COVENANTS, CONDITIONS AND RESTRICTIONS
HILLCREST SUBDIVISION

These covenants, conditions and restrictions apply to all lots located in Hillcrest Subdivision, Phases 1 and 2, in Yamhill County, Oregon (collectively “property,” with individual parcels also referred to as “lot”). They are enforceable by owners of the “benefitted properties”, which are defined as lots affected.

The undersigned owner (“Developer”) of all the real property included in the Hillcrest Subdivision Phase 1, a Plat duly recorded ZC-09-432014, 2003, in Plat Records of Yamhill County, Oregon (“Phase 1”), and Hillcrest Subdivision Phase 2, a Plat duly recorded ZC-09-432015, 2004, in Plat Records of Yamhill County, Oregon (“Phase 2”), together with the property described in Exhibit “A” adopts the following Covenants, Conditions and Restrictions for the purpose of enhancing and protecting the value, desirability and attractiveness of the benefitted property described above. These Covenants, Conditions and Restrictions are enforceable by owners of the benefitted properties and by Declarant so long as Declarant (or any member of Declarant) owns property which abuts any portion of Phase 1 or Phase 2.

These Covenants, Conditions and Restrictions (“Covenants”) shall run with the land and shall be binding upon all persons having or acquiring a right, title and interest in the property or any part of the property, and shall inure to each owner of benefitted property area and that owner's heirs, successors and assigns.

1. ANNEXATION OF SUBSEQUENT PHASES OF HILLCREST SUBDIVISION.
   Developer may from time to time annex to Hillcrest Subdivision any adjacent real property now owned or later acquired by Developer. The annexation of such additional phases of Hillcrest Subdivision shall be accomplished as follows:

   1.1 Developer shall record a declaration which shall be executed by Developer and shall, among other things, describe the real property to be annexed, establish any additional or different limitations, uses, restrictions, covenants and conditions which are intended to be applicable to such property, and declare that such property is held subject to these covenants.
1.2 The property included by any such annexation shall become a part of these covenants, and Developer shall accept and exercise administration of these covenants with respect to such property.

1.3 Notwithstanding any provision apparently to the contrary, a declaration with respect to any annexed area may:

1.3.1 Establish new land classifications and limitations, restrictions, uses, covenants and conditions as Developer may deem to be appropriate for the development of the annexed property.

1.3.2 With respect to existing land classifications, establish additional or different limitations, uses, restrictions, covenants and conditions as Developer may deem to be appropriate for the development of such annexed property.

2. GENERAL RESTRICTIONS

2.1 No building shall be constructed other than a single-family owner-occupied permanent dwelling for private, residential use and other outbuildings having uses related to those uses, such as garages, private greenhouses, a swimming pool or other types of home recreational facilities. For purposes of the preceding sentence, a "permanent dwelling" shall not include a prefabricated modular residential structure which is transported to any property in a state of substantial prefabrication and then permanently affixed to a ground level foundation or a manufactured dwelling as presently defined in ORS 446.003(26)(a). All outbuildings must be of good construction and of design compatible with the associated dwelling. No lot may contain more than one owner-occupied single-family dwelling and the necessary outbuildings for permitted uses. The only non-residential uses allowed on the property are home occupations, if they meet all applicable laws, rules and regulations, (including those of the City of McMinnville applicable in this zone) and otherwise comply with these Covenants.

2.2 All construction on any lot must be completed and the final occupancy issued within one (1) year from the issuance of a building permit.

2.3 All landscaping on any lot must be substantially completed within nine months from completion of construction.

2.4 No dwelling may be higher than two stories above ground level. In addition, maximum height shall be no more than 35 feet measured from the ridge line of the roof to the uphill side grade level.
2.5 The minimum size for a dwelling, exclusive of garages, outbuildings, covered walks and open porches, is 1,600 square feet. The ground floor of a two story home shall have a minimum area of 1,000 square feet, exclusive of garage area.

2.6 All residences will have a two car garage or larger, the minimum ground floor area of which will be 400 square feet.

2.7 Every building, fence, wall or other structure placed on any part of any lot shall be constructed of new material unless the use of other than new material shall have been reviewed and shall have received the written approval of the Design Review Committee. No buildings constructed elsewhere shall be moved to or placed on a lot.

2.8 Exterior walls on all dwellings will be double wall construction and will have lap siding (using allowed materials), stone (natural or cultured), or brick finish. No dwelling shall be constructed with vinyl, metal or T1-11 type panel siding.

2.9 House colors will be natural earth tones or subdued colors, not bright or vivid shades, as approved by the Design Review Committee.

2.10 Roofing will be 40-year architectural style composition, cedar, tile, or comparable. Metal roofing is not allowed.

2.11 Set back requirements. Every dwelling house, or other structure as may be approved by the Design Review Committee, shall comply with all applicable city zoning requirements, including set back requirements, but in no event shall any set back from the property line be less than the following:

2.11.1 Side yard, ten feet.
2.11.2 Front and rear yards, 20 feet.
2.11.3 Corner lot: Front, rear and street side yards, 20 feet; lot side yards, ten feet.

