DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR
CHEALEM VIEW ESTATES, YAMHILL COUNTY, OREGON

THIS DECLARATION OF PROTECTIVE COVENANTS AND RESTRICTIONS FOR CHEALEM VIEW ESTATES, YAMHILL COUNTY, OREGON (the "Declaration") is hereby made and executed this 23rd day of August, 1995, by S. L. Jensen, Ltd., an Oregon corporation, P. O. Box 597, West Linn, Oregon 97068, (the "Declarant").

WHEREAS, Declarant is the owner of all that certain real property located in Yamhill County, Oregon and as will be legally described as Lots 1 through 11, CHEALEM VIEW ESTATES, according to the map and plat to be recorded contemporaneously herewith in the official records of Yamhill County, Oregon.

WHEREAS, Declarant desires to subject CHEALEM VIEW ESTATES to the conditions, covenants and restrictions contained herein for the benefit of CHEALEM VIEW ESTATES and its present and subsequent Owners.

NOW, THEREFORE, Declarant hereby declares CHEALEM VIEW ESTATES is and shall be held upon and conveyed subject to the covenants, conditions, restrictions, reservations and charges hereinafter set forth.

ARTICLE 1 - DEFINITIONS.

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

1.1 "Lot" shall mean and refer to any of the numbered parcels shown on any recorded subdivision map or plat of CHEALEM VIEW ESTATES, or any additional property adjacent to CHEALEM VIEW ESTATES which Declarant makes subject to the terms hereof.

1.2 "Owner" shall mean and refer to the owner of record, whether one or more persons or entities, with an interest in and to any Lot which is part of CHEALEM VIEW ESTATES, including contract sellers, but excluding those having such interest merely to secure performance of an obligation. (Collectively "Owners").

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

1.4 "Architectural Control Committee" shall mean and refer to the Declarant, its agents, employees and appointees, until all of the Lots in CHEALEM VIEW ESTATES are conveyed to Owners, at which time the Architectural Control Committee shall be comprised of not less than three (3) Owners of Lots in CHEALEM VIEW ESTATES to be selected by majority vote of all Owners of Lots in CHEALEM VIEW ESTATES on the second Thursday of February of each year. Committee members will be elected to serve a term of one year, the ("Committee").

1.4 "House" shall mean and refer to a detached dwelling, 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 building or portions of the principal building used for the parking or storage of vehicles.

ARTICLE 2 - COMMON SCHEME RESTRICTIONS.

The following restrictions are hereby imposed as a common scheme upon each Lot of CHEALEM VIEW ESTATES for the benefit of every other Lot in CHEALEM VIEW ESTATES and may be enforced by any Owner in, or the Declarant of, CHEALEM VIEW ESTATES:
2.1 No Lot shall be used for any purpose other than for the construction and occupancy of a House thereon for residential purposes thereof, except for an office within a House that does not violate applicable State of Oregon or Yamhill County codes or ordinances, and does not involve retail or commercial vehicles or traffic on any Street or Lot or any area in or part of CHEHALM VIEW ESTATES.

2.2 No animals, livestock, poultry or fowl of any kind shall be raised, kept or permitted upon any Lot or any area in or part of CHEHALM VIEW ESTATES except domestic dogs, cats, horses and caged pet birds, provided such are not a nuisance to any resident within CHEHALM VIEW ESTATES. Caged pet birds shall be kept within Houses. Horses shall not be permitted, except within the grazing areas on Lots 6, 7 and 9 only, as described in Article 9 and provided such are not bred or become a nuisance to any resident within CHEHALM VIEW ESTATES. All dogs, cats, horses and birds are not to be kept, bred or raised for commercial purposes or be in unreasonable numbers.

2.3 No Lot or any area in or part of CHEHALM VIEW ESTATES shall be used for the purpose of exploring for, taking therefrom or production therefrom, gas, oil or any other hydrocarbon or mineral substance.

