DECLARATION OF COVENANTS,
CONDITIONS AND RESTRICTIONS
OF
HEATHER GLEN

STATE OF OREGON
COUNTY OF YAMHILL

I hereby certify that the instrument was received and duly recorded by me, the County Clerk.

CHAPLIS STONE,
COUNTY CLERK

1-16-30
<table>
<thead>
<tr>
<th>TABLE OF CONTENTS</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>RECITALS</td>
<td>1</td>
</tr>
<tr>
<td>ARTICLE I</td>
<td></td>
</tr>
<tr>
<td>DEFINITIONS</td>
<td>2</td>
</tr>
<tr>
<td>Section 1</td>
<td>2</td>
</tr>
<tr>
<td>Section 2</td>
<td>2</td>
</tr>
<tr>
<td>Section 3</td>
<td>2</td>
</tr>
<tr>
<td>Section 4</td>
<td>2</td>
</tr>
<tr>
<td>Section 5</td>
<td>2</td>
</tr>
<tr>
<td>Section 6</td>
<td>2</td>
</tr>
<tr>
<td>Section 7</td>
<td>2</td>
</tr>
<tr>
<td>Section 8</td>
<td>3</td>
</tr>
<tr>
<td>Section 9</td>
<td>3</td>
</tr>
<tr>
<td>Section 10</td>
<td>3</td>
</tr>
<tr>
<td>ARTICLE II</td>
<td>3</td>
</tr>
<tr>
<td>DUTIES AND POWERS OF ASSOCIATION</td>
<td></td>
</tr>
<tr>
<td>ARTICLE III</td>
<td>4</td>
</tr>
<tr>
<td>BOARD OF DIRECTORS</td>
<td></td>
</tr>
<tr>
<td>ARTICLE IV</td>
<td>4</td>
</tr>
<tr>
<td>TRACT A</td>
<td></td>
</tr>
<tr>
<td>Section 1</td>
<td>4</td>
</tr>
<tr>
<td>Section 2</td>
<td>4</td>
</tr>
<tr>
<td>Section 3</td>
<td>4</td>
</tr>
<tr>
<td>Section 4</td>
<td>4</td>
</tr>
<tr>
<td>ARTICLE V</td>
<td>5</td>
</tr>
<tr>
<td>USE OF LOTS</td>
<td></td>
</tr>
<tr>
<td>Section 1: Lot 1, Block 1</td>
<td>5</td>
</tr>
<tr>
<td>Section 2: Single Family Lots</td>
<td>5</td>
</tr>
<tr>
<td>ARTICLE VI</td>
<td>5</td>
</tr>
<tr>
<td>MEMBERSHIP AND VOTING RIGHTS</td>
<td></td>
</tr>
<tr>
<td>Section 1: Membership</td>
<td>5</td>
</tr>
<tr>
<td>Section 2: Classes</td>
<td></td>
</tr>
<tr>
<td>Class A</td>
<td>5</td>
</tr>
<tr>
<td>Class B</td>
<td>6</td>
</tr>
<tr>
<td>ARTICLE VII</td>
<td>6</td>
</tr>
<tr>
<td>CONTROL OF ASSOCIATION</td>
<td></td>
</tr>
<tr>
<td>Section 1: Declarant Control</td>
<td>6</td>
</tr>
<tr>
<td>Section 2: Transitional Advisory Committee</td>
<td>7</td>
</tr>
<tr>
<td>Section 3: Turnover Meeting</td>
<td>7</td>
</tr>
<tr>
<td>ARTICLE VIII</td>
<td>7</td>
</tr>
<tr>
<td>COVENANT FOR MAINTENANCE ASSESSMENT</td>
<td></td>
</tr>
<tr>
<td>Section 1: Creation of Lien and Personal Obligation for Assessments</td>
<td>7</td>
</tr>
<tr>
<td>Section 2: Purpose of Assessments</td>
<td>8</td>
</tr>
<tr>
<td>Section 3: Maximum Assessment</td>
<td>8</td>
</tr>
<tr>
<td>Section 4: Annual Assessments</td>
<td>10</td>
</tr>
<tr>
<td>Section 5: Reserve Account</td>
<td>10</td>
</tr>
<tr>
<td>Section 6: Special Assessments for Capital Improvements</td>
<td>10</td>
</tr>
</tbody>
</table>
Section 7: Notice and Quorum For Any Action Authorized Under Sections 3, 4, 5, and 6  
Section 8: Rate of Assessment  
Section 9: Right to Common Profits  
Section 10: Date of Commencement of Annual Assessments/Due Dates  
Section 11: Effect of Nonpayment of Assessments; Remedies of the Association  
Section 12: Subordination of the Lien to Mortgages  
Section 13: Exempt Property  
Section 14: Assumption of Control of Homeowners' Association  
Section 15: City Lien  

ARTICLE IX ARCHITECTURAL CONTROL AND USE RESTRICTIONS  
Section 1: Architectural Control  
Section 2: City Restrictions  
Section 3: Affirmative Duty of Maintenance  
Section 4: Use Restrictions  
(a) Land Use and Building Type  
(b) Dwelling Size, Siding and Roofs  
(c) Residential Setback  
(d) Animals  
(e) Storage  
(f) Nuisances  
(g) Fences  
(h) Landscaping  
(i) Signs  
(j) Window Coverings  
(k) Antennas  
(l) Insurance Restriction  
(m) Trees  
(n) Protective View Covenant  
Section 5: Declarants' Special Rights  
(a) Sales Office and Model  
(b) "For Sale" Signs  
Section 6: Basements  
Section 7: Right of Entry  
Section 8: Additional Improvements  
Section 9: Leases  
Section 10: Arbitration  

ARTICLE X OBLIGATION TO REBUILD  
Section 1: Damage and Destruction Affecting Residences; Duty to Rebuild  
Section 2: Time Limitation  
Section 3: Mandatory Insurance  

ARTICLE XI EXTERIOR MAINTENANCE  

ARTICLE XII GENERAL PROVISIONS

Section 1: Enforcement .................................................. 28
Section 2: Severability .................................................. 28
Section 3: Amendment ................................................... 28
Section 4: Expenses and Attorney's Fees ......................... 29
DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

THIS DECLARATION is made this 29th day of December, 1989 by Heather Glen Investments, Inc., an Oregon corporation.

RECNALS

A. Declarant is the owner of certain property in the City of McMinnville, County of Yamhill, State of Oregon, which is more particularly described as (the "Property"):

HEATHER GLEN, a subdivision in the City of McMinnville, County of Yamhill and State of Oregon, filed 1-16-1990 Cabiner A, Slide 251, Yamhill County Plan Records.

B. Declarant desires to establish certain covenants, conditions, and restrictions to impose against the Property.

C. Tract "A", as noted on the face of the Plat, has or will be dedicated to the City of McMinnville as Parkland, but will remain subject to this Declaration to the extent necessary to effectuate the performance of a maintenance agreement with the City of McMinnville.

NOW, THEREFORE, Declarant hereby declares that the Property 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, and which shall run with, the Property and be binding on all parties having any right, title, or interest in any part of the Property, their heirs, successors and assigns, and shall inure to the benefit of each owner thereof.
ARTICLE I
DEFINITIONS

Section 1: "Heather Glen" shall mean and refer to the subdivision "filed on January 16, 1990 in Cabinet A. Slide 253", Plat Records, Yamhill County, Oregon to which this Declaration applies.

Section 2: "Association" shall mean and refer to Heather Glen Homeowners' Association, its successors and assigns.

Section 3: "City" shall mean and refer to the City of McMinnville in which the Property is located.

Section 4: "Owner" shall mean and refer to the owner, whether one or more persons or entities, of any Lot in a subdivision, including contract purchasers, but does not include a person holding only a security interest in a Lot for the performance of an obligation.

Section 5: "Property" shall mean and refer to the real property described on Exhibit "A", and such additions thereto as may hereafter be brought within the jurisdiction of this Declaration and the Association.

Section 6: "Tract A" as shown on the plat of Heather Glen will be dedicated to the City of McMinnville as Parkland, and the Declarant has or shall execute such instrument as the City may require to dedicate and convey Tract "A" to the City.