2.12 Fences and hedges shall not exceed six feet in height to the rear of the lot or the sides of the lot between the rear of the lot and the front corners of the house. Fences and hedges between the front of the lot and the front corners of the house shall not exceed two and one-half feet in height. The location, materials and design of any fence shall be approved by the Design Review Committee prior to construction.

2.13 No chain link or cyclone fences are allowed except along the northern boundary of Phase 2 bordering the cemetery.
2.14 All walls and fences constructed by Developer shall be maintained by the owner of the nearest adjacent lot as to the portion of such a wall or fence which is within the boundaries of owner’s lot or would be within such boundaries if they were extended in a straight line to an intersection with such a wall or fence.

2.15 Each lot and its improvements shall be maintained in a clean and attractive condition, in good repair, and in such fashion as not to create a fire hazard or nuisance. It shall be the duty of the owner and occupant of each lot to maintain the entire site thereon in an attractive and neat condition including, but not limited to:

2.15.1 Yards, which shall be attractively landscaped and maintained in a neat and orderly manner free of weeds and debris;
2.15.2 Driveways and sidewalks, which shall be maintained in a good, weed-free condition and repair;
2.15.3 Grass on improved lots, which shall be cut during the growing season at least once every two weeks;
2.15.4 Trees and shrubs, which shall be trimmed when necessary for the plant’s appearance and as necessary to avoid interference with pedestrian traffic and to maintain safe sight lines for vehicular traffic on or onto the adjoining street or streets.

2.16 Landscaping requirements. All yard areas on each lot shall be landscaped. All landscaping shall be installed in accordance with a landscaping plan approved by the Design Review Committee. The nature, kind of materials, and topography of the landscaping and its maintenance shall be consistent with the quality generally maintained in the neighborhood.

2.17 No short wave antennas or large (greater than 1 meter in diameter) satellite dishes will be placed on properties or lots. To the extent allowed by applicable law, allowed satellite dishes will be located on the property to have the least possible visual impact on the neighbors, consistent with proper functioning of the dish. No antennas may extend beyond the highest point on a house, to the extent a restriction such as this is allowed by applicable law.

2.18 All garbage, trash, cuttings, refuse or garbage containers, fuel tanks, clothes drying apparatus or lines, heating and cooling equipment, and other service facilities shall be screened from view from adjoining lots (ground level) and roads.

2.19 No offensive activity shall be carried on in any lot, nor shall anything be placed or constructed on any lot, or anything done on a lot which interferes
with or jeopardizes the enjoyment of other lots or otherwise may become a nuisance or annoyance to the neighborhood. No garbage, trash, cuttings or refuse may be allowed to accumulate or remain on the lot.

2.20 No commercial advertising signs or billboards shall be placed or kept on any lot, except such signs as are normally used in connection with the sale of real property (including model homes) may be placed upon the lot of any owner desiring to sell. Non-commercial signs are prohibited except in the following circumstances:

2.20.1 Signs which identify a house number, the owners and the occupants of the house are allowed;

2.20.2 Any lot may display non-commercial signs for a maximum total (for all non-commercial signage) of 90 days per year;

2.21 No lot may be used as a place to raise animals of any kind except for a reasonable number of ordinary household pets, which shall be leashed or kenned and not allowed to run at large. No chickens, peacocks, larger birds or similar fowl are allowed. Other small birds are allowed if kept inside the residence. Allowed animals shall not be a nuisance to owners of other lots.

2.22 No recreational or commercial vehicles (excluding pickups and vans), trailers, boats, snowmobiles, motor homes, truck campers, or off-road vehicles may be kept on the property unless they are stored in a garage. No such vehicles may be parked overnight on any street or road serving the property or a driveway, except that, subject to City of McMinnville restrictions, for a maximum of 14 days total such use per calendar year, vehicles of guests of homeowners may be parked overnight. No heavy equipment or semi-tractors or trailers or flatbeds of any kind are allowed on the property except as needed to construct or maintain buildings and improvements allowed by these covenants or temporarily for delivery of residential items. No vehicles or trailers on a lot shall be used as a temporary or permanent residence.

2.23 Loading, unloading or cleaning of recreational or commercial vehicles (excluding pickups) may take place no more than 3 days in a row and no more than twice a month.

2.24 There shall not be stored, parked, or kept upon any lot in open and plain view any motor vehicle which is in a rusted, junked, partially dismantled, inoperative or abandoned condition. The owner of the vehicle shall remove it or store it in a building where it will not be visible from the street or other property.
2.25 Until such time as any lot owner constructs a residence on a lot, the lot owner shall maintain the lot in such a manner as to keep the lot free from weeds, briars, and other types of vegetation which would infiltrate lawns of other lot owners. Lot owners shall also keep vacant lots free from debris. Vacant lots shall also be subject to all applicable provisions of these covenants.