2.4 No noxious or offensive activity shall be permitted upon any Lot or any area in or part of CHEHALM VIEW ESTATES, nor shall anything be done or maintained thereon that may become an annoyance or nuisance to any owner or detract from the value of CHEHALM VIEW ESTATES as a high-quality 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 CHEHALM VIEW ESTATES and upon any Lot or any area in or part therein shall be prosecuted diligently and continuously from the time of commencement until full completion. All exterior and visible portions of all Houses, buildings, fences, walls or other structures placed on any Lot, any area in or part of CHEHALM VIEW ESTATES shall be constructed of new and high-grade material, unless the use of materials that are not new or other than high-grade materials have been specifically approved by the Architectural Control Committee. No Houses, buildings or structures constructed elsewhere shall be moved onto or placed upon any Lot, any area in or part of CHEHALM VIEW ESTATES without the express written approval of the Architectural Control Committee. 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 sale of Houses upon any Lot or any area in or part of CHEHALM VIEW ESTATES, provided such have been specifically approved by the Declarant.

2.6 No trucks rated in excess of one 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 any area in or part of CHEHALM VIEW ESTATES including the Streets or access ways, unless completely enclosed. This restriction shall not prohibit or restrict trucks or commercial vehicles from making pickups or deliveries within CHEHALM VIEW ESTATES nor shall this restriction prohibit or restrict trucks or commercial vehicles that are necessary for the construction of Houses, buildings, other structures, or future development by the Declarant to include, but not limited to, road construction, land clearing, tree removal, and so forth, or the maintenance thereof within CHEHALM VIEW ESTATES. Activity or usage in connection with construction projects shall be limited to later than 7:00 a.m. and prior to 6:00 p.m. on Monday through Saturday and 8:00 a.m. to 5:00 p.m. on 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 any area in or part of CHEHALM VIEW ESTATES for any period of time in excess of fourteen (14) days in any
thirty (30) day period, except such personal property owned or controlled by a Lot Owner may be placed, stored or parked on any Lot, or any area in or part of CHEALEM VIEW ESTATES provided it is wholly confined in an enclosed building approved by the Architectural Control Committee.

2.8 No motorcycle, All Terrain Vehicle or any other motorized recreation vehicle shall be operated on any Lot, or any area in or part of CHEALEM VIEW ESTATES.

2.9 Television, radio aerials or antennas shall not be permitted upon any House, Lot or any area in or part of CHEALEM VIEW ESTATES. Satellite receivers and dishes shall not be permitted upon any Lot in CHEALEM VIEW ESTATES, unless such are substantially screened from view and the location, design and installation is approved by the Architectural Control Committee.

2.10 No Lot, or any area in or part of CHEALEM VIEW ESTATES 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 CHEALEM VIEW ESTATES for not more than twenty-four (24) hours 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 any form of nuisance to any resident in CHEALEM VIEW ESTATES. 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 resident in CHEALEM VIEW ESTATES.

2.11 No Lot, or area in or part of CHEALEM VIEW ESTATES shall have a clothesline or other such similar device or structure located as to be visible from any Street or other House in CHEALEM VIEW ESTATES. Mailboxes, and newspaper tubes, shall conform to and comply with a common design, color and materials plan and scheme as shown in Exhibit "A". No changes or alterations to such scheme are permitted without the prior consent of the Architectural Control Committee.

ARTICLE 3 - SPECIFIC BUILDING RESTRICTIONS.

3.1 No House, garage, fence, wall or other structure or building upon any Lot, or any area in or part of CHEALEM VIEW ESTATES shall be erected or constructed unless and until such plans and specifications as the Architectural Control Committee may require have been submitted to, reviewed and approved in writing by the Architectural Control Committee. Said plans and specifications shall include, but not necessarily be limited to, the exterior color scheme, exterior materials and landscaping of any House, building or structure to be erected or constructed. Said plans and specifications shall 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 to be erected or constructed on any Lot, or any area in or part of CHEALEM VIEW ESTATES shall be undertaken unless and until the Architectural Control Committee has specifically approved such work and authorized its commencement in writing. The Owner, its contractors, 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 Architectural Control Committee harmless from any claim, loss or liability.

3.3 In the event the Architectural Control Committee or its designee and agents fail to approve or disapprove any submission made in accordance with the provisions of this Article within thirty (30) days after such submission, approval will not be required and the provisions of this Article will be deemed to have been fully
3.4 Any agent, officer, employee, or designee of the Architectural Control Committee 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 Article 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 Architectural Control Committee may cause any construction or maintenance work or activity not specifically authorized by this Declaration or not being performed in strict compliance with the terms or conditions of 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 and conditions of such prior authorization or approval. All Owners, their contractors, subcontractors, agents and employees do hereby acknowledge the right of the Architectural Control Committee to terminate such construction or maintenance work, to direct Owner to order changes or modifications thereto and Owner agrees to respond to requests for changes or corrections to comply with objections of the Architectural Control Committee.

