AFTER RECORDING RETURN TO:

Virginia Tseel
330 Grandhaven Dr.
McMinnville, OR
97128-9482

GRANDHAVEN HEIGHTS SUB-DIVISION
PHASE 1

PROTECTIVE COVENANTS. CONDITIONS AND RESTRICTIONS

KNOW ALL MEN BY THESE PRESENTS: Blesco Inc., hereinafter call the "Declarants" do hereby declare as follows:

WHEREAS, Declarants are the Sellers of the real property in Yamhill County, Oregon, known as GRANDHAVEN HEIGHTS same appears in the Plat recorded in Book _____ Page _____ of Plat records of Yamhill County.

WHEREAS, Declarants desire to declare of public record their intention to create certain protective covenants, conditions and restrictions (CC&R's) in order to effectuate a general scheme of development creating benefits and obligations for the owners of said property.

NOW, THEREFORE, Declarants hereby declare that all of the properties described above shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions which are for the purpose of protecting the value and desirability of the real property which shall run with the land and shall insure to the benefit of each owner thereof. These easements and (CC&R's) shall be binding on all parties having any right, title or interest in the described properties or any part thereof, their heirs and assigns.

ARTICLE 1

RESIDENTIAL COVENANTS

1. LAND USE AND BUILDING TYPE

No lot shall be used except for residential purposes. No building shall be constructed, erected, altered, placed or permitted to remain on any lot other than one single family dwelling not to exceed twenty (20) feet in height and a private garage for not less than two (2) cars. The foregoing provision shall not exclude construction, erection, alteration or placement of a private greenhouse, storage unit, private swimming pool or a shelter or port for the protection of such swimming pool, provided the location of such structures is compatible in design and decoration with the residence constructed, erected, placed or altered on such lot and has been approved by the Architectural Control Committee, as designated by Declarants. The provisions of this section shall not be deemed to prohibit the right of any licensed builder to construct, erect, place or alter a residence on any lot, to store construction materials and equipment on said lots in the normal course of construction and to use any single family residence as a home.

2. DWELLING SIZE

The minimum square footage of any home within this subdivision shall be 1,4000 square feet for a single level and 1,500 square feet for a multi-level. These minimums are exclusive of garages and open porches.

3. EASEMENTS

Easements as shown on the subdivision plat shall be preserved by the respective lot owners. Site improvements shall not be placed so as to interfere with the maintenance of any easement. The owner of any lot which has an easement shall maintain the easement area at his or her expense except for improvements for which a public authority or utility is responsible.
4. OFFENSIVE ACTIVITIES

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done, grown or placed upon any lot which interferes with or jeopardizes the enjoyment of other lot owners within this sub-division.

5. ANIMALS

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except that a reasonable number not to exceed one (1) dog, cat or other household pet may be kept provided that they are not kept, bred or maintained for commercial purposes and are reasonably controlled so as not to be a nuisance.

6. SIGNS

No signs shall be constructed, erected, placed, altered or maintained on any lot (excluding Grandhaven Height’s entry signs) except that not more than one “FOR SALE” or “FOR RENT” sign placed by the owners, Declarants or by a licensed real estate agent, not exceeding twenty-four (24) inches high and thirty-six (36) inches long, may be temporarily displayed on any lot. This restriction shall not prohibit the temporary placement of “political” signs on any lot by Owner or appointees provided the same shall not be a violation of the controlling governmental sign ordinances.

7. PARKING

Parking of boats, trailers, motor homes, motorcycles, trucks, track-campers and like equipment shall not be allowed on any part of the property nor on public street adjacent thereto excepting only within the confines of an enclosed garage or behind a sight obscuring fence of approved design. Each dwelling must have off-street parking spaces for at least four vehicles. Garage bays may be counted for the purposes of meeting this requirement.

8. VEHICLES IN DISREPAIR

No lot shall permit any vehicle which is in an extreme state of disrepair to be abandoned or to remain parked upon any lot or on any street for a period in excess of forty-eight (48) hours. A vehicle shall be deemed to be in an “extreme state of disrepair” when due to its continued inoperable of significant damage it offends the occupants of the neighborhood.

9. RUBBISH AND TRASH

No lot shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal and out of public view. Yard rakings and dirt resulting from landscaping work shall not be dumped onto streets or on any lots. Composts shall be permitted only if placed in an approved compost container with a cover and does not emit any offensive odor.

10. TEMPORARY STRUCTURES

No structure of a temporary character, motor home, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence.