2.26 Easements for installation and maintenance of utilities and drainage facilities are shown on the plats of the property to which these Covenants, Conditions and Restrictions apply. Within such easements no structure, planting or other material shall be placed or permitted to remain which may damage, interfere with or change the direction or flow of drainage facilities located within such easements. The easement area of each lot and all improvements therein shall be continuously maintained by the lot owner, except for improvements for which a public authority or utility company is responsible to maintain.

2.27 No dwelling or other structure of any kind shall be built, erected, or maintained in any easement or right-of-way, and such easement or right-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 the Developer, its successors and assigns, all of whom shall have the right and privilege of doing whatever may be necessary in, on or under such easements to carry on any other purposes for which the easements or rights-of-way are reserved. Any signs located on or concerning such right-of-way easements, such as names of owners of properties served, or the name for the easement itself, shall be prohibited without the prior written approval of the Design Review Committee. Such approval of the Design Review Committee will be in the Design Review Committee's sole discretion, applying those standards the Design Review Committee deems appropriate.

2.28 The developer retains the right and intends (but is not required) to plant trees in the parking strip located in the front of each lot (between the sidewalk and the curb). The owner of each lot will care for and maintain such trees after they are planted.

2.29 With regard to the easements serving lots 33, 34 and 35, and the easements serving lots 36, 37 and 38, all lot owners shall share equally in the maintenance of the respective easements benefitting such owner's property. However, should the easement be damaged by more than ordinary wear and tear, the owner of the lot causing the damage, or his agents, employees, invitees (or anyone else using the roadway with the permission of or for the benefit of that party) shall bear the total cost of repairs necessitated by such damage. All easements shall be maintained in their present quality and condition, or the condition in which an easement is initially installed or subsequently upgraded.
3. DESIGN REVIEW COMMITTEE

3.1 Prior to the sale of 70 percent of lots within Hillcrest Subdivision, Developer will act as and perform the functions of the Design Review Committee. After the sale of 70 percent of lots, Developer will create the Design Review Committee by appointing the initial members. Plans for all houses to be constructed on any lot within Hillcrest Subdivision shall be submitted to a Design Review Committee.

3.2 The Design Review Committee will have three members. Each member shall serve for a period of three years and until a successor has been elected, except that Developer will appoint one of the initial members for a one year term, one of the initial members for a two year term, and the third for a three year term, so as to achieve staggered terms among the three members of the Committee.

3.3 The Developer shall appoint the initial Design Review Committee and shall continue to make appointments to the Design Review Committee for a period of seven years after the plat of the property has been filed, or until 70 percent of the lots within the property described herein have been sold, whichever occurs first. Thereafter, the Design Review Committee members shall be elected by a majority vote of the lot owners voting in the election, provided a quorum of 15 lot owners are present. An election will be held on the second Monday of January of each year, or at such other time during the month of January as may be specified by the Design Review Committee. If less than a quorum appears, those appearing shall have authority to adjourn and reschedule meetings until a quorum appears.

3.4 The Design Review Committee shall notify all lot owners of the time and place of a meeting for the purpose of filling a vacancy at least 30 days prior to the election. Each lot owner shall have one vote, except that where more than one person holds an ownership interest in a lot, only one vote for such lot shall be cast, as the owners thereof among themselves determine. Where an even number of persons have an ownership interest in a lot, and they are evenly split as to how a vote should be cast, then said lot owners shall not be entitled to cast any vote on such matter, but shall be counted for quorum purposes only. Notice of elections shall be given by first class mail to the lot owner(s) according to the property tax records of Yamhill County at the time notice is sent.

3.5 No construction will be permitted, nor a building permit obtained, without prior approval in writing of the Design Review Committee. Lot owners shall submit to the Design Review Committee the following:
3.5.1 Plot plan;
3.5.2 Foundation plan;
3.5.3 General floor plan;
3.5.4 Plan elevation;
3.5.5 Roof layout and materials specifications, including peak height above curb;
3.5.6 Landscape plan, including fence plans, if any, disclosing landscaping of the entire lot; and
3.5.7 Exterior color swatch(es).
3.5.8 Specifications. A description of building materials and supplies to be used in construction equivalent in detail to the Uniform Building Code.

3.6 The Design Review Committee shall, before giving its approval, verify that the proposed residence complies with the general characteristics outlined above in Article 2 and is, in the judgment of the Committee, compatible with other homes in Hillcrest Subdivision, either existing or proposed. The Design Review Committee shall interpret the improvement and design standards set forth in Article 2 and in the event any section or portion is found invalid, the remaining sections shall remain in full force and effect.

3.7 Approval by the Design Review Committee shall not excuse compliance with any other governmental rule, ordinance, code or regulation applicable to any lot or other property within Hillcrest Subdivision.