Section 7: "Common Expenses" means expenditures made by or financial liabilities incurred by the Association for the purposes of maintaining Tract "A" in accordance with the terms
and conditions of a maintenance agreement with the City of McMinnville.

Section 8: "Lot" shall mean and refer to unit of land shown upon any recorded subdivision map of the Property. The number of lots in Heather Glen is 11. Tract "A" is not included within the meaning of this definition of "Lot."

Section 9: "Declarant" shall mean Heather Glen Investments, Inc., an Oregon corporation.

Section 10: "Supplemental Declaration" shall mean any declaration of covenants, conditions and restrictions which may be required by the Declarant and containing such supplemental provisions for the conditions, reservations, covenants, restrictions and provisions hereof. In addition a supplemental declaration may be utilized for the purpose of subjecting additional property to the burden of this Declaration.

ARTICLE II
DUTIES AND POWERS OF ASSOCIATION

The duties and powers of the Association and its directors and officers shall be as defined and limited by its articles of creation and its bylaws. In addition to the foregoing, the Association shall maintain and preserve Tract A, including the plantings, trees and landscaping thereon and the irrigation system located in, over, and across Tract "A" in accordance with a maintenance agreement between it and the City of McMinnville.
ARTICLE III
BOARD OF DIRECTORS

The Board of Directors of the Association shall consist of at least three persons; all of whom shall be members of the Association. The Board of Directors shall be elected and shall hold office in accordance with articles of incorporation and the bylaws of the Association, and their power and authority shall be as therein defined, or in the absence of definition, as provided under applicable statutes relating to the government of non-profit corporations.

ARTICLE IV
"TRACT A"

Section 1: Tract "A" is or will be dedicated as Parkland to the City. Tract "A" shall be maintained by the Association in accordance with a maintenance agreement with the City. The standards of maintenance of Tract "A" shall never be less than City standards.

Section 2: The Declarant shall maintain Tract "A" until the Association assumes those duties as provided in this Declaration.

Section 3: Tract "A" may not be sold, conveyed, or encumbered by the Association as Tract "A" is or will be a public park owned by the City.

Section 4: Declarant reserves the right to add improvements to Tract "A" with the consent of the City.
ARTICLE V
USE OF LOTS

Section 1. Lot 1, Block 1. Declarant, its successors and assigns, reserves the right to develop Lot 1, Block 1, as a multi-family residential project consisting of 74 units, or such number of units as the local ordinances of the City permits. The apartment units shall be subject to this Declaration, except as otherwise provided herein. This provision does not require that Lot 1, Block 1 only be developed as a multi-family residential project. If the Declarant elects to develop Lot 1, Block 1 as anything other than multi-family residential project, Declarant shall file a Supplemental Declaration.

Section 2: Single Family Lots. All other remaining lots in Heather Glen shall only be used for single family residential purposes.

ARTICLE VI
MEMBERSHIP AND VOTING RIGHTS

Section 1: Membership. Every owner of a Lot which is subject to assessment shall be a member of the Association. Membership shall be appurtenant to and may not be separated from ownership of any Lot which is subject to assessment.

Section 2: Classes. The Association shall have two classes of voting membership.

Class A: Class A members shall be all Owners, who own one or more single family lots and each such Owner shall be entitled to one vote for each Lot owned. The Declarant is not a Class A member, and the owner of
Lot 1, Block 1 also is and shall not be a Class A member. When more than one person holds an interest in any Lot, all such persons shall be members; provided, the vote for such Lot shall be exercised as they determine, but in no event shall more than one vote be cast with respect to any lot, except Lot 1, Block 1.

**Class B:** The Class B members shall consist of the Declarant, its successors and assigns, and the Owner of Lot 1, Block 1. The Class B member who owns Lot 1, Block 1 shall be entitled to 25 votes. The Declarant shall be entitled to two votes for every single family lot owned by Declarant. After it sells all single family lots, Declarant shall cease to have two votes for the single family lots and shall also cease to be a Class B member, unless Declarant is the owner of Lot 1, Block 1.

The total number of votes for both Classes after Declarant sells all of the single family lots shall be 55, 30 for the single family lots and 25 for Lot 1, Block 1.

**ARTICLE VII**

**CONTROL OF ASSOCIATION**

**Section 1:** Declarant Control. Until Declarant sells 75 percent of the single family lots, Declarant shall have control of the Association. Such control to be exercised by Declarant shall include the right to appoint or remove members of the Board of Directors.
Section 2: Transitional Advisory Committee. A Transitional Advisory Committee of Lot owners shall be formed. Not later than one year after the Declarant has conveyed the lots representing 50 percent (50%) of the Class A votes in the subdivision, Declarant shall call a meeting of owners for the purpose of selecting a Transitional Advisory Committee. The Committee shall consist of three members. The owners, other than the Declarant, shall select two members. The Declarant shall select one member. The Committee shall have reasonable access to all information and documents which the Declarant is required to turn over to the Association.

Section 3: Turnover Meeting. Not later than 120 days after lots representing 75 percent (75%) of the Class A votes have been conveyed, the Declarant shall call a meeting for the purpose of turning over administrative responsibility to the Association. Notice shall be provided to each owner. If Declarant fails to call the meeting as provided herein, then either the Transitional Advisory Committee, or an owner may call the meeting required by this Section 3.

ARTICLE VIII
COVENANT FOR MAINTENANCE ASSESSMENT

Section 1: Creation of Lien and Personal Obligation for Assessments. The Declarant, for each Lot owned within the Property, hereby covenants, and each Owner of any Lot by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to
the Association: (1) annual assessments or charges, (2) assessments for the reserve account, and (3) special assessments for capital improvements, such assessment to be established and collected as hereinafter provided. These assessments, together with interest, costs, and reasonable attorney's fees, shall be a charge on the land and shall be a continuing lien upon the Lot against which each such assessment is made. Each such assessment, together with interest, costs, and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Lot at the time when the assessment fell due. The personal obligation for delinquent assessments shall not pass to his or her successors in title unless expressly assumed by them.

Section 2: Purpose of Assessments. The assessments levied by the Association shall be used primarily to maintain Tract "A". The Board of Directors of the Association may also assess such charges for insurance premiums and miscellaneous expenses of the Association as it deems appropriate and necessary. The members of the Association may also agree by a vote of 75 percent or more of the total number of votes to use the assessments for other purposes.

Section 3: Maximum Assessment.

(a) Until January 1 of the year immediately following the conveyance of the first Lot to an Owner, the maximum annual assessment for the maintenance of Tract "A" shall be $18,000. Any insurance premiums and miscellaneous expenses of the
Association (collectively “Expenses”) shall be in addition to this sum. The assessments shall be assessed against the lots according to the following categories:

1. The Owner of Lot 1, Block 1, shall pay thirty percent (30%) of the total annual amount necessary to maintain Tract “A” and for Expenses.

2. The Owners of Lots 8 through 15, Block 2, inclusive, shall pay thirty percent (30%) of the total annual amount necessary to maintain Tract “A” and for Expenses.

3. The Owners of Lots 2 through 4, Block 1, Lots 1 through 7 and 16 through 28, Block 2, inclusive, shall pay forty percent (40%) of the total annual amount necessary to maintain Tract “A” and for Expenses.

If there is more than one Lot in the categories above, the percentage amount allocated to such category shall be divided equally among such Lots.

(b) From and after January 1 of the year immediately following the conveyance of the first single family Lot to an Owner, the Board of Directors may increase maximum annual assessment each year not more than 30 percent (30%) above the maximum assessment for the previous year unless a vote of the membership approves a greater increase.

(c) From and after January 1 of the year immediately following the conveyance of the first single family Lot to an Owner, the maximum annual assessment may be increased above 30 percent (30%) by a vote of two-thirds (2/3) of each class of
members who are voting in person or by proxy, at a meeting duly
called for this purpose.

(4) The Board of Directors may fix the annual
assessment at an amount not in excess of the maximum increase.

Section 4: Annual Assessments. Annual assessments
shall be for the purpose of defraying ongoing costs of
association administration, maintenance of Tract "A", insurance
and other miscellaneous costs and expenses. The Board of
Directors, in its sole discretion, may permit a Lot Owner to pay
his annual assessment in monthly or quarterly payments.