11. UTILITIES

No outdoor overhead wire or service drop for the distribution of electric energy or for telecommunication pur-
poses, nor any pole, tower or other structure supporting said overhead wire shall be constructed, erected, placed, altered or maintained within this subdivision. All owners of lots within this subdivision, their heirs, successors and assigns shall use underground wires to connect their premises and the structures built thereon to the underground electric T.V., cable, or telephone utility facilities provided.

12. COMPLETION OF CONSTRUCTION, ERECTION, PLACEMENT OR ALTERATION

The construction, erection, placement or alteration of any building on any lot, including private lot drainage, painting and all exterior finish, shall be completed within six (6) months from the beginning of construction, erection, placement or alteration so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Architectural Control Committee.

13. LANDSCAPE COMPLETION

All front, rear and side yard landscaping must be completed pursuant to a landscaping plan approved by the Architectural Control Committee. The front yard and exterior side yard on corner lots landscaping must be installed upon substantial completion of the residence. All remaining landscaping must be completed within six (6) months of occupancy of the dwelling. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable time, but only after a written application is made to the Architectural Control Committee and the Committee's approval is obtained.

14. FENCES AND HEDGES

The maximum height of a site obscuring fence or hedge on any lot shall be six (6) feet. The location of any fences or hedges constructed, erected, placed or altered shall be along the rear lot line and/or along the side lot lines, but said fence or hedge may not be placed forward of the front setback line for the residence. All fences shall be of wood construction. No fence, hedge or wall shall be constructed, erected, placed or altered without prior written approval of the Architectural Control Committee.

15. ANTENNAS AND SERVICE FACILITIES

No exterior antennas or satellite dishes, not to exceed twenty-four (24) inches, shall be permitted. Clothes lines and other service equipment shall be screened so as not to be viewed from any street.

16. EXTERIOR MATERIALS

Exterior materials must be approved for use by the Architectural Control Committee, and in accordance with the provisions appearing in the Real Estate contract for purchase of lots in this sub-division. Roofing material must be cedar shingle, cedar shake, tile or composition shingle (G.A.F.) Timberline Ultra 30 year woodruff limited warranty or like quality. The exterior siding material shall be cedar, stone, bricks, stucco or L.P. lap siding. Dwellings shall be double wall construction. T-ONE ELEVEN (T-1-11) plywood or other pressed wood sheet siding shall be permitted only on rear or sides. Windows and exterior doors shall be wood or approved vinyl. No aluminum windows. Garage doors are to be of metal construction. No wood garage doors.

17. EXTERIOR FINISH

The exterior finish of all construction, erection, placement or alteration on any lot shall be designed, built and maintained in such a manner as to blend in with the existing structures and landscaping within this property.
GRANDHAVEN HEIGHTS SUB-DIVISION
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sub-division. Exterior colors must be approved by the Architectural Control Committee in accordance with Article II. Exterior trim, fences, doors, railings, decks, eaves, gutters and exterior finish on garages and other accessory buildings shall be designed, built and maintained to be compatible with the exterior of the structures they adjoin. Mail box and newspaper receptacles placed in front of any lot shall be included in a single structure of a design approved by the Declarants prior to construction, erection, placement or alteration unless otherwise dictated by the U.S. Postal Service.

18. WINDOW COVERINGS

Window coverings, other than commercially produced curtains, shutters, drapes or blinds, or those non-commercially produced but of comparable quality, shall not be permitted to be visible from any public or private street at any time after occupancy of dwelling.

ARTICLE II

ARCHITECTURAL CONTROL COMMITTEE

1. ARCHITECTURAL REVIEW

No structure including storage shelter, shall be commenced, constructed, erected, placed or altered on any lot until plans and specifications and a plat showing the nature, shape, heights, material, colors and proposed location of the structure or change have been submitted to and approved in writing by the Architectural Control Committee. It is the intention and purpose of this covenant to assure quality of workmanship and materials, harmony of external design with the existing structures as to location, topography and finished grade elevations to avoid plan repetition. In all cases, the Architectural Control Committee's consent is required.

(a) MAJOR CONSTRUCTION - EXCEEDING 100 SQUARE FEET

In the case of initial or substantial additional construction, erection, placement or alteration of a dwelling the owner shall prepare and submit to the Architectural Control Committee such plans and specifications for the proposed work as the Committee may include, but not necessarily be limited to the following:

(A-1) A plan indicating location of all improvements, including private drainage.

(A-2) Drawings showing elevations, exterior materials and exterior color scheme of all improvements, including the mailbox/newspaper structure and fencing.

(A-3) Drawings showing yard landscape design and location including a description of plant materials. The parking strip shall be included in the landscaping plan.