3.8 The Design Review Committee may withhold approval of plans and specifications because of their non-compliance with any of these specific covenants, but also because of the dissatisfaction of the Committee with any or all other matters or things which, in the judgment of the Committee would render the proposed structure inharmonious with the general plan of improvement of Hillcrest Subdivision or with the structures erected or proposed to be erected on other lots in Hillcrest Subdivision. The Committee may place reasonable conditions upon its approval including, but not limited to, time allowed for completion.

3.9 The Design Review Committee shall issue its opinion or notify the lot owner of its objections within 21 days from the date of a complete submission of all plans and specifications by the lot owner. If the Committee fails to issue an opinion or notify the lot owner of its objections within the required time, the plans and specifications as submitted shall be deemed to be approved by the Committee.

3.10 Any member(s) of the Design Review Committee may at any reasonable hour or hours, after reasonable notice, enter in and inspect any lot and improvement
thereon for the purpose of determining compliance with the approved plans and specifications or compliance with other provisions of these covenants, and such member(s) shall not be deemed guilty of any manner of trespass for such entry or inspection. The Design Review Committee may issue a certificate of completion and compliance as to any property so inspected.

3.11 All communications to the Design Review Committee shall be delivered to the Developer at its office at 2300 SW Second St., Suite B, P.O. Box 731, in McMinnville, Oregon, until such time as the Developer’s interest is terminated (see Section 3.1) at which time all communications shall be delivered to the Chair of the Design Review Committee at his or her mailing address, as shall be made known at the annual meeting described in Section 3.3 above.

3.12 The Developer and the Design Review Committee may maintain and make available an architectural checklist. Such checklist may be modified from time to time.

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

4. ENFORCEMENT AND MISCELLANEOUS PROVISIONS

4.1 These restrictions shall be for the protection and benefit of each of the property owners or occupants of any portion of the benefitted property. Any such person shall have the right at law or in equity to enforce the restrictions. It is not implied nor at any time will Yamhill County or the City of McMinnville be responsible for the enforcement of these restrictions. Providing Declarant (or any member of Declarant) owns any property which abuts Phase 1 or Phase 2, Declarant, or any member of Declarant, shall also have the right to enforce these Covenants.

4.2 If an owner fails to remedy a violation of these covenants within a reasonable time after written notice of such violation, the Design Review Committee shall have the right to engage agents, employees or independent contractors to enter upon the parcel and to repair, maintain and restore the lot and/or the exterior of the building or any other improvements erected thereon to the condition appropriate to remedy the violation. The cost incurred in such exterior maintenance shall become a lien against the lot for the work performed, provided a lien for the labor, materials and equipment rental is filed in accordance with Oregon law.
4.3 These restrictions shall run with the land and shall be binding on the owner or tenant of any or all of the land and all persons claiming by, through or under them until ten years from the recording of this document at which time these covenants shall be automatically extended for successive periods of ten years. The owners of at least two-thirds of the benefitted properties may, at any time, agree in writing to change these covenants in whole or part, and such agreement is effective when duly recorded in the Yamhill County real property records. Each legally subdivided or partitioned portion of the benefitted property shall entitle its owners to one vote.

4.4 Invalidation of any of these covenants, restrictions, or conditions by court order, judgment or decree shall in no way affect any of the remaining provisions which shall continue to remain in full force and effect.

4.5 Developer shall not be liable to any owner on account of any action or failure to act of Developer in performing Developer’s duties or rights under these covenants.

4.6 These CC&Rs are also notice to all purchasers and prospective purchasers of lots that the developer makes no warranties or representations concerning, and has no liability for, any conditions of the property, including but not limited to, slope, surface and subsurface conditions, the suitability of the property for any particular use, or any other matter except that the developer is, of course, responsible for any written representations or warranties contained in any agreements between developer and a party seeking to enforce such an agreement.

4.7 If a suit or action is filed to enforce any of the terms of these Covenants, Conditions and Restrictions, the prevailing party shall be entitled to recover from the other party, in addition to the costs and disbursements provided by statute, any sum which a court, including any appellate court, may adjudge reasonable as attorney fees. In addition, the prevailing party shall be entitled to such sum as the bankruptcy court may adjudge reasonable as attorney fees in connection with any federal bankruptcy proceeding, including without limitation, prosecution of a motion for relief from stay, proposal of a chapter plan, objection to a disclosure statement, or Chapter 11, 12, or 13 Plan, or objection to proposed use, sale or lease of the property. Developer, Design Review Committee or the appropriate owner or owners shall be entitled to recover reasonable costs, including attorney fees, incurred in notifying an owner that such owner has failed to perform owner’s obligations under these Covenants, Conditions and Restrictions, even if no suit or action is filed.
DATED this 23rd day of December, 2003.