Section 5: Reserve Account. Declarant hereby
establishes a reserve account for replacement of all items of
Tract "A" which will normally require replacement, in whole or in
part, in more than three (3) years and less than thirty (30)
years. The reserve account shall be established in the name of
the Association, and shall be administered as provided in the
By-laws and ORS 94.595. The Declarant shall make an initial
deposit of $2,000. All future assessments for the reserve
account shall be the obligation of the Association members in the
percentages specified in Section 3 of Article VIII.

Section 6: Special Assessments for Capital
Improvements. In addition to the annual assessments authorized
above, the Association may levy, in any assessment year, a
special 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 an improvement located
Page 10 - DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
in, under, or on Tract "A", including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of both classes of members who are voting, in person or by proxy, at a meeting duly called for this purpose. This special assessment shall be in addition to any assessments required to be deposited into a reserve account.

Section 7: Notice and Quorum For Any Action Authorized Under Sections 3, 4, 5, and 6. Written notice of any meeting called for the purpose of taking any action authorized under Sections 3, 4, 5 or 6 shall be sent to all members not less than fifteen (15) days nor more than thirty (30) days in advance of the meeting. At the first such meeting called, the presence of members or of proxies entitled to cast sixty percent (60%) of all the votes of each class of membership shall constitute a quorum. If the required quorum is not present, another meeting may be called, subject to the same notice requirement, and the required quorum at the subsequent meeting shall be one-half (1/2) of the required quorum at the preceding meeting. No such subsequent meeting shall be held more than 30 days following the preceding meeting.

Section 8: Rate of Assessment. Annual reserves and special assessments must be fixed at the percentages attributable for each category. Assessments may be collected on a monthly, quarterly or yearly basis as the Board of Directors shall determine.
Section 9: Right to Common Profits. The common profits, if any, of the Association shall be shared equally among the Lots in the percentages stated in Section 1 of this Article.

Section 10: Date of Commencement of Annual Assessments/Due Dates. The annual assessments provided for herein shall commence as to all Lots on the first day of the month following the dedication of Tract "A" to the City. Tract "A" shall be dedicated on the face of the plat. The first annual assessment shall be adjusted according to the number of months remaining in the calendar year. The Board of Directors shall fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period. Written notice of the annual assessment shall be sent to every Owner subject thereto. The Association shall, upon demand, and for a reasonable charge, furnish a certificate signed by an officer of the Association setting forth whether the assessments on a specified Lot have been paid. A properly executed certificate of the Association as to the status of assessments on a Lot is binding upon the Association as of the date of its issuance.

Section 11: Effect of Nonpayment of Assessments: Remedies of the Association. Any assessment not paid within thirty (30) days after the due date (monthly, quarterly, or annually) shall bear interest from such due date at the rate of twelve percent (12%) per annum or such other rate as may be approved by resolution of the Board. The Association may bring
an action at law against the owner personally obligated to pay the same, or foreclose the lien against the Lot in accordance with the provisions of ORS 87.352 through 87.490, inclusive, and 87.910 and 87.920, now or as hereafter amended. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of Tract "A" or abandonment of his Lot.

Section 12: Subordination of the Lien to Mortgages.

The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage. However, the sale or transfer of any Lot pursuant to mortgage foreclosure or any proceeding in lieu thereof, shall extinguish the lien of such assessments as to payments which become due prior to such sale or transfer. No sale or transfer shall relieve such Lot from liability for any assessments thereafter becoming due or from the lien thereof.

Section 13: Exempt Property. All properties, including Tract "A," dedicated to and accepted by, a local public authority and all properties owned by a charitable or nonprofit organization exempt from taxation by the laws of the state of Oregon shall be exempt from the assessments created herein, except no land or improvements devoted to dwelling use shall be exempt from such assessments.

Section 14: Assumption of Control of Homeowners' Association. Not later than 120 days after single family Lots representing 75 percent (75%) of the Class A votes have been conveyed, Declarant shall turn over the administrative...
responsibility for the subdivision to the Association by calling a meeting for this purpose. The notice of the meeting to each owner shall be given as provided in the By-Laws.

Section 15: City Lien. In the event that the Association fails to maintain Tract "A" in accordance with the minimum City standards for the maintenance of public parks, now or as hereinafter established, the City shall notify, by first class mail, the Association that it (on behalf of the Individual Lot Owners) must perform such maintenance within 15 days of the notice. The notice shall be deemed delivered 3 days after it is deposited with the United States mail. By acceptance of a deed to a Lot, each Owner acknowledges and agrees that notice to the Association is the same as notice to them personally.

If the Association fails to perform the maintenance as required by the City, the City shall have the right either to perform such maintenance itself, or to engage a contractor to perform such maintenance. After the City or its contractor completes such maintenance the City shall have the right to impose a lien in its favor against all Lots in Heather Glen, the amount of which shall be shared among the Lots in the same proportions as provided in Article VIII, Section 3. The City shall give at least 10 days prior notice to the Association of a specific time, place and date at which the Association and the Owners may speak for or against such proposed lien. Upon receipt of testimony and evidence, the Council may adopt a Resolution entering a lien on the City's docket against each Lot in an amount which includes the cost of the work done, cost of notice, Page 14 - DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
imposed shall also incur interest at the rate of 9 percent per annum computed quarterly. In the event of any litigation in the enforcement of its lien, the City shall be entitled to its reasonable attorney fees and costs at trial and at any appeal thereon.

ARTICLE IX
ARCHITECTURAL CONTROL AND USE RESTRICTIONS

Section 1: Architectural Control. No building, fence, wall or other structure shall be commenced, erected or maintained upon the Property, nor shall any exterior addition to or change or alteration therein be made until the plans and specifications showing the nature, kind, shape, height, materials, color and location of the same shall have been submitted to and approved in writing as to harmony of external design and location in relation to surrounding structures and topography by the Board of Directors of the Association, or by an Architectural Committee composed of three (3) or more representatives appointed by the Board. The Declarant shall act in this capacity until 75 percent of all the single family Lots have been sold. In the event the Board, or its designated committee, fails to approve or disapprove such design and location within thirty (30) days after the plans and specifications have been submitted to it, approval will not be required and this Section 1 of Article IX will be deemed to have been fully complied with.

Section 2: City Restrictions. All uses, occupancy, construction and other activities conducted on any Lot shall
conform with and be subject to applicable zoning, use restrictions, construction and building codes of the City and further to the regulations, ordinances, and statutes of all other applicable public authorities, and to the extent the following restrictions may be in conflict therewith, the same shall be deemed modified thereby.

Section 3: Affirmative Duty of Maintenance. Each Owner shall be responsible for maintaining, painting, or staining and generally keeping in good order and repair the exterior of any improvement on any of the Lots owned by such Owner and such Owner shall be responsible for trimming and maintaining the lawns, shrubbery, plantings, trees and other landscaping thereon in neat and proper condition consistent with good horticultural practices, it being the intention of this provision that the Lots and improvements thereon shall be maintained by the Owners thereof to provide for the preservation and enhancement of the property values of the Property and any part thereof. If an Owner, fails to maintain his Lot, or Lots, in accordance with good horticultural practices, the Declarant and/or the Association, its agents or employees, may enter upon the Lot or Lots and perform such maintenance after giving the Owner seven (7) days written notice to cure the problem. If the Declarant or Association is required to perform the maintenance, then the Declarant or Association has the right to specifically assess the Owner for such maintenance in accordance with Article VIII, and a lien may be created as provided in Article VIII if the Owner
fails to pay same within thirty (30) days of written notice. The Declarant or Association shall have an easement over and across each and every Lot for this purpose.

The Declarant's right to maintain a single family Lot and assess a fee shall cease after one hundred percent (100%) of the single family lots have been sold; provided, the Association may employ the Declarant, at any time, to perform such maintenance work under this Section 3.

Section 4: Use Restrictions. The following use restrictions in this Section 4 shall only be applicable to the use of the single family Lots subject to this Declaration and each single family Lot Owner is responsible hereunder. The following use restrictions do not apply to nor in any way affect Lot 1, Block 1 of Heather Glen.