3.6 The following standards shall apply to and be enforced for any House, building or structure erected, constructed or maintained in CHEHALM VIEW ESTATES:

(a) Design and Style of Houses, Buildings and Structures: Houses, buildings, 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 and structures and the general area. Buildings or structures constructed within the grazing areas as defined in Article 9 and within the setbacks thereto may be of a barn-type or pole building style and design. Plans and specifications for such must be reviewed and approved by the Architectural Control Committee prior to start of construction. All Houses, buildings or structures erected, constructed or maintained in CHEHALM VIEW ESTATES shall comply in all respects with the provisions of this Declaration and all applicable building codes, ordinances and regulations including, but not necessarily limited to, the Uniform Building Code and the applicable codes and ordinances of Yamhill County and the State of Oregon.

(b) Nature of Construction: All Houses erected or constructed in CHEHALM VIEW ESTATES shall be of "double-wall" construction and utilize construction materials and procedures consistent therewith.

(c) Minimum Area of Houses: The total square footage of any House, excluding open porches, decks and garage shall not be less than 3,000 square feet. The minimum square footage of the main floor of any multiple story House shall not be less than 1,800 square feet and the front elevation shall have a minimum length of 70 feet, including the garage.

(d) Roof Materials: The exterior surfaces of the roofs of all Houses shall be cedar wood shake, 40-year Celotex Presidential Shake composition roofing or tile materials.

(e) Exterior Siding Materials, Trim and Other Features: The principal exterior surfaces, except roofs and windows, of all Houses in CHEHALM VIEW ESTATES shall be comprised or constructed of bevel or lap siding material with a width not to exceed six inches, brick, stone, stucco or equivalents thereof. In no event shall any exterior siding material that is principally comprised of or constructed of plywood be applied to the exterior surface of any House, accessory building or other structure in CHEHALM VIEW ESTATES. 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.

(f) Windows: The frame 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 Houses in which such windows are to be installed. In no event may any window frame or divider material be unfinished or not painted or anodized in a manner and color unacceptable to the Architectural Control Committee.

(g) Fireplace Chases: Fireplace chases shall consist of masonry, stone or stucco-type material. Wood chases shall not be allowed on any House in CHEHAMEL VIEW ESTATES.

(h) Fences: Any and all fences to be erected or constructed in, on or around any Lot or any area in or part of CHEHAMEL VIEW ESTATES shall be first reviewed and approved by the Architectural Control Committee prior to installation. No fencing shall be constructed that blocks or impedes drainage ways. Chain-link fences or fencing materials shall not be allowed in CHEHAMEL VIEW ESTATES, except for sport or tennis court enclosures as approved by the Architectural Control Committee. All site-obscuring fencing, such as interior fencing to enclosed patios, screen trash receptacle, support arbors and the like shall be a "good-neighbor" style and shall not exceed six feet in height. Such good-neighbor fencing shall not be located forward of the building line with the greatest setback on the Lot or the adjoining Lots. Fencing within or along the boundaries of the grazing areas shall be standard two or three-rail white vinyl fencing. Fencing along the perimeter and all other fencing shall be forty-eight (48) inches in height and shall be standard two-rail white vinyl fencing. All fencing shall be painted or stained immediately after installation and maintained properly and in a manner consistent with the standards for maintenance as set forth in this Declaration.

(i) Landscaping: Not more than six (6) months after the substantial completion of any House erected or constructed in CHEHAMEL VIEW ESTATES, the yards of the Lot upon which any House 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 and approved by the Architectural Control Committee according to the provisions of this Article. Not more than twelve (12) months after the substantial completion of any House erected or constructed in CHEHAMEL VIEW ESTATES, the yards of the Lot upon which the House has been erected or constructed that are not visible from any Street shall be fully and completely landscaped, except where portions of the Lot that remain untouched during erection or construction are to remain in their natural state as indicated in the originally submitted plans and specifications. All grass, other than lawn shall be a type that does not exceed, or shall be maintained not to exceed ten (10) inches in height. Owners shall consider selections, or the maintenance required, of the type of trees and vegetation so as not to impact other Houses in CHEHAMEL VIEW ESTATES. The Architectural Control Committee will approve the variety of trees and other vegetation selected as to their potential height and impact on other Houses in CHEHAMEL VIEW ESTATES and will not approve selections the Committee determines may have a detrimental impact. At all times during and after substantial completion of the construction of any House on any Lot in CHEHAMEL VIEW ESTATES 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 the installation of landscaping may be granted upon written approval of the Architectural Control Committee. All landscaping installed on any Lot in CHEHAMEL VIEW ESTATES 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 CHEHAMEL VIEW ESTATES shall be in harmony and be consistent with the landscaping previously installed in and on other Lots in CHEHAMEL VIEW ESTATES. Additional clearing and
tree removal is not to be restricted by this article.