KHA PROPERTIES, LLC.
An Oregon Limited Liability Company

By

Howard Aster
Manager

By

Raymond E. Vase
Manager

STATE OF OREGON  )
County of Yamhill  ) ss

On the 23rd day of December, 2003, personally appeared___
___________
Howard Aster, who, being first duly sworn, did say that he is one of the
Mangers of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said
instrument was signed in behalf of said company by authority of its members; and he
acknowledged said instrument to be its voluntary act and deed.

Before me:

T Almond
Notary Public for Oregon

STATE OF OREGON  )
County of Yamhill  ) ss

On the 23rd day of December, 2003, personally appeared___
___________
Barry House, who, being first duly sworn, did say that he is one of the
Mangers of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said
instrument was signed in behalf of said company by authority of its members; and he
acknowledged said instrument to be its voluntary act and deed.

Before me:

T Almond
Notary Public for Oregon
STATE OF OREGON )
County of Yamhill ) ss

On the 23rd day of December, 2003, personally appeared Raymond D. Kaiser, who, being first duly sworn, did say that he is one of the Managers of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members; and he acknowledged said instrument to be its voluntary act and deed.

Before me:

[Signature]
Notary Public for Oregon

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DRABIN AND TANKERSLEY
P.O. Box 623, 504 North Evans Street
McMinnville, Oregon 97128
(503) 472-0244
PARCEL 1: Part of the John B. Davis Donation Land Claim No. 44 and part of the William C. Davis Donation Land Claim No. 69 in Section 24, Township 4 South, Range 5 West of the Willamette Meridian in Yamhill County, Oregon, more particularly described as follows:

BEGINNING at a point 36.415 chains North of the Southwest corner of said John Davis Claim; thence East 55.66 chains to the East line of that tract conveyed to A.J. Nelson by deed recorded February 26, 1876 in Book "P", Page 48, Deed Records of Yamhill County, Oregon; thence North along the East line of said A.J. Nelson tract 28.15 chains to the South line of the Solomon Beary Donation Land Claim No. 54 in said Township and Range; thence West along the South line of said Beary Claim 26.84 chains to the Southwest corner of said Beary Claim; thence North along the West line of said Beary Claim 10.59 chains; thence West 28.25 chains to the West line of the John B. Davis Claim; thence South along the West line of said John B. Davis Claim 37.985 chains to the point of beginning.

EXCEPTING THEREFROM that portion conveyed to Yamhill County, Oregon by deed recorded August 5, 1926 in Book 94, Page 461, Deed Records of Yamhill County.

FURTHER EXCEPTING a part of the John B. Davis Donation Land Claim No. 44 in Township 4 South, Range 5 West of the Willamette Meridian in Yamhill County, Oregon, described as follows:

BEGINNING at a point 36.415 chains North of the Southwest corner of said John B. Davis Claim; thence North 20 feet to the North line of the county road right of way, which is the true point of beginning; thence East along the fence line bordering the county road, 1471 feet to an aluminum pipe; thence North 37°19' West 450 feet to an aluminum pipe; thence North 44°27' West 315 feet to an aluminum pipe; thence West parallel with the county road 977.6 feet to a fence line now there, which is the West line of the John B. Davis Claim; thence South along said fence line to the point of beginning.

FURTHER EXCEPTING that tract of land described in deed from Ray and Barbara Kauer and Barry and Roberta House to Donald and Jean Oliver and recorded in Film Volume 309, Page 354, Yamhill County Deed Records.

FURTHER EXCEPTING that tract of land described in deed from Ray and Barbara Kauer and Barry and Roberta House to Richard and Charlotte Borgen, recorded in Film Volume 309, Page 433, Yamhill County Deed Records.

PARCEL 2: Part of the Solomon Beary Donation Land Claim No. 54 and part of William C. Davis Donation Land Claim No. 69 in Township 4 South, Range 4 West and Range 5 West of the Willamette Meridian in Yamhill County, Oregon.

BEGINNING at a stone set 11.46 chains South of the corners of Sections 18, 19, 13, and 24 in said Township and Range, said point being the Southeast corner of tract conveyed to Union Lodge No. 43 A.F. and A.M. on July 6, 1876 in Book "P" Page 302, Deed Records; thence North 89-1/2° West 8.71 chains to a stone at the Southwest corner of said Lodge No. 43 tract; thence North 34° East 6.25 chains to the Southeast corner of tract conveyed to Union Lodge No. 43 A.F. and A.M. on June 1, 1897 in Book 34, Page 219, Deed records; thence North 89-3/4° West 24.89 chains to the West line of said Beary Claim; thence South along the West line of said Beary Claim 21.11 chains to the Southwest corner of said Beary Claim; thence East along the South line of said Beary Claim 26.84 chains to a stone; thence South 1/4° East 12.25 chains; thence South 89-3/4° East 39.73 chains to a stone set in the center of county road; thence North 4-1/2° West along the center of said county road 12.74 chains to a stone at the Northeast corner of that tract conveyed to Jonathan Todd by deed recorded November 9, 1892 in Book 28, Page 259, Deed Records of Yamhill County, Oregon; thence West along the North line of said Todd tract, 22.24 chains to a stone; thence North 1/4° East 12.89 chains to a stone at the Southeast corner of tract conveyed to Union Lodge No. 43 A.F. and A.M. on March 2, 1901 in Book 39, Page 602, Deed Records of Yamhill County, Oregon; thence North 89-1/2° West along the South line of said Union Lodge tract, 9.97 chains to stone at the Southwest corner of said Union Lodge tract; thence North along the West line of said Union Lodge tract 1.50 chains to the point of beginning.