(a) Land Use and Building Type. No single family Lot shall be used except for residential purposes, provided that the Board may allow an Owner to work out of his residence so long as the Owner does not use the residence solely for office or business purposes and so long as the Owner, or the occupant thereof, uses the dwelling as his primary or secondary residence. Except for Lot 1 Block 1, no building shall be erected, altered, placed or permitted to remain on any Lot other than one detached or attached single family dwelling not to exceed three stories in height and a private garage for not less than two cars. The foregoing provisions shall not exclude the construction of a private greenhouse, storage shed, private

Page 17 - DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
swimming pool, or a shelter or port for the protection of such swimming pool, or for the storage of a boat or camping trailer kept for personal use, provided the location of such structures is in conformity with the applicable municipal regulations, and is compatible in design and decoration with the residence constructed on such Lot.

Provisions of this section shall not be deemed to prohibit the right of any homebuilder to construct residences on any single family Lot, to store construction materials and equipment on said Lots in the normal course of construction, and to use a single family residence as a sales office for a model home for the purposes of sales in Heather Glen.

One year after purchase of a single family Lot, an Owner must commence construction of the dwelling and completion must occur within nine (9) months after commencement of construction. Upon application of any Owner, the Board of the Association may, in its sole discretion, waive or modify this latter restriction. During the first year that the land remains vacant, the single family Lot must be kept free of debris and must be neat and maintained. Grass and other shrubs or ground cover may not exceed six inches in height.

Until all the single family lots are sold, Declarant reserves the right to perform such maintenance if an Owner fails to do so, and further Declarant may assess a charge for such maintenance which shall become a lien in Declarant’s favor if the Owner fails to pay same within 30 days of such assessment. The
lien may then be foreclosed by Declarant as if it were a lien in favor of the Association as provided in this Declaration and the By-Laws. After all the lots are sold, the Association may, if any owner fails to do so, maintain that owner's vacant lot, and the charge for such maintenance shall, if the Association so elects, become a lien in favor of the Association as provided in this Declaration and the By-laws. The lien may then be foreclosed as any other lien in favor of the Association. The Association may employ any person to conduct this maintenance work. There shall exist an easement in favor of Declarant and the Association to perform the maintenance work provided for in this subsection (a). After all of the dwellings are constructed on all of the single family lots, this easement and the rights provided for in this subsection (a) shall automatically cease and be of no further force or effect. The rights in this subsection (a) are in addition to the rights specified in Section 3 of this Article IX.

(b) Dwelling Size, Siding and Roofs. The ground floor area of the main structure, exclusive of one-story open porches and garages, shall not be less than 1400 square feet for one-story dwelling, nor shall the ground floor level be less than 800 square feet for a two-story or three-story dwelling. The total living levels of multi-level dwellings shall not be less than a total of 1600 square feet.

All siding must be cedar or masonite (L.P.) or comparable material on the front of the houses located on the
single family lots. T-111 siding or comparable material may be used along the sides and the rear of the single family houses.

Roofs may be cedar shake or shingle, asphalt composition, or tile. The color of the roof shall be compatible with the color of the house.

(c) Residential Setback. No building shall be located on any lot nearer than 20 feet to the front line; nearer than 20 feet to the rear lot line or nearer than 7.5 feet to a side lot line. On corner Lots, the side yard shall be a minimum of 20 feet on the side abutting the street. The Architectural Control Committee, upon application, may in its discretion, waive any violation of this subsection which it finds has been inadvertent, provided the same would not constitute a violation of the City.

(d) Animals. No animals or fowls shall be raised, kept or permitted upon the single family Lots or any part thereof, excepting only domestic dogs and cats and excepting caged pet birds kept within the dwelling house; provided, the dogs shall not be permitted to run at large and not kept, bred or raised for commercial purposes or in unreasonable numbers.

(e) Storage. No automobile (inoperable or not), trailer, camper, boat and trailer, or camper and pickup shall be permitted in the open or on the street for a period to exceed forty-eight (48) hours, except in cases where the Board issues a visitor’s pass to a single family Lot owner for the benefit of a guest of an Owner. All storage for the items.
outlined above shall be provided by an enclosed and permanent garage. The structures to store such items may be covered parking stalls or carports.

(e) Nuisances.

1. No noxious or offensive activity shall be carried on or upon the single family Lots, or any part thereof, nor shall anything be done or maintained which may be or become an annoyance or nuisance to the neighborhood or detract from its value as a high-class residential district, including permitting the landscaping on any Lot to become overgrown or permitting any structure on any Lot to become unsightly.

2. No trash, garbage, ashes, or owner refuse, junk vehicles, underbrush or other unsightly growths or objects, shall be thrown, dumped or allowed to accumulate on any portion of the Property.

3. No exterior clothesline are allowed that can be seen from any streets or adjacent single family Lots.

4. No structure of a temporary character, trailer, mobilehome, basement, tent, shack, garage, barn or other outbuilding shall be used on any single family Lot at any time as a residence, either temporary or permanent, except as are reasonably necessary during the course of construction.

(g) Fences.

1. No fence or screening structure shall be erected on Lots 8 through 15, inclusive, except Lot 8 may erect a fence on its North Lot lines as provided in paragraph g(2)
below. With the approval of the Architectural Committee, an
Owner of Lots 8 through 15 may plant a hedge of natural
vegetation which shall be kept trimmed, and maintained in
accordance with good horticultural practices, shall not exceed
six feet in height, and shall not project beyond the front of any
structures located on such Lots.

2. On all other single family Lots in Heather
Glen, no fence or screening structure shall be erected without
the prior written approval of the Architectural Committee.
Except as provided in this paragraph (2) side yard fences shall
not project beyond the front of any dwelling or accessory
building or garage. In no event shall any rear or side lot fence
exceed six (6) feet in height from the finished Lot grade.

3. For all single family Lots in Heather Glen
and subject to approval by the Architectural Committee, plantings
or fences may be utilized on the single family Lots in the front
yard (including the side lot lines, extending beyond the dwelling
to the front lot line) but shall not exceed two and one-half (2
1/2) feet in height.

(h) Landscaping. No front yard will be allowed to
remain without landscaping for a period to exceed six (6) months
from the date of occupancy.

(i) Signs. No sign shall be displayed to public view
on any single family Lot except as follows:

1. One professional sign, not larger than one
square foot;
2. One sign not larger than five square feet advertising the property for sale or rental;

3. Builder’s sign during construction and initial sale period.

(j) Window Coverings. An Owner may not use temporary draperies or other inappropriate window coverings for the Owner’s front windows for his/her dwelling after 90 days following occupancy.

(k) Antennas. All outside television and radio aerials and antennas, including satellite dishes, are absolutely prohibited, except the Board, in its sole discretion, may consent to one antenna. No outdoor overhead wire or service drop for distribution of electric energy or for telecommunication purposes nor any pole, tower or other structure supporting said outdoor overhead wires shall be erected, placed or maintained within the subdivision.

(l) Insurance Restriction. Nothing shall be done or kept on a Lot which would increase the rate of insurance relating thereto without the prior written consent of the Association. No Owner shall permit anything to be done or kept on his Lot which would result in the cancellation of the insurance on any residence or on any part of Tract “A”, or which would be in violation of any law.

(m) Trees. There shall be no removal of trees 6” in caliper or greater (4’ above grade) within any Lots and Tract “A” prior to receiving a permit from the City Parks or Yamhill County
Public Works, or authorized authority.

(n) Protective View Covenant. A protective view covenant is hereby imposed on Lots 8 through 15, inclusive, Block 2. This view covenant shall only be for the benefit of such Lots and not for the benefit of any other Lots in Heather Glen. The purpose of such view covenant is to insure the maximum possible unobstructed view and aesthetic enjoyment of Tract A by the owners of each of these Lots while also maintaining the privacy of such Lots. The dwellings which are to be constructed on such Lots shall be positioned to protect the immediately adjacent Lot owner's view of Tract A. Prior to commencement of construction, each Lot Owner shall submit the plans of such Owner's proposed dwelling to Declarant. The Declarant shall then determine, in his sole discretion, that the proposed site location, height, width and depth of any such dwelling conforms to this protective view covenant. The Declarant may require any modifications to the plans to insure the integrity of the protective view covenant. His decision shall be final as to any such matter, and not appealable. Declarant's rights hereunder are not transferrable to the Architectural Control Committee ("the Committee") nor the Association unless the Declarant, by a separate writing, specifically transfers such rights to the Committee or the Association. Such writing shall be recorded.