The Architectural Control Committee shall render its decision with respect to the proposal after it has received all required materials.

(b) MINOR WORK

In the case of minor additions or remodeling, change of existing exterior color scheme or exterior materials, greenhouse, swimming pools construction or any other work not referred to in (a) above, the owner shall submit to the Architectural Control Committee such plans and specifications for the proposed work as the Committee determines to be necessary to enable it to evaluate the proposal. The Architectural Control Committee shall render its decision with respect to the proposal after it has received all mater-
2. ARCHITECTURAL CONTROL COMMITTEE DECISION

The Committee may, at its sole discretion, withhold consent to any proposed work if the Committee finds that the proposed work would be inappropriate for the particular lot or incompatible with the design standards that the Declarants intend for the sub-division. Considerations such as siting, shape, size, color, design, height, impairment of the view from other lots within this sub-division or other effects on the enjoyment of other factors which the Committee reasonably believes to be relevant, may be taken into account by the Committee in determining whether or not to consent to any proposed work.

3. MEMBERSHIP - APPOINTMENT AND REMOVAL

The Architectural Control Committee, hereinafter referred to as the Committee, shall consist of as many persons as the Declarants may from time to time appoint. The Declarants shall keep on file at its principal office a list of names and addresses of Committee members. A member of the Committee shall cease one year after completion of construction, erection, placement or alteration of all dwellings on all building sites within this project and the sale of said dwellings to the initial owner/occupants.

4. LIABILITY

Neither the Architectural Control Committee nor any member thereof shall be held liable to any owner, occupant, builder or developer for any damage, loss or prejudice suffered or claimed on account of any action of failure to act by the Committee or a member thereof, provided that the member has, in accordance with actual knowledge possessed by him, acted in good faith.

5. ACTION

Except as otherwise provided herein, any one member of the Architectural Control Committee shall have power to act on behalf of the Committee, without the necessity of a meeting and without the necessity of consulting the remaining members of the Committee. The Committee may render its decisions only by written instrument setting forth the action taken by the members consenting thereto.

6. NONWAIVER

Consent by the Architectural Control Committee to any matter proposed to it within its jurisdiction under these covenants shall not be deemed to constitute a precedent or waiver impairing its rights to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

7. EFFECTIVE PERIOD OF CONSENT

The Committee's consent to any proposed work shall automatically be revoked one year after issuance unless construction, erection, placement or alteration of the work has commenced or the owner has applied for and received an extension of time from the Committee.

ARTICLE III

GENERAL PROVISIONS

1. TERM AND AMENDMENT
These covenants and restrictions shall run with and bind all the property within this sub-division for a term of twenty (20) years from the date this declaration is recorded, after which time they shall be automatically extended for successive periods of ten (10) years. This declaration or parts hereof can be terminated, revoked or amended only by duly recording an instrument which contains the amendment or the order of revocation or termination and which is signed by the owners of seventy-five (75) percent of the owners of the lots in Grandhaven Heights. The Declarants have the sole and exclusive authority to terminate, revoke, or amend these covenants and restrictions until the last lot has been sold and built upon.

(a) HOME OWNERS ASSOCIATION

All property owners shall meet at least four (4) times each year as a Homeowners Association and enforce all covenants and restrictions for the welfare of the development. Only after every lot has been developed shall the contractor no longer be involved as a governing body of enforcement as property owners shall continue to oversee and enforce these covenants and restrictions as contained herein.

2. ENFORCEMENT

In the event of any violation of any of the provisions of this declaration, the Declarants or any other person or persons owning property within the plat may, at their option, exercise the right to enforce these covenants by option, exercise the right to enforce these covenants by bringing action in a court of law. Failure by any party to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter. The prevailing party in any action brought to enforce the provisions of the declaration shall be entitled to recover all costs, including reasonable attorney fees, incurred in such enforcement.

3. SEVERABILITY

Invalidation of any one of these covenants by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

4. LIMITATION OF LIABILITY OF DECLARANTS

Neither Declarants nor any officer or director thereof shall be liable to any owner on account of action or failure to act by Declarants in performing its duties or rights hereunder, provided that Declarants have, in accordance with actual knowledge possessed by them, acted in good faith.

BILCO, INC.

by Virginia L. Lucas, President

STATE OF OREGON, County of Yamhill

This instrument was acknowledged before me on ______________________________.

by ____________________________________________

This instrument was acknowledged before me on ___________ July, 2000.

by Virginia L. Lucas

as President

of BILCO, INC.

Notary Public for Oregon

My commission expires ___________ 2002

[Stamp]