EXCEPT that portion conveyed to Union Lodge No. 43 A.F. and A.M. by deed recorded November 24, 1906 in Book 46, Page 571, Deed Records of Yamhill County, Oregon.

FURTHER EXCEPTING that tract conveyed to Scott B. Walker, et ux, by deed recorded April 18, 1968 in Film Volume 67, Page 423, Deed and Mortgage Records.

ALSO EXCEPTING all that portion lying in the WEST HILLS ESTATES.

FURTHER EXCEPTING that portion conveyed to Laurence V. Worrell by boundary line agreement and Bargain and Sale Deed recorded March 13, 1992 in Film Volume 266, Page 743, Deed and Mortgage Records.

13/14
FURTHER EXPECTING the following described tract of land: A tract of land in Section 19, Township 4
south, Range 4 West, Yamhill County, Oregon, being more particularly described as follows: Beginning at an
iron rod set in CSP-4284 at the most southerly southeast corner of that tract of land described in deed from
AMON SHADDED to UNION LODGE NO. 43 A.F. & A.M. and recorded in Book 39 Page 602, Yamhill County
Deed Records; thence North 89°06'31" West 75.48 feet along the south line of said tract to an iron rod at the
TRUE POINT OF BEGINNING (basis of bearing CS-10759); thence South 00°53'28" West 33.70 feet to an
iron rod; thence North 89°06'31" West 61.28 feet to an iron rod; thence North 00°53'29" East 33.70 feet to an
iron rod on the south line of said UNION LODGE NO. 43 A.F. & A.M. tract; thence South 89°06'31" East 61.28
feet to the TRUE POINT OF BEGINNING.

ALSO EXPECTING from Parcels 1 and 2 above those portions conveyed to Linfield College, Trustee of the
Raymond C. and Barbara M. Kauer Charitable Remainder Unitrust and Barry W. and Roberta M. House Charitable
Remainder Unitrust by deeds recorded December 27, 1995 in Instrument No. 199517375 and Instrument No.
199517376, Deed and Mortgage Records.
DECLARATION OF ANNEXATION
HILLCREST SUBDIVISION
PHASE 3

AFTER RECORDING, RETURN TO:

KHA Property
PO Box 72
McMinnville, Or. 97128

DECLARATION OF ANNEXATION
OF CONDITIONS, COVENANTS & RESTRICTIONS
HILLCREST SUBDIVISION
Phase 3

This Declaration of Annexation applies to all lots located in Hillcrest Subdivision, Phase 3, in Yamhill County, Oregon. The undersigned owner ("developer") of all the real property included in Hillcrest Subdivision, Phase 3, a Plat duly recorded on ___Aug__St___
19, 2004 at Instrument No. 2004 19064, Yamhill County Records, Oregon, hereby declares that Phase 3 of Hillcrest Subdivision is annexed to Phases 1 and 2 of Hillcrest Subdivision and all property in Phase 3 shall be subject to those Covenants, Conditions and Restrictions applicable to Phases 1 and 2 of Hillcrest Subdivision, as established by document dated December 23, 2003 and recorded on December 22, 2003 at Instrument No. 200332016 in Yamhill County Records, Oregon and re-recorded on December 23, 2003 at Instrument No. 200332164 in Yamhill County Records, Oregon. All the terms of the CC&Rs regarding Phases 1 and 2 ("original CC&Rs") shall apply to Phase 3 with the following additional limitations:

1  ACCESS EASEMENTS

The provisions of section 2.29 of the original CC&Rs shall also apply to the easements serving lots 39 and 40, and the easements serving lots 41, 42 and 43.

2  WETLANDS

The following provisions are to be added to the end of section 2 of the original CC&Rs:
2.30 Lots 46, 48 and 49 contain some wetland areas. These areas are as shown on the recorded Plat for Hillcrest Subdivision, Phase 3. The owners of Lots 46, 48 and 49 shall observe all applicable state, federal and local rules and regulations regarding such wetlands.

3 ADMINISTRATION

The CC&R’s recorded as Instrument No. 200332016 and re-recorded as Instrument No. 200332164 and the additional provisions of this Declaration shall run with the land and shall be binding upon and also benefit all persons having or acquiring a right, title or interest in Hillcrest Subdivision, Phase 3, or any part of such property and shall inure to each owner of the lots benefitted and the lot owner’s heirs, successors and assigns.