Section 5: Declarants' Special Rights. Until living units on all single family Lots have been constructed, fully completed and sold with respect to each Lot on the Property, the
Declarant shall have the following special rights:

(a) **Sales Office and Model.** The Declarant may maintain a sales office and model on one or more of the Lots which the Declarant owns. The Declarant and prospective purchasers and their agents shall have the right to use and occupy the sales office and models during reasonable hours any day of the week.

(b) **"For Sale" Signs.** The Declarant may maintain a reasonable number of "For Sale" signs at reasonable locations on the Property.

Section 6: Easements. (a) Easements for installation and maintenance of utilities and drainage facilities are shown on the Heather Glen plat. Within these easements, no structure, planting, or other material shall be placed or permitted to remain which may damage, interfere with or change the direction of flow of drainage facilities in the easements. The easement area of each Lot and all improvements therein shall be continuously maintained by the Owner of such Lot, except for improvements for maintenance of which a public authority or utility company is responsible.

(b) No dwelling unit or other structure of any kind shall be built, erected or maintained on any such easement, reservation or right of way, and such easements, reservations and rights of way shall at all times be open and accessible to public and quasi-public utility corporations, their employees and contractors, and shall also be open and accessible to Declarant,
its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on or under and above such locations to carry out any of the purposes for which easements, reservations and rights of way are reserved.

Section 7: Right of Entry. The Association, through its duly authorized employees and contractors, shall have the right, after reasonable notice to the owner thereof, to enter any Lot at any reasonable hour on any day to perform such maintenance as may be authorized herein.

Section 8: Additional Improvements. There are not improvements contemplated by Declarant in addition to existing facilities. Declarant does not agree to build any additional improvements but reserves the right to add improvements not described in this Declaration.

Section 9: Leases. Each Owner shall have the right to lease his Lot and the improvements thereon. Any such lease shall be in writing and shall provide that its terms shall be subject in all respects to the provisions of this Declaration and that any failure by the Lessee to comply with the provisions of said Declaration shall constitute a default under such lease. For purposes of this Section, the term "lease" includes, without limitation, a month-to-month rental agreement.

Section 10. Arbitration. The Association Directors will have jurisdiction over activities permitted in the Common Use Areas, if any. All disputes, complaints or matters of change arising under the provisions of this Article shall be submitted
to the Association Directors for arbitration, and the decision shall be by the majority of the Directors (arbitrators) and shall be final and binding on the parties.

ARTICLE X
OBLIGATION TO REBUILD

Section 1: Damage and Destruction Affecting
Residences: Duty to Rebuild. If all or any portion of any single family residence is damaged or destroyed by fire or other casualty it shall be the duty of the Owner of the residence to rebuild, repair or reconstruct the residence, in a manner which will restore it substantially to its appearance and condition immediately prior to the casualty.

Section 2: Time Limitation. The Owner or Owners of any damaged single family residence shall be obliged to proceed with all due diligence hereunder and shall commence reconstruction within six (6) months after the damage occurs and complete reconstruction within nine (9) months after the damage occurs, unless prevented by causes beyond their reasonable control.

Section 3: Mandatory Insurance. An Owner must obtain a policy of insurance protecting the improvements on the Owner's Lot against loss by fire or other casualty, including extended coverage endorsement in the usual form, on a prepaid basis in an amount not less than the then full insurable value of the improvements, and in no event less than current full replacement value thereof.

Page 27 - DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
ARTICLE XI
EXTERIOR MAINTENANCE

In the event an Owner of any Lot in the Property shall fail to maintain the premises and improvements situated thereon in a manner consistent with this Declaration, the Association, shall have the right, through its agents and employees, to enter upon said parcel and to repair, maintain and restore the Lot and the exterior of the buildings and any other improvement erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such Lot is subject.

ARTICLE XII
GENERAL PROVISIONS

Section 1: Enforcement. The Association, or any Owner, or any Owner of any recorded mortgage on any part of the Property shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges now or hereafter imposed by the provision of this Declaration. Failure by the Association or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

Section 2: Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no way affect any other provisions which shall remain in full force and effect.

Section 3: Amendment. These covenants are to run with the land and shall be binding upon all parties and all persons.
claiming under them until amended or revoked in the manner provided herein. Until the Declarant sells seventy-five percent (75%) of the Lots, the Declarant shall have the full right and authority to amend this Declaration. Any such amendment shall be duly recorded. After the Declarant sells seventy-five percent (75%) of the Lots, this Declaration can be terminated and revoked or amended only by duly recording an instrument which contains an agreement providing for termination and revocation or amendment. The Association may amend this Declaration or the plat only by a vote or agreement of the Owners representing 75 percent of the total votes of both classes. In no event shall an amendment under this section (3) create, limit or diminish any special Declarant rights, increase the number of Lots or units or change the boundaries of any Lots or any uses to which any Lot or unit is restricted unless the Owners of the affected Lots unanimously consent to the amendment. Any amendment to this Declaration shall be executed, recorded and certified on behalf of the Association by any officer of the Association who is designated for that purpose, or in the absence of designation, by the president of the board of directors of the Association.

Section 4. Expenses and Attorney’s Fees. In the event any person or persons owning any real property embraced within the plat of Heather Glen, including the Declarant, shall bring any suit or action to enforce these covenants, the prevailing party shall be entitled to recover all costs and expenses incurred by him in connection with such suit or action, including
such amounts as the court may determine to reasonable for
attorney fees at trial and upon any appeal thereof.

IN WITNESS WHEREOF, the undersigned being the Declarant
herein, has hereunto set its hand and seal this 10th day of
December, 1989.

HEATHER GLEN INVESTMENTS, INC.,
an Oregon corporation

BY: By
Its: President

STATE OF OREGON

County of Multnomah )

On this 10th day of December, 1989, before me

by personally known, who being

Heather Glen Investments, Inc., the within named corporation and that the
instrument was signed in behalf of the corporation and
acknowledge the instrument to be the free act and deed of the
corporation.

(Seal)

Notary Public for Oregon
My Commission Expires: 7/31/91

(Seal)

Notary Public for Oregon
My Commission Expires: 7/31/91

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AMENDMENT TO DECLARATION OF
COVENANTS, CONDITIONS AND RESTRICTIONS
OF
HEATHER GLEN

This Amendment is made this _9_ day of MAY, 1990 by
Heather Glen Investments, Inc., an Oregon corporation
("Declarant").

RECITALS

A. Declarant is the owner of the plat of Heather Glen,
recorded Jan. 16, 1990 in Plat Book CAB A, Page 253, Official Town Plat
Records, Yamhill County, Oregon.

B. On Jan. 16, 1990, in Book PV 239, Page 2064
, Official Records, Yamhill County, Oregon, Declarant
recorded a Declaration of Covenants, Conditions and Restrictions
for Heather Glen (the "Declaration").

C. Pursuant to Article XII, Section 3, Declarant
desires to amend the Declaration.

NOW, THEREFORE, Declarant hereby amends the Declaration
as follows:

1. Section 4(b) of Article IX is hereby deleted in its
entirety, and the following is inserted in lieu thereof.

"(b) Dwelling Size, Siding and Roofs.
The ground floor area of the main structure,
exclusive of one-story open porches and
garages, shall not be less than 1400 square
feet for a one-story dwelling, nor shall the
ground floor level be less than 800 square
feet for a two-story or three-story dwelling.
The total living levels of multi-level
dwellings shall not be less than a total of
1600 square feet.

Page 1 - AMENDMENT TO COVENANTS, CONDITIONS, AND RESTRICTIONS OF
HEATHER GLEN
"All siding must be L.P. board (masonite) or better on the houses located on the single family lots. No. T-111 siding shall be permitted.

"Roofs may be cedar shake or shingle, tile, or asphalt composition. An asphalt composition roof shall be 20 year quality grade or better. The color of the roof shall be compatible with the color of the house."

Except as expressly stated herein, the Declaration is not otherwise changed or modified and shall otherwise remain in full force and effect.

DATED this 7th day of May, 1990.