(j) Set Backs from Property Lines: Minimum set backs on property lines that are contiguous to other Lots and all Streets in and abutting CHEHALM VIEW ESTATES are thirty (30) feet from the property line. Set backs for buildings or structures that are for the care and housing of horses to be located within the grazing areas located on Lots 6, 7 and 9 are sixty (60) feet from the grazing area boundary lines and the property lines that make up the grazing areas. Set backs for Lots that are contiguous to property other than Lots in CHEHALM VIEW ESTATES shall comply with the applicable codes and ordinances for set backs of Yamhill County.

(k) Driveways: All Driveways located from the Street to Houses, Buildings and Structures shall be asphalt paving or concrete. Driveways that bridge existing ditches shall not block natural or engineered drainage and shall have twelve (12) inch concrete culverts installed as part of the construction of said driveway.

(l) Exterior Lighting: Any exterior lighting which is visible from any Street, or any other Lot must be approved prior to installation by the Architectural Control Committee.

(m) Guidelines and Discretion: The Architectural Control Committee 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 Architectural Control Committee, in its sole discretion, may withhold approval of any proposed improvements or other matters under their jurisdiction if such proposed improvements would be inconsistent with the provisions contained herein or would be incompatible or not in harmony with the design standard of and for CHEHALM VIEW ESTATES. Considerations such as location, shape, size, color, design, height, impact on view and other effects on the enjoyment of other Owners of Lots, as well as other factors which the Architectural Control Committee believes to be relevant, may be taken into account by the Architectural Control Committee in determining whether or not to approve any proposed improvement or other matter under their jurisdiction.

(n) Majority Action: A majority of the members of the Architectural Control Committee shall have the power to act on behalf of the Architectural Control Committee, without the necessity of a meeting and without the necessity of consulting the remaining members of the Architectural Control Committee.

(o) Non-waiver: Approval or disapproval by the Architectural Control Committee of any matter proposed to them or within their jurisdiction shall not constitute a precedent or waiver or impair in any manner whatsoever the right of the Declarant or the Architectural Control Committee to grant or withhold approval of any similar matter thereafter proposed or submitted for approval.

(p) No Liability: The Architectural Control Committee, nor any member 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 Architectural Control Committee.

ARTICLE 4 - EASEMENTS.

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 CHEHALM VIEW ESTATES as will be recorded contemporaneously herewith in the records of Yamhill County, Oregon, for the purposes noted thereon and as follows:

4.1 Ingress, egress, installation, repair and maintenance of all utilities, including, but not limited to, wells, water, storm and sanitary sewer, gas, telephone, electricity, and a master or cable television system.
ARTICLE 5 - UTILITIES

5.1 All utilities shall be installed underground.

5.2 Wells, whether community well systems or individual wells, shall be constructed to standards set forth in OAR 690, divisions 205.210,215 and 220 (Administrative as amended) and Oregon Health Division Rules and Guidelines applicable to public water systems. There shall be a minimum spacing of 100 feet between wells located on any lot or any area in or part of CHEHALM VIEW ESTATES. Well locations shall be reviewed and approved by the Architectural Control Committee.

5.3 Septic tank drain fields have been approved for those areas noted on the map and plat of CHEHALM VIEW ESTATES. The placement of a drain field shall require permit and approval by the Yamhill County Sanitarian and shall be reviewed and approved by the Architectural Control Committee.

ARTICLE 6 - SIGNAGE.

6.1 No sign or other advertising device shall be erected or constructed upon or placed within or on any lot, house, building, structure or any area in or part of CHEHALM VIEW ESTATES except two (2) signs not larger than eighteen (18) inches by twenty-four (24) inches advertising such house for sale.

6.2 Section 6.1 of this Article shall not prohibit, limit or restrict Declarant in any way from erecting or constructing or authorizing the erection and construction of any signs or types of signs indicating the name, features or availability of Lots or Houses within CHEHALM VIEW ESTATES as being for sale, lease or rent.