4 ENFORCEMENT

The original CC&Rs and the additional provisions of this Declaration are enforceable by owners of the benefitted properties and by Declarant so long as Declarant (or any member of Declarant) owns property which abuts any portion of Phases 1, 2 or 3 of Hillcrest Subdivision.

DATED this 5th day of August, 2004.

KHA PROPERTIES, LLC.
An Oregon Limited Liability Company

By __________________________
Manager - Howard Aster

By __________________________
Manager - Barry House

By __________________________
Manager - Raymond Kauer
STATE OF OREGON

County of Yamhill

On the 5th day of August, 2004, personally appeared Howard Aster, who, being first duly sworn, did say that he is one of the Managers of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members; and he acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon

STATE OF OREGON

County of Yamhill

On the 5th day of August, 2004, personally appeared Barry House, who, being first duly sworn, did say that he is one of the Managers of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members; and he acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon

STATE OF OREGON

County of Yamhill

On the 5th day of August, 2004, personally appeared Raymond Kauer, who, being first duly sworn, did say that he is one of the Managers of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members; and he acknowledged said instrument to be its voluntary act and deed.

Notary Public for Oregon

Before me:

Page 3/3 DECLARATION OF ANNEXATION
DECLARATION OF ANNEXATION OF CONDITIONS, COVENANTS & RESTRICTIONS
HILLCREST SUBDIVISION
Phase 4

This Declaration of Annexation applies to all lots located in Hillcrest Subdivision, Phase 4, in Yamhill County, Oregon. The undersigned owner ("developer") of all the real property included in Hillcrest Subdivision, Phase 4, a Plat duly recorded on 3-22-2005 at Instrument No. 24055656388, Yamhill County Records, Oregon, hereby declares that Phase 4 of Hillcrest Subdivision is annexed to Phases 1, 2 and 3 of Hillcrest Subdivision and all property in Phase 4 shall be subject to those Covenants, Conditions and Restrictions applicable to Phases 1, 2 and 3 of Hillcrest Subdivision, as established by document dated December 23, 2003 and recorded on December 22, 2003 at Instrument No. 200332016 in Yamhill County Records, Oregon and re-recorded on December 23, 2003 at Instrument No. 200332164 in Yamhill County Records, Oregon and by document dated August 5, 2004 and recorded on August 19, 2004 at Instrument No. 200417065, Yamhill County Records, Oregon. All the terms of the CC&Rs regarding Phases 1, 2 and 3 shall apply to Phase 4 with the following additional limitations:

1 ACCESS EASEMENTS

Lot 74 is benefited by an access easement which burdens Lot 73. Lot 75 is benefited by an access easement which burdens Lot 76. Lot 78 is benefited by an access easement which burdens Lot 77. Lot 79 is benefited by an access easement which burdens Lot 80. Lot 81 is benefited by an access easement which burdens Lot 82. The lots benefited and burdened by their respective easements shall share equally in the maintenance costs of such easements. The applicable provisions of Sections 2.29, not including the first sentence of that section, shall apply to the maintenance of the easements serving lots 74, 75, 78, 79 and 81.

2 HEIGHT RESTRICTION

All structures on lots 50, 51, 52, 53, 54, 55, 61, 62, 63, 64, 65, 66, 67, 68, 69 and 70 shall be limited to a single story and shall not contain any attic rooms or bonus rooms above the first floor. The maximum height of any structure on these lots shall be 25 feet when measured from the top of the curb at the center point of the lot's road frontage to the highest peak of the roof.

3 ADDITIONAL INFORMATION

Lot 60 will require a sewer pump, the installation of which will be the sole responsibility of the owner of such lot and not the responsibility of the developer.

Lot 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 83, 84, 85 and 86 will require water booster pumps, the installation of which will be the sole responsibility of lot owners and will not be installed by developer.
4 ADMINISTRATION

The CC&R's recorded as Instrument No. 200332016 and re-recorded as Instrument No. 200332164 and the additional CC&R's established by the Declaration of Annexation for Hillcrest Subdivision Phase 3 and recorded as Instrument No. 200417065, as well as the additional provisions of this Declaration, shall run with the land and shall be binding upon and also benefit all persons having or acquiring a right, title or interest in Hillcrest Subdivision Phase 4, or any part of such property, and shall inure to each owner of the lots benefitted and the lot owner's heirs, successors and assigns.

5 ENFORCEMENT

The original CC&R's regarding Hillcrest Subdivision Phases 1 and 2, and the additional provisions regarding Hillcrest Subdivision Phase 3, as well as the additional provisions of this Declaration, are enforceable by the owners of the benefitted properties and by Declarant so long as Declarant (or any member of Declarant) owns property which abuts any portion of Phases 1, 2, 3 or 4 of Hillcrest Subdivision.

