structure, landscaping, sidewalks, driveways, trees, shrubs, or other vegetation thereon in a reasonably clean, neat, attractive and visually pleasing manner so as to not detract from BRIDGEWAY II being a high-class residential neighborhood.

6.2 The duty of every Owner of any Lot in BRIDGEWAY II as to maintenance and repair shall extend and include the area between the property line of any Lot and the nearest curb or improved Street, including utility easements.

6.3 So long as the Declarant is the owner of any of the lots in the said development, the Declarant shall have the right to, upon the giving of thirty (30) days written notice and having received no response from the Owner of any Lot who fails to comply with the standards and provisions for maintenance and having knowledge that said Owner has in fact received such notice, enter into said Lot and accomplish such maintenance, such as mowing unsightly areas or pruning of planted trees or bushes.
that impede views, painting or repairing fencing and such other work as is reasonably necessary to effectuate compliance with standards for maintenance. Costs incurred for such repairs or work shall be paid immediately by the non-complying Owner after presentation of a billing. Any billing which remains unpaid for thirty (30) days after presentation, may be recorded and will, upon recording, become a lien on such Lot. Such lien may be enforced and foreclosed as provided herein. Non-compliance with standards and provisions in connection with a residential structure are to be reported to the Declarant which will have the responsibility of effecting compliance.

SECTION 7 - AMENDMENT'S OR MODIFICATIONS.

7.1 Prior to Declarant conveying seventy-five percent (75%) of the said Lots to 3rd party Owners, Declarant may amend this Declaration at any time with thirty (30) days prior notice to all Owners.

7.2 This Declaration may be amended or modified by an instrument signed by not less than seventy-five percent (75%) of the then Owners of Lots in BRIDGEWAY II after- seventy-five percent (75%) of the lots in BRIDGEWAY II have been conveyed to Owners by the Declarant.

7.3 Any and all amendments or modifications to this Declaration must be in writing and shall be recorded as an amendment or modification to this Declaration in the official and public records of Yamhill County, Oregon.

SECTION 8 - DURATION OF THESE CCR'S.

8.1 The covenants, conditions and restrictions of this Declaration and any and all amendments and modifications hereto shall run with and bind the land and inure to the benefit of any and all Owners of Lots in BRIDGEWAY II, their legal representatives, heirs, successors and assigns for a term of thirty (30) years from the date this Declaration is recorded in the official and public records of Yamhill County, Oregon. After such date, this Declaration and any and all amendments and modifications hereto shall be automatically extended and renewed for successive periods of ten (10) years unless and until an instrument terminating this Declaration signed by the then Owners of seventy-five percent (75%) of the Lots has been executed and recorded in the official records of Yamhill County, Oregon prior to the commencement of any ten (10) year period.

SECTION 9 - MISCELLANEOUS OTHER PROVISIONS.

9.1 In construing this Declaration, or any part hereof, stipulations that are necessary to make this Declaration or any of its terms or provisions reasonable are hereby implied. Invalidity of any of the provisions of this Declaration shall in no way affect the validity of any of the other provisions hereof which shall remain in full force and effect.
9.2 The provisions of this Declaration shall bind and inure to the benefit of and be enforceable by the Declarant and the Owner or Owners of any Lot or Lots, their legal representatives, successors heirs and assigns. Failure by the Declarant or any Owner or Owners of any Lot or Lots, their legal representatives, successors, heirs or assigns to enforce any condition, charge or restriction of this Declaration shall in no event be deemed a waiver of the right to do so.

9.3 Any or all of the rights, powers and reservations of Declarant contained herein may be assigned by Declarant without any diminution of such rights, powers and reservations and without the prior consent of any of the Owners.

9.4 By the recording of this Declaration, each Owner shall be deemed to have consented and agreed to every term, condition, covenant and restriction contained herein.