STATE OF OREGON

DECLARANT: HEATHER GLEN INVESTMENTS, INC., an Oregon corporation

By

Ron Stover
Its: President

STATE OF OREGON

County of Yamhill ss:

On this 7th day of May, 1990, before me appeared RON STOVER both to me personally known, who being duly sworn did say that he is the President of HEATHER GLEN INVESTMENTS, INC., the within-named corporation, and that the instrument was signed in behalf of said corporation and acknowledged the instrument to be the free act and deed of the corporation.

Madelene Camarella
NOTARY PUBLIC FOR OREGON
My Commission Expires: 8/27/91

Page 2 - AMENDMENT TO COVENANTS, CONDITIONS, AND RESTRICTIONS OF HEATHER GLEN
AMENDMENT NO. 2 TO DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
OF HEATHER GLEN

This Amendment is made this 7th day of August, 1990 by Heather Glen Investments, Inc., an Oregon corporation ("Declarant").

RECEITALS

A. Declarant is the owner of the plat of Heather Glen, recorded January 16, 1990 in Flat Book Cab A, Slot 253, Official Town Plat Records, Yamhill County, Oregon.

B. On January 16, 1990 in FV239, Page 2054, Official Records, Yamhill County, Oregon, Declarant recorded Declaration of Covenants, Conditions and Restrictions for Heather Glen (the "Declaration").

C. In addition, on May 9, 1990, Declarant amended the Declaration by instrument recorded May 14, 1990 as FV243, Page 994 ("Amendment No. 1").

D. Pursuant to Article XII, Section 3, Declarant desires to amend the Declaration.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. Section 3A of Article VIII is hereby deleted in its entirety, and the following is inserted in lieu thereof:

   Section 3: Maximum Assessment

   (a) Until January 1 of the year immediately following the conveyance of the first lot to the owner, the
maximum annual assessment for the maintenance of Tract A shall be $18,000. Any insurance premiums and miscellaneous expenses of the Association (collectively "Expenses") shall be in addition to this sum. The assessment shall be assessed against the Lots according to the two (2) following categories:

(1) The Owner of Lot 1, Block 1, shall pay 50 percent (50%) of the total annual amount necessary to maintain Tract "A" and for the Expenses of the Association.

(2) The Owners of Lots 2 through 4, Block 1, Lots 1 through 28, Block 2, inclusive, shall pay 50 percent of the total annual amount necessary to maintain Tract "A" and for the Expenses of the Association.

If there is more than one lot in the categories above, the percentage amount allocated to such category shall be divided equally among such Lots.

(b) From and after January 1 of the year immediately following the conveyance of the first single family lot to an Owner, the Board of Directors of the Association may increase the maximum annual assessments each year not more than 30 percent (30%) above the maximum assessment for the previous year unless a vote of two-thirds (2/3) of the membership approves a greater increase.

(c) From and after January 1 of the year immediately following the conveyance of the first single family lot to an Owner, the maximum annual assessment may be increased above 30 percent (30%) by a vote of two-thirds (2/3) of each
class of members who are voting in person or by proxy, at a meeting duly called for this purpose.

(d) The Board of Directors may fix the annual assessment at an amount not in excess of the maximum increase.

Except as expressly stated herein and in Amendment No. 1, the Declaration is not otherwise changed or modified and shall otherwise remain in full force and effect.

The Declarant has signed this Amendment No. 2 to the Declaration the day and year first above written.

HEATHER GLEN INVESTMENTS, INC., an Oregon corporation

By

Ron Stover
Its: President

STATE OF OREGON  } ss:
County of Yamhill  }

On this ___ day of August, 1990, before me appeared RON STOVER, to me personally known, who being duly sworn did say that he is the President of HEATHER GLEN INVESTMENTS, INC., the within-named corporation, and that the instrument was signed in behalf of said corporation and acknowledged the instrument to be the free act and deed of the corporation.

NOTARY PUBLIC FOR OREGON
My Commission Expires: __-9-93

___07778___

STATE OF OREGON  } ss.
COUNTY OF YAMHILL

I hereby certify that this instrument was received and duly recorded by me in Yamhill County records.

CHARLES STEIN, COUNTY CLERK
AMENDMENT NO. 3 TO DECLARATION OF COVENANTS
CONDITIONS AND RESTRICTIONS
OF HEATHER GLEN

This Amendment No. 3 is made this 25th day of August, 1990 by Heather Glen Investments, Inc., an Oregon corporation ("Declarant").

RECITALS

A. Declarant is the owner of the plat of Heather Glen, recorded January 16, 1990 in Plat Book Cab A, Slot 253, Official Town Plat Records, Yamhill County, Oregon.

B. On January 16, 1990 in FV239, Page 2064, Official Records, Yamhill County, Oregon, Declarant recorded a Declaration of Covenants, Conditions and Restrictions for Heather Glen (the "Declaration").

C. On May 9, 1990, Declarant amended the Declaration by instrument recorded May 14, 1990 as FV243, Page 994 ("Amendment No. 1").

D. On August 7, 1990, Declarant again amended the Declaration by instrument recorded August 7, 1990 as FV246, Page 1010 ("Amendment No. 2").

E. Pursuant to Article XII, Section 3, Declarant desires to amend the Declaration.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. Subsection 4(e) (labeled Storage) of Article IX on pages 20-21 is hereby deleted, and the following subsection is
hereby inserted in lieu thereof:

(e) **Storage.** No motor vehicle (inoperable or not), R.V., trailer, camper, boat and trailer, or camper and pick-up shall be permitted in the open on any Lot (driveway or otherwise) or on the street for a period in excess of forty-eight (48) hours, except in the following cases: (1) the Board issues a visitor's pass to a single family Lot owner for the benefit of a guest of an owner to permit the visitor to park the visitor's motor vehicle in the street; (2) An owner leaves an operable motor vehicle in the driveway in instances when a Lot Owner has temporarily vacated the Lot, e.g. for a vacation, but such motor vehicle may be left in the driveway for a period not to exceed three weeks, unless the Board approves in writing a longer period of time. Otherwise, storage for such items outlined above shall be provided either by an enclosed and permanent garage, or by a covered parking stall or carport.

Except as expressly stated herein and in the previous two Amendments, the Declaration is not otherwise changed or modified and shall otherwise remain in full force and effect.

The Declarant has signed this Amendment No. 3 to the Declaration the day and year first above written.

HEATHER GLEN INVESTMENTS, INC.,
an Oregon corporation

By [Signature]

Ron Stover
Its: President

///

Page 2 - AMENDMENT NO. 3 TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
STATE OF OREGON

County of Yamhill

On this 25th day of August, 1990, before me appeared RON STOVER, to me personally known, who being duly sworn did say that he is the President of HEATHER GLEN INVESTMENTS, INC., the within-named corporation, and that the instrument was signed in behalf of said corporation and acknowledged the instrument to be the free act and deed of the corporation.

NOTARY PUBLIC FOR OREGON
My Commission Expires: 4/27/91

Page 3 - AMENDMENT NO. 3 TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
AMENDMENT NO. 4 TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF HEATHER GLEN

This amendment is made this 24th day of June, 1996 by the Heather Glen Homeowners Association, recorded in P.O. 327, Polk County, Oregon.

NOW, THEREFORE, Declarant hereby amends the Declaration as follows:

1. Section 4(e) of Article IX is hereby deleted in its entirety, and the following is inserted in lieu thereof.

   (e) Storage. No motor vehicle (inoperable or not), R.V., trailer, camper, boat and trailer, or camper and pick-up shall be permitted in the open on any lot (driveway or otherwise) or on the street for a period in excess of forty-eight (48) hours, except in the following cases: (1) the board issues a visitor’s pass to a single family Lot owner for the benefit of a guest of an owner to permit the visitor to park the visitor’s motor vehicle in the street; (2) an Owner leaves an operable motor vehicle in the driveway in instances when a Lot Owner has temporarily vacated the Lot, e.g., for a vacation, but such motor vehicle may be left in the driveway for a period not to exceed three weeks, unless the board approves in writing a longer period of time. Otherwise, storage for such items outlined above shall be provided by an enclosed and permanent garage, or by a covered parking stall or carport, or shall be obscured from view from the street by a fence constructed in accordance with the provisions of these covenants pertaining to fencing.