DATED this 16th day of March, 2005

KHA PROPERTIES, LLC.
An Oregon Limited Liability Company

By: [Signature]
Manager - Howard Aster

By: [Signature]
Manager - Barry House

STATE OF OREGON  
County of Yamhill

On the 16th day of March, 2005, personally appeared Howard Aster, who, being first duly sworn, did say that he is one of the Managers of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members, and he acknowledged said instrument to be its voluntary act and deed.

Sandra L. Kinion
Notary Public for Oregon

STATE OF OREGON  
County of Yamhill

On the 16th day of March, 2005, personally appeared Barry House, who, being first duly sworn, did say that he is one of the Managers of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members; and he acknowledged said instrument to be its voluntary act and deed.

Before me:

Sandra L. Kinion
Notary Public for Oregon
DECLARATION OF ANNEXATION TO
HILLCREST SUBDIVISION COVENANTS,
CONDITIONS AND RESTRICTIONS.

AFTER RECORDING, RETURN TO:

Ray Kuenzi

DECLARATION OF ANNEXATION TO HILLCREST SUBDIVISION
COVENANTS, CONDITIONS AND RESTRICTIONS
Phase 5
(Lots 87-104)

This Declaration of Annexation applies to all lots located in Hillcrest Subdivision, Phase 5, in Yamhill County, Oregon. The undersigned owner ("developer") of all the real property included in Hillcrest Subdivision, Phase 5, a Plat duly recorded on January 4, 2007 as Instrument No. 200700155, Yamhill County Records, Oregon, hereby declares that Phase 5 of Hillcrest Subdivision is annexed to Phases 1, 2, 3 and 4 of Hillcrest Subdivision and all property in Phase 5 shall be subject to those Covenants, Conditions and Restrictions applicable to Phases 1 and 2 of Hillcrest Subdivision, as established by document dated December 23, 2003 and recorded on December 22, 2003 as Instrument No. 200332164 in Yamhill County Records, Oregon and re-recorded on December 23, 2003 as Instrument No. 200332164 in Yamhill County Records, Oregon, and shall be subject to those Covenants, Conditions and Restrictions applicable to Phase 3 of Hillcrest Subdivision, as established by document dated August 5, 2004, and recorded on August 19, 2004 as Instrument No. 200417065, and shall be subject to those Covenants, Conditions and Restrictions applicable to Phase 4 of Hillcrest Subdivision, as established by document dated March 16, 2005 and recorded on March 22, 2005 as Instrument No. 200505639. All the terms of the CC&Rs regarding Phases 1, 2, 3 and 4 ("original CC&Rs") shall apply to Phase 5 with the following additional limitations:

1. ACCESS ESEMENTS

The provisions of Section 2.29 of the original CC&Rs shall also apply to the easements serving lots 96, 97, 98 and 99.

2. ADMINISTRATION

The CC&Rs recorded as Instrument No. 200332164 and re-recorded as Instrument No. 200332164, the CC&Rs recorded as Instrument No. 200417065, the CC&Rs recorded as Instrument No. 200505639, and the additional provisions of this Declaration shall run with the land and shall be binding upon and also benefit all persons having or acquiring a right, title or interest in Hillcrest Subdivision, Phase 5, or any part of such property and shall inure to each owner of the lots benefitted and the lot owner’s heirs, successors and assigns.
3. **ENFORCEMENT**

The original CC&Rs and the additional provisions of this Declaration are enforceable by owners of the benefitted properties and by Declarant, so long as Declarant (or any member of Declarant) owns property which abuts any portion of Phases 1, 2, 3, 4 or 5 of Hillcrest Subdivision.

DATED this **8** day of **December** , 2006.

KHA PROPERTIES, LLC
An Oregon limited liability company

By **Howard Aster**, Manager

By **Barry House**, Manager

By **Raymond Kauer**, Manager

STATE OF OREGON  
) ss
County of Yamhill  
)

On the **8** day of **December** , 2006, personally appeared Howard Aster, who, being first duly sworn, did say that he is a Manager of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members; and he acknowledged said instrument to be its voluntary act and deed.

Before me

**Carol L. Ingles**
NOTARY PUBLIC FOR OREGON

STATE OF OREGON  
) ss
County of Yamhill  
)

On the **8** day of **December** , 2006, personally appeared Barry House, who, being first duly sworn, did say that he is a Manager of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members; and he acknowledged said instrument to be its voluntary act and deed.

Before me

**Carol L. Ingles**
NOTARY PUBLIC FOR OREGON
STATE OF OREGON

County of Yamhill

On the 8th day of DECEMBER, 2006 personally appeared Raymond Kauer, who, being first duly sworn, did say that he is a Manager of KHA PROPERTIES, LLC, an Oregon limited liability company, and that said instrument was signed in behalf of said company by authority of its members; and he acknowledged said instrument to be its voluntary act and deed.

Before me:

[Stamp and Seal]
MARY L DENSON
NOTARY PUBLIC FOR OREGON