ARTICLE 7 - MAINTENANCE.

7.1 Each owner of any Lot in CHEHALM VIEW ESTATES shall maintain the condition of said Lot and any and all improvements thereon including, without limitation, any houses, buildings, structures, landscaping, sidewalks, driveways, trees, shrubs or other vegetation thereon in a reasonably clean, neat, attractive and visually pleasing manner so as not to detract from CHEHALM VIEW ESTATES being a high quality residential neighborhood.

7.2 Each owner of any Lot in CHEHALM VIEW ESTATES shall maintain any areas of grass, whether planted or native, so as not to exceed ten (10) inches in height.

7.3 The duty of every owner of any Lot in CHEHALM VIEW ESTATES as to maintenance shall extend and include the area between the property line of any Lot and the nearest curb or improved street, including utility easements.

7.4 The Architectural Control Committee of all Lots in CHEHALM VIEW ESTATES shall have the right to, upon giving 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 maintenance to landscaping such as mowing unsightly areas or pruning of planted trees or bushes that impede views and such other work as is reasonably necessary to effectuate compliance with standards for landscaping maintenance. Costs incurred for such repairs or work shall be paid immediately by the non-complying owner after presentation of a billing. Non-compliance with standards and provisions in connection with a house, building or other structure are to be reported to the Architectural Control Committee which will have the responsibility of effecting compliance.

ARTICLE 8 - STREET MAINTENANCE AGREEMENT.

Page 7 of 13
8.1 The Owners of Lots 9, 10 and 11 recognize that the private street identified on the plat of CHEALEM VIEW ESTATES as Private Access Easement "F" is not part of the Yamhill County public road system and Yamhill County has no liability or responsibility associated with maintenance of the Private Street ("Private Street").

8.2 The Owners of all the Lots in CHEALEM VIEW ESTATES acknowledge that the Streets known as Center Lane and Crystal View Court, as shown on the plat of CHEALEM VIEW ESTATES, are public roadways and are not accepted by Yamhill County for maintenance purposes ("Public Streets").

8.3 The Owners agree that the Private Street and the Public Streets will be maintained in good, passable condition under all traffic and weather conditions. The Owners shall mutually agree upon future maintenance, repair and restoration ("Maintenance") of the Public and Private Streets.

8.4 The costs of Maintenance of the Private Street shall be shared equally between the Owners of Lots 9, 10 and 11 in CHEALEM VIEW ESTATES. The costs of the Maintenance of the Public Streets shall be shared equally by all the Owners of any and all of the Lots in CHEALEM VIEW ESTATES.

8.5 In the event monies are spent, upon mutual agreement, for the Maintenance of said Streets and any of the Owners fail to pay their share of the costs, the other Owner or Owners shall have the right to file a lien on the real premises owned by the defaulting Owner or Owners; such lien shall be filed as provided by Oregon Revised Statute 87.352, Liens on Real Property.

8.6 The Owners further understand and agree that in the event that the Owners do not maintain and make the necessary repairs to said Public Streets, Yamhill County shall have the right to do the necessary Maintenance and charge each of the Owners their share of the cost of such.

ARTICLE 9 - SITE RESTRICTIONS.

The Owners of Lots in CHEALEM VIEW ESTATES understand and agree that Houses, buildings and other structures, vegetation and landscaping constructed or installed and the areas for grazing horses in CHEALEM VIEW ESTATES are restricted to certain locations, areas and heights so as not to impact the enjoyment of Owners of certain Lots in CHEALEM VIEW ESTATES. The following restrictions on the location and height of Houses, buildings and other structures, vegetation, landscaping and horse grazing areas are hereby imposed upon each Lot as described below for the benefit of Owners of other Lots in CHEALEM VIEW ESTATES and may be enforced by the Owner of the affected Lot, the Architectural Control Committee or the Declarant of CHEALEM VIEW ESTATES. The benchmarks locations for height restrictions described in the following sections are heights measured from the ground at specific locations, the elevation of which remains constant on the entire property and does not follow the terrain.

9.1 Lot 1, CHEALEM VIEW ESTATES. All Houses, buildings and other structures are restricted to a height of twenty (20) feet where the west end of the south property line would meet the pavement if it were to continue west. The vegetation and landscaping on Lot 1 are subject to height restrictions as determined by the Architectural Control Committee. The restrictions noted in this Section are for the benefit of the Owner of Lot 7 only.