9.5 Neither Declarant nor any successor, assign, employee, agent, or other representative of Declarant shall be liable to any Owner or to any other person for its enforcement or failure to enforce any provisions of this Declaration. Each Owner, by acquiring such Owners' interest in a Lot, agrees to not bring any action or suit against Declarant nor any successor, assign, employee, agent or other representative of Declarant, and not to seek to recover any such damages or to seek any other relief, including, without limitation, equitable relief, by reason of any enforcement or failure to enforce any provision of this Declaration. Each Owner shall and does, by taking title to or occupying any portion of any Lot, agree to defend, indemnify and hold Declarant and Declarant's successors, assigns, employees, agents and other representatives harmless from any claim, loss, damage, cost or expense, including, without limitation, reasonable attorneys' fees arising out of the use, operation, ownership, occupancy or condition or state of repair of any Lot owned by such Owner.

9.6 Mortgage Protection.

9.6.1 Notice. Upon written request to the Declarant by an Owner identifying the name and address of a Mortgagee and the legal description of the Lot, any such Mortgagee shall be entitled to receive written notice of all decisions of the Declarant that directly effect that Lot.

9.6.2 Consent Required. Except upon the approval of Mortgagees holding Mortgages of Lots which have at least seventy-five percent (75%) of the votes of Lots which are subject to Mortgages, no amendments may be made to this Declaration which add to or amend any material provision of the Declaration which establish, provide for, govern or regulate any of the following:

9.6.3 Termination. Termination of this Declaration shall require the consent of not less than seventy-five percent
(75%) of the Mortgagees holding an interest in Lots. Any such Termination of this Declaration shall be carried out by the Owners pursuant to the provisions of the Declaration, and only after a vote of the Owners as required by this Declaration.

9.6.4 Limitation. The provisions of paragraph 9.6.2 are intended only to be a limitation on the right of the Owners to amend the Declaration, and any such amendments to the Declaration shall be made only upon full compliance with the provisions of such relating to the procedure and percentage of votes required for such amendment in addition to Section 7.

9.6.5 Deemed Approval by Mortgagees. Any Mortgagee who receives a written request to approve an amendment to the Declaration or any other action to be taken by the Board, or Owners shall be deemed to have given such approval unless such Mortgagee's written objection to such action is delivered to the Declarant (so long as the Declarant is the owner of any of the lots in the said development), within thirty (30) days after the date of the written request.

[Signature]
Sheridan Resort Properties Inc.

State of Oregon )
) ss
County of Yamhill )

Personally appeared the above-named Richard Andersen and stated that he was the President of Sheridan Resort Properties Inc. and who further stated that he was executing the foregoing instrument with the authority of the Board of Directors and who further acknowledged the foregoing instrument to be his voluntary act and deed.

Subscribed and sworn to before me this 3rd day of
September, 1999.

[Signature]
Notary Public for Oregon
My commission expires: 10/12/2001

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AFTER RECORDING RETURN TO:

Michael G. Gunn P.C.
Attorney at Law
P.O. Box 1046
Newberg, OR 97132

SEND ALL TAX STATEMENTS TO:

No Change

AMENDMENT TO CCR'S OF BRIDGEWAY 2

Notice is hereby given that Sheridan Resort Properties Inc. (an OR corporation), who was the Declarant associated with those Conditions, Covenants, and Restrictions (herein known as "CCR's") recorded on October 4, 1999, in Instrument #199920074 of the Deed and Mortgage Records of Yamhill County associated with BRIDGEWAY 2 (a subdivision plat duly recorded in Yamhill County), has now sold more than 75% of the lots within BRIDGEWAY 2, and pursuant to the terms and conditions of the said CCR's, control and enforcement of the said CCR's now lies with the owners of the individual lots within BRIDGEWAY 2 as Declarant no longer has any involvement in either BRIDGEWAY 2 or the said CCR's.

Dated this ___ day of ___ , 2001.

[Signature]
Sheridan Resort Properties Inc.

State of Oregon

County of Yamhill

Personally appeared the above-named Margaret Andersen and stated that she was the Secretary of Sheridan Resort Properties Inc. and who further stated that she was executing the foregoing instrument with the authority of the Board of Directors and who further acknowledged the foregoing instrument to be her voluntary act and deed.

Subscribed and sworn to before me this ___ day of ___ , 2001.

[Signature]
Notary Public for Oregon
My commission expires: ______

/andturn1

PAGE 1-TURNOVER OF AUTHORITY TO GOVERN CCR'S BY DECLARANT