   This provision of the covenants will be strictly enforced by the Association on the following schedule:

   A. By no later than June 30, 1994 for any residence completed prior to the effective date of this amendment.
B. Upon occupance of any residence not completed prior to the effective date of this amendment.

Except as expressly stated herein and in the previous three Amendments, the Declaration is not otherwise changed or modified and shall otherwise remain in full force and effect.

The Declarant has signed this Amendment No. 4 to the Declaration the day and year first above written.

HEATHER GLEN HOMEOWNERS’ ASSOCIATION, an Oregon Corporation

By: __________________________

Kathryn J. Cabe

Its: Secretary

State of Oregon )

) ss:

County of Yamhill )

On this 24th day of June, 1996, before me appeared Kathryn J. Cabe, who being duly sworn did say that she is the Secretary of Heather Glen Homeowners’ Association, the within named corporation, and that the instrument was signed in behalf of said corporation and acknowledged the instrument to be the free act and deed of the corporation.

Theresa Ann Huggenschen
NOTARY PUBLIC FOR OREGON
My Commission Expires: 3-23-2000
BY-LAWS
OF
HEATHER GLEN HOMEOWNER'S ASSOCIATION

ARTICLE I

NAME AND LOCATION: The name of the incorporated homeowner's association is HEATHER GLEN HOMEOWNER'S ASSOCIATION ("Association"). The principal office of the Association shall be located at 1210 Rose Street, Junction City, Oregon 97448, but meetings of members and directors may be held at such places within the State of Oregon, Yamhill County, which may be designated by the Board of Directors.

ARTICLE II

DEFINITION

Section 1. "Association" shall mean and refer to HEATHER GLEN HOMEOWNER'S ASSOCIATION, its successors and assigns.

Section 2. "Property" shall mean and refer to that certain real property shown on the plat of HEATHER GLEN, recorded January 16, 1990 in Cabinet A, Slide 253, Yamhill County, Oregon described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may hereafter be brought within the jurisdiction of the Association.

Section 3. "Tract A" as shown on the plat of Heather Glen is dedicated to the City of McMinnville as Parkland, and the Association will or shall execute such instrument as the City may require to convey Tract "A" to the City.

Section 4. "Lot" shall mean and refer to a unit of
land shown upon any recorded subdivision map of the Property. Tract "A" is not included within the meaning of this definition of "Lot".

Section 5. "Owner" shall mean and refer to the owner, whether one or more persons or entities, of any Lot in a planned community, including contract purchasers, but does not include a person holding only a security interest in a Lot for the performance of an obligation.


Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Property recorded in the office of the County Records, Yamhill County, Oregon.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

ARTICLE III
MEETING OF MEMBERS

Section 1. Initial Meeting. The initial meeting of the Association shall be held on or before May 1, 1990, at the offices of the Declarant, and notice shall be given in accordance with Section 4 of this Article III.

Section 2. Annual Meetings. The first annual meeting of the members shall be held within one year from the date of formation of the Association, and each subsequent regular annual meeting of the members shall be during the month of January of
each year thereafter, or any day not a legal holiday.

Section 3. Special Meetings. Special meetings of the members may be called at any time by the President or by the Board of Directors, or upon written request of the members who are entitled to vote one-fourth (1/4) of all of the votes of the Class A membership.

Section 4. Notice of Meetings. Written notice of each meeting, including the initial meeting of the members shall be given by, or at the direction of, the Secretary or person authorized to call the meetings, by mailing a copy of such notice, postage prepaid, at least 15 days before such meeting to each member entitled to vote thereat, addressed to the member’s address last appearing on the books of the Association, or supplied by such member to the Association for the purpose of notice. Such notice shall specify the place, day and hour of the meeting, and, in case of a special meeting, the purpose of the meeting.

Section 5. Quorum. The presence at the meeting of members entitled to cast, or of proxies entitled to cast, fifty percent (50%) of the votes of each class of membership shall constitute a quorum for any action except as otherwise provided in the Articles of Incorporation, the Declaration, or these By-laws. If, however, such quorum shall not be present or represented at any meeting, the members entitled to vote thereat shall have power to adjourn the meeting from time to time, without notice other than announcement at the meeting, until a
quorum as aforesaid shall be present or represented.

Section 6. Proxy. At all meetings of members, each member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary. Every proxy shall be revocable and shall automatically cease upon conveyance by the member of his Lot.

ARTICLE IV
TRANSITIONAL ADVISORY COMMITTEE

Section 1. Formation. Not later than 60 days after the Declarant has conveyed the lots representing 50 percent (50%) of the Class A votes in the subdivision, Declarant shall call a meeting of owners for the purpose of selecting a Transitional Advisory Committee. The Committee shall consist of three members. The owners, other than the Declarant, shall select two members. The Declarant shall select one member. The Committee shall have reasonable access to all information and documents which the Declarant is required to turn over to the Association.

Section 2. Turnover Meeting. Not later than 120 days after lots representing 75 percent (75%) of the Class A votes have been conveyed, the Declarant shall call a meeting for the purpose of turning over administrative responsibility to the Association. Written notice of the meeting shall be provided to each owner at least 5 days prior to the scheduled meeting. If Declarant fails to call the meeting as provided herein, then either the Transitional Advisory Committee or an owner may call the meeting required by this Section 2.

Page 4 - BY-LAWS OF HEATHER GLEN
ARTICLE V

BOARD OF DIRECTORS; SELECTION; TERM OF OFFICE

Section 1. Number. The affairs of the Association shall be managed by a Board of Directors of not less than three (3) directors and must be members of the Association. Until turnover occurs the Declarant shall be the sole member of the Board of Directors.

Section 2. Term of Office. At the first annual meeting the members shall elect one director for a term of one year, one director for a term of two years and one director for a term of three years; and at each annual meeting thereafter the members shall elect one director for a term of three years.

Section 3. Removal. Any director may be removed from the Board, with or without cause, by a majority vote of the members of the Association. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 4. Compensation. No director shall receive compensation for any service he may render to the Association. However, any director may be reimbursed for his actual expenses incurred in the performance of his duties.

Section 5. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the
written approval of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the Directors.

ARTICLE VI

NOMINATION AND ELECTION OF DIRECTORS

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a Nominating Committee. Nominations may also be made from the floor at the annual meeting. The Nominating Committee shall consist of a Chairperson, who shall be a member of the Board of Directors, and two or more members of the Association. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting of the members, to serve from the close of such annual meeting until the close of the next annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled. Such nominations may be made from among members or non-members.

Section 2. Election. Election to the Board of Directors shall be by secret written ballot. At such election the members or their proxies may cast, in respect to each vacancy, as many votes as they are entitled to exercise under the provisions of the Declaration. The persons receiving the largest number of votes shall be elected. Cumulative voting is not permitted.

Page 6 - BY-LAWS OF HEATHER GLEN
ARTICLE VII
MEETINGS OF DIRECTORS

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held bi-annual with notice, at such place and hour as may be fixed from time to time by resolution of the Board; notice shall be posted at a place or places on the Property at least three days prior to the meeting or notice shall be provided by a method otherwise reasonable calculated to inform lot owners of such meeting. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday. All meetings of the Board of Directors of the Association shall be open to the owners.

Section 2. Special Meetings. Special meetings of the Boards of Directors shall be held when called by the President of the Association, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Emergency Meetings. Emergency meetings may be held without notice if the reason for the emergency is stated in the minutes of the meeting. Only emergency meetings of the Board of Directors may be conducted by telephone communications.

Section 4. Quorum. A majority of the number of directors shall constitute quorum for the transaction of business. Every act of decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.
ARTICLE VIII
POWERS AND DUTIES OF THE BOARD OF DIRECTORS

Section 1. Powers. The Board of Directors shall have power to:

(a) Exercise for the Association all powers, duties and authority vested in or delegated to this Association and not reserved to the membership by other provisions of these By-laws, or the Declaration;

(b) Declare the office of a member of the Board of Directors to be vacant in the event such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

(c) Employ a manager, an independent contractor, or such other employees as they deem necessary, and to prescribe their duties, including without limiting the foregoing, the employment of personnel necessary for the maintenance, upkeep, and repair of Tract "A".