9.2 Lot 5, CHEALEM VIEW ESTATES. All Houses, buildings and other structures, vegetation and landscaping are restricted to a height of five (5) feet, as measured along the entire north seventy five (75) feet of the west property line. The area restricted to this height limit is all the area encompassed south from the northernmost property line by starting at the northwest corner of the property, then south seventy five (75) feet along the west property line, then east along a straight line to a point where this line would meet the east property line, then north ninety
seven (97) feet to the northeast corner of the property, then west following the
north property lines to the point of beginning, which is the northwest corner of the
property. The restrictions noted in this Section are for the benefit of the Owner
of Lot 6 only.

9.3 Lot 8, CHEALEM VIEW ESTATES. All Houses, buildings and other structures,
vegetation and landscaping are restricted to a height that would be the elevation
at five (5) feet above the ground at the south end of the west property line. The
area restricted to this height limit is all the area encompassed north from the south
property lines by starting at the southwest corner of the property, then north along
the west property line eighty five (85) feet, then east along a straight line to
where this line would meet a point that is seventy seven (77) feet southwest of the
iron rod at the south end of curve number four (4), then west following the south
property lines to the point of beginning, which is the southwest corner of the
property. The restrictions noted in this Section are for the benefit of the Owner
of Lot 7 only.

9.4 Lot 10, CHEALEM VIEW ESTATES. All Houses, buildings and other structures,
vegetation and landscaping, with the exception of fencing height, as defined in
Article 3, Section (b), are restricted to a height of three and one-half (3.5) feet
above the highest point of the ground at the crown in the land located approximately
two hundred (200) feet west from the east end of the south property line. The area
restricted to this height limit is all the area encompassed in a width of thirty (30)
feet to the north from and along the entire south property line and extending in a
straight line west if it were to continue straight to the west property line. The
restrictions noted in this Section are for the benefit of the Owner of Lot 9 only.

9.5 Lot 11, CHEALEM VIEW ESTATES. All Houses, buildings and other structures,
vegetation and landscaping, with the exception of fencing height, as defined in
Article 3, Section (b), are restricted to a height of three and one-half (3.5) feet
above the highest point of the ground at the crown in the land located approximately
two hundred (200) feet west from the east end of the north property line. The area
restricted to this height limit is all the area encompassed in a width of thirty (30)
feet to the south from and along the entire north property line and extending in a
straight line west to the west property line. The restrictions noted in this Section are
for the benefit of the Owner of Lot 9 only.

9.6 Lot 6, CHEALEM VIEW ESTATES. The horse grazing area is limited to the area
encompassed to the east from the west property lines starting at the northwest corner
of the property, then 321.33 feet southeast to an iron rod, then southwest in a
straight line to a point where this line would meet the iron rod located 200.05 feet
southeast of the iron rod at the south end of the curve numbered 36 on the plat of
CHEALEM VIEW ESTATES, then following the southwest property line, the curve and the
northwest property line to the beginning, which is the northwest corner of the
property.

9.7 Lot 7, CHEALEM VIEW ESTATES. The horse grazing area is limited to the area
encompassed to the east from the west property line starting at the northwest corner
of the property, then east 487.43 feet to the iron rod, then southwest in a straight
line to the iron rod located 321.33 feet southeast of the most westerly corner of
the property, then following the south and the west property lines to the beginning,
which is the northwest corner of the property.

9.8 Lot 9, CHEALEM VIEW ESTATES. The horse grazing area is limited to the area
encompassed to the east from the west property line starting at the northwest corner
of the property, then 597 feet east, then southwest in a straight line to a point
where this line would meet the iron rod located 487.43 feet east of the iron rod at
the southwest corner of the property, then following the south and west property
lines to the beginning, which is the northwest corner of the property.

Page 9 of 13
9.9 The Architectural Control Committee has in its possession a map detailing the restricted areas and will define, clarify, review and approve the site restrictions noted hereinabove.

ARTICLE 10 - AMENDMENTS OR MODIFICATIONS.

10.1 This Declaration may be amended or modified by an instrument signed by not less than seventy-five percent (75%) of the Owners of Lots in CHEHALM VIEW ESTATES, together with the written consent of the Declarant, such requirement for written consent by Declarant shall terminate after all the Lots in CHEHALM VIEW ESTATES have been conveyed to Owners by the Declarant.

10.2 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.

ARTICLE 11 - PHASING OF DEVELOPMENT.

If the Declarant elects to develop additional or other phases of CHEHALM VIEW ESTATES, such development may be in any number of phases containing any number of Lots and in any such manner as Declarant may elect. For the purpose of interpreting and applying the provisions of this Declaration, the number of Lots in CHEHALM VIEW ESTATES shall not be any particular phase or combination of phases, but shall be the entire number of Lots undertaken by Declarant.

ARTICLE 12 - DURATION.

The covenants, conditions, restrictions, reservations and charges of this Declaration and any and all amendments and modifications hereto shall run with the land and bind and inure to the benefit of any and all Owners of Lots in CHEHALM VIEW ESTATES, their legal representatives, heirs, successors and assigns for a term of twenty (20) 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 any 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.

ARTICLE 13 - OTHER PROVISIONS.

13.1 In constructing 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. Invalidation 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.

13.2 The provisions of this Declaration shall bind and inure to the benefit of and be enforceable by the Declarant, the Architectural Control Committee and the Owner or Owners of any Lot or Lots, their legal representatives, successors, heirs and assigns. Failure by the Declarant, the Architectural Control Committee 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.

13.3 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 Owner or Owners of any Lot or Lots in CHEHALM VIEW ESTATES.
13.4 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.

13.5 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 Owner’s interest in a Lot, agrees not to 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 attorney’s fees arising out of the use, operation, ownership, occupancy or condition or state of repair of any Lot owned by such Owner.

13.6 The expenses for maintenance of the area shown as a Sign Easement on the plat of CHEALEM VIEW ESTATES, and more particularly the entry monuments and the landscaped area around said entry monuments shall be assessed equally to the Lot Owners prior to the expenditure. The Architectural Control Committee shall notify all Lot Owners of the circumstances and provide all Lot Owners with the opportunity to vote on the issue. Owners will be entitled to one vote for each Lot owned. A majority vote of the Owners, together with the written consent of the Declarant, shall be required prior to any such assessment and expenditure. Said requirement for written consent by Declarant shall terminate after all the Lots in CHEALEM VIEW ESTATES have been conveyed to Owners by the Declarant.

13.7 Mortgage Protection.

(a) Notice. Upon written request to the Architectural Control Committee identifying the name and address of the mortgagee and the legal description of the Lot, any mortgagee shall be entitled to receive written notice of all meetings of the Association and shall be permitted to designate a representative to attend all such meetings.

(b) Consent Required. Except upon the approval of mortgagees holding mortgages on at least seventy-five percent (75%) of the 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:

(i) Voting;

(ii) Assessment, assessment liens, or subordination of liens;

(iii) Responsibility for maintenance and repair of any portion of CHEALEM VIEW ESTATES;

(iv) Imposition of any right of first refusal or similar restriction of the right of an Owner to sell, transfer, or otherwise convey such Owner’s Lot; and,

(v) Any provisions which are for the express benefit of mortgagees.

(c) Termination. The approval of mortgagees holding mortgages on at least seventy-five (75%) of the Lots which are subject to mortgages shall be required for any termination of this Declaration. 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 herein.

(d) Limitation. The provisions of Section (b) are intended only to be a limitation on the right of the Owners to amend the Declaration, 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 Article 9.

(e) 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 Architectural Control Committee or Owners shall be deemed to have given such approval unless such mortgagee's written objection to such action is delivered to the Architectural Control Committee within thirty (30) days after the date of the written request.

IN WITNESS WHEREOF, Declarant has caused this Declaration to be executed as of the date first written above.

S. L. JENSEN, LTD.

By

President

STATE OF OREGON

County of Clackamas

The foregoing instrument was acknowledged before me on this day of August, 1995 by Steven L. Jensen, who being duly sworn, did say that he is the President of S. L. Jensen, Ltd., an Oregon corporation, and that this instrument was signed on behalf of said corporation voluntarily.

By

Notary Public for Oregon

My Commission Expires January 2, 1996

AFTER RECORDING RETURN TO:

STEVE JENSEN, LTD.
P.O. BOX 597
WEST Linn, OR 97068

Page 12 of 13
BRICK INSERT: REDONDO GREY SMOOTH
BRICK: SHEFFIELD

Page 13 of 13