Section 2. Duties. It shall be the duty of the Board of Directors to:

(a) Cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the Class A members who are entitled to vote;

(b) Adopt an annual budget for the maintenance of
Tract "A". A summary of the budget shall be provided to the owners within 30 days after preparation. If the Board of Directors is petitioned by the owners representing 20 percent (20%) of the votes of Heather Glen, the Board shall call a meeting of the owners to consider rejection of the budget. The date of the meeting shall be not less than 14 or more than 30 days after the summary is provided to the owners. At the meeting, whether or not a quorum is present, the budget shall be adopted unless a majority of the votes of Heather Glen or any larger vote specified in the By-laws rejects the budget. If the proposed annual budget is rejected, the last annual budget shall continue in effect until the owners approve a subsequent budget:

(c) Supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(d) As more fully provided in the Declaration, to:

1) fix the amount of the annual assessment against each Lot at least thirty (30) days in advance of each annual assessment period; and

2) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period.

3) foreclose the lien against the lot for
which assessments are not paid within thirty (30) days after due date or to bring an action against the owner personally obligated to pay the same.

(e) Issue, or cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of such certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment.

(f) Obtain insurance, if applicable or necessary, for all insurable improvements in Tract A against loss or damage by fire or other hazard including extended coverage, vandalism and malicious mischief, a public liability policy covering all common property and all damage or injury caused by the negligence of the Association. Premiums for insurance obtained under this section shall be a common expense of the Association.

(g) To cause all officers or employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(h) To design a program for the maintenance, upkeep and repair of Tract "A" and establish a method of payment for the expense of the program, including the method of approving payment of vouchers as well as
provide for the employment of personnel necessary for
the maintenance and upkeep of Tract A, and the manner
of collecting from the owners their share of the common
expenses.

Section 3. Term. The officers of this Association
shall be elected annually by the Board and each shall hold office
for one (1) year unless he shall sooner resign, or shall be
removed, or otherwise disqualified to serve.

Section 4. Special Appointments. The Board may elect
such other officers as the affairs of the association may
require, each of whom shall hold office for such period, have
such authority, and perform such duties as the Board may, from
time to time, determine.

Section 5. Resignation and Removal. Any officer may
be removed from office with or without cause, by the Board. Any
officer may resign at any time giving written notice to the
Board, the President or the Secretary. Such resignation shall
take effect on the date of receipt of such notice or at any later
time specified therein, and unless otherwise specified therein,
the acceptance of such resignation shall not be necessary to make
it effective.

Section 6. Vacancies. A vacancy in any office may be
filled by appointment by the Board. The officer appointed to
such vacancy shall serve for the remainder of the term of the
officer he replaces.

Section 7. Multiple Offices. The offices of Secretary
and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices except in the case of special offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

PRESIDENT

(a) The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds, and other written instruments, and shall co-sign all checks and promissory notes.

VICE-PRESIDENT

(b) The Vice-President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by the Board.

SECRETARY

(c) The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board and of the members; keep the corporate seal of the Association and affix it on all papers requiring said seal; serve notice of meetings of the Board and of the members; keep appropriate current records showing the members of the Association together with their addresses, and shall perform such other duties as required by the Board.

Page 12 - BY-LAWS OF HEATHER GLEN
TREASURER

(d) The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Association and shall disburse such funds as directed by resolution of the Board of Directors; shall sign all checks and promissory notes of the Association; keep proper books of account; and shall prepare an annual budget and a statement of income and expenditures to be presented to the membership at its regular meeting, and deliver a copy of each to the members.

ARTICLE X

COMMITTEES

The Association shall appoint an Architectural Control Committee, as provided in the Declaration, and a Nominating Committee, as provided by these By-laws. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purposes.

ARTICLE XI

BOOKS AND RECORDS

The books, records, and papers of the Association shall at all times, during reasonable business hours, be subject to inspection by any member. The financial records shall be sufficiently detailed for proper accounting purposes. Within 90 days after the end of the fiscal year, the Board of Directors shall distribute to each owner and upon request of any mortgagee of a lot, a copy of the annual financial statement consisting of a balance sheet and income and expense statement for the
preceding fiscal year. Actual expenditures shall be listed and reported in detail including payee, amount, and date of payment.

The Declaration and the By-laws of the Association, any amendments or supplements thereto, the most recent annual financial statement, and the current operating budget of the Association, shall be available for inspection by any member at the principal office of the Association, where copies may be purchased at reasonable cost.

ARTICLE XII
ASSESSMENTS

As more fully provided in the Declaration, each member is obligated to pay to the Association annual and special assessments which are secured by a continuing lien upon the property against which the assessment is made. Any assessments which are not paid when due shall be delinquent. If the assessment shall become delinquent, then the assessment shall bear interest from the date of delinquency at the rate of 12 percent per annum, and the Association may bring an action at law against the owner, personally obligated to pay the same or foreclose the lien against the property in accordance with the Declaration, and interest, costs, and reasonable attorney’s fees shall be added to the amount of such assessment. In the event a suit or action is filed, the attorney’s fees shall not be less than $400.00. No owner may waive or otherwise escape liability for the assessments provided for herein by nonuse of Tract "A" or abandonment of his Lot.

Page 14 - BY-LAWS OF HEATHER GLEN
ARTICLE XIII
AMENDMENTS

Section 1. These By-laws may be amended, at regular or special meeting of the members, by a vote of a majority of a quorum of members present in person or by proxy.

Section 2. In the case of any conflict between the Declaration and these By-laws, the Declaration shall control.

ARTICLE XIV

The fiscal year of the Association shall begin on the 1st day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of May 1, 1990.

IN WITNESS WHEREOF, we, being all of the directors of the HEATHER GLEN HOMEOWNER'S ASSOCIATION, have hereunto set out hands this 25th day of February, 1990.

HEATHER GLEN HOMEOWNER'S ASSOCIATION

By: [Signature]
 Its: President

By: [Signature]
 Its: Secretary

Page 15 - BY-LAWS OF HEATHER GLEN
STATE OF OREGON } ss.
County of Yamhill

The foregoing instrument was acknowledged before me this 25th day of February, 1990 by
Robert D. Hoffman, President of Heather Glen
Homeowner's Association.

Notary Public for Oregon
My Commission Expires: 4/27/91

Mareille Camarillo
Notary Public for Oregon
My Commission Expires: 4/27/91

STATE OF OREGON } ss.
COUNTY OF YAMHILL

I herewith certify that the instrument was received and duly acknowledged by me in Yamhill County, Oregon.

Instrument Acked by:

Page 16 - BY-LAWS OF HEATHER GLEN
AMENDMENT NO. 1 TO BY-LAWS
OF
HEATHERGLEN HOMEOWNER’S ASSOCIATION

This Amendment No. 1 is made this 24th Day of June, 1996, by Heather Glen Homeowners’ Association, an Oregon Corporation (Declarant), recorded in F2942, Page 0192, Official Records, Yamhill County, Oregon.

NOW, THEREFORE, The Association hereby amends the By-laws as follows:

3. Article X is hereby deleted in its entirety, and the following in inserted in lieu thereof:

COMMITTEES

The Association shall appoint an Architectural Control Committee as provided in the Declaration. In addition, the Board of Directors shall appoint other committees as deemed appropriate in carrying out its purpose.

Except as expressly stated herein, the declaration is not otherwise changed or modified and shall otherwise remain in full force and effect.

The Declarant has signed this amendment No. 1 to the Declaration the day and year first above written.

HEATHER GLEN HOMEOWNERS’ ASSOCIATION, an Oregon Corporation
By: ____________________________
    Kathryn J. Cabe
    Its: Secretary

State of Oregon )
    ss:
County of Yamhill )

On this 24th day of June, 1996, before me appeared Kathryn J. Cabe, who being duly sworn did say that she is the Secretary of Heather Glen Homeowners’ Association, the within named corporation and that the instrument was signed in behalf of said corporation and acknowledged the instrument was signed in behalf of said corporation and acknowledged the instrument to be the free act and deed of the corporation.

NOTARY PUBLIC FOR OREGON
My Commission Expires: 2/23/2021

Page 1 - Amendment No. 1 to By-Laws of Heather Glen Homeowners’ Association