COVER SHEET FOR RECORDING ATTACHED DOCUMENT

NAMES OF TRANSACTIONS	DECLARATION OF PROTECTIVE COVENANTS, CONDITIONS AND RESTRICTIONS FOR MEADOWRIDGE AT TIMBERHILL – PHASE I (AND PHASES II, III, AND IV, IF ANNEXED) (WITH SPECIFIC RESTRICTIONS ON PHASE II, IF ANNEXED) CORVALLIS, BENTON COUNTY, OREGON
NAMES OF PARTIES	TIMBERHILL CORPORATION AND THE MEADOWRIDGE AT TIMBERHILL – PHASE I CORVALLIS, BENTON COUNTY, OREGON
DOCUMENT TO BE RETURNED TO	THOMAS L. BLACK ATTORNEY AT LAW WEATHERFORD, THOMPSON, COWGILL, BLACK & SCHULTZ, P.C. PO BOX 667 ALBANY, OREGON 97321-0219
TRUE AND ACTUAL CONSIDERATION	NONE
UNTIL A CHANGE IS REQUESTED, ALL TAX STATEMENTS SHALL BE SENT TO	TIMBERHILL CORPORATION 2725 NW WALNUT BLVD CORVALLIS, OREGON 97330

DECLARATION
OF
PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR
MEADOWRIDGE AT TIMBERHILL
PHASE I-IV
CORVALLIS
BENTON COUNTY, OREGON

TABLE OF CONTENTS

DECLARATION OF

PROTECTIVE COVENANTS, CONDITIONS, AND RESTRICTIONS

FOR

MEADOWRIDGE AT TIMBERHILL-PHASES I-IV

CORVALLIS, BENTON COUNTY, OREGON

THIS DECLARATION, made on the date hereinafter set forth by the undersigned, hereinafter referred to as "Declarant":

WHEREAS, Declarant are all of the owners of certain real property described in Exhibit "A" attached hereto (the "Property") in the City of Corvallis, County of Benton, State of Oregon, hereinafter referred to as "Property," more particularly described in the plat of MEADOWRIDGE AT TIMBERHILL filed in the Plat Records, Benton County, Oregon; and

WHEREAS, Declarant desires to subject the Property to certain protective covenants, conditions, restrictions, reservations, easements, liens and charges for the benefit of the Property, (hereafter sometimes referred to as "CCRs") and its present and subsequent owners as hereinafter specified, and will convey the Property subject thereto:

NOW, THEREFORE, Declarant hereby declares that all of the Property is and shall be held and conveyed upon and subject to the easements, conditions, covenants, restrictions and reservations hereinafter set forth; and subject to the Oregon Planned Communities Act, all of which are for the purpose of enhancing and protecting the value, desirability and attractiveness of the Property. These easements, covenants, restrictions, conditions and reservations shall constitute covenants to run with the land and shall be binding upon all persons claiming under them and also that these conditions, covenants, restrictions, easements and reservations shall inure to the benefit of and be limitations upon all future owners of the Property, or any interest therein.

ARTICLE I
DEFINITIONS

Whenever used in this Declaration, the following terms shall have the following meanings:

1. "Common Area" shall mean all real property, and appurtenances thereto, now or hereinafter owned by Meadowridge Home Owners Association and the city for the common use and enjoyment of all owners of lots in Meadowridge as designated as Tract A thru R in the final plat map.

2. “Conditions of Approval” or “C.O.A.” means the Detailed Development Plan dated April 13, 2001 issued by the Corvallis Planning Department (the “City”).

3. "Declarant" shall mean and refer to the undersigned, its successors, heirs, and assigns, if such successors, heirs, or assigns should acquire more than one undeveloped lot from the Declarant for the purpose of development.

4. "Dwelling Unit" and "Garage" shall include both the main portion of any structure intended to be occupied by one family as a dwelling and all projections therefrom but shall not include the eaves of such structures, nor uncovered front porches or steps.

5. "Streetscape" shall refer to those common areas designated as J, M, O, P, Q and a portion of K.

6. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the Property, including annexed additions thereto, with the exception of public ownership.

7. "Public Easements" shall mean and refer to that portion of property indicated as easement on the final plat on which no structure may be built and has been placed on the property at the request of the City so they may have access to this property should the need arise. Property owners with easements may landscape, build fences, install driveways, and perform similar acts, except with respect to drainage ways, and subject to the right of the City of Corvallis to disturb such property for necessary improvements and maintenance, and further subject to the City's obligation to restore it to its original condition.

8. "Private Easements" shall mean side yard easements [, if any, as platted] used for installation of house sewers or storm drains to service adjacent (upper) lots. Owners of these adjacent (upper) lots have rights of access for maintenance and repair, and must restore landscape features and fences to the original condition. Owners of lots with private easements are responsible to repair any damage to the sewers or drains caused by their construction, landscaping, or maintenance.

9. "Mortgage" shall mean and refer to any mortgage, contract of sale or deed of trust, and "Mortgagee" shall refer to the mortgagee, contract seller, or beneficiary under a deed of trust.

10. "Owner" shall mean and refer to the record owner (or if a lot is being sold on a land sale contract, then the contract purchaser) whether one or more persons or entities, of all or any part of said Property, excluding those having such interest merely as security for the performance of an obligation, and excluding the general public and City of Corvallis as owners of any streets, tracts, rights-of-way or easements.

11. "Property" shall mean and refer to that certain real property hereinbefore described, and such additions thereto as may hereinafter be brought within the coverage of this Declaration by supplemental declarations and plat submitting additional property to the terms of this Declaration. Such property shall be regarded as a Class I or Class II Planned Community within the mean of the Oregon Planned Communities Act. (ORS §§ 94.550 – 94.785).

12. "Set Back" means the minimum distance between the dwelling unit or other structure referred to and a given street or road or lot line.

13. "MR" means Meadowridge at Timberhill, Phases I-IV and shall mean all property including all lots and Open Areas, together with any additional property that may be platted, or by means of Supplemental Declaration and Plats.

14. "ARC" shall mean the Architectural Review Committee described in Article III.

15. "HOA" (or "Association") shall mean the Meadowridge at Timberhill Homeowners Association, an association operating under the laws of the State of Oregon, and its successors and assigns.

ARTICLE II
MEMBERSHIP AND ORGANIZATION

Section 1. Membership. Every person or entity who is a record Owner (including contract sellers) of a fee or undivided fee interest in any Dwelling Unit or any Lot located upon any part of said Property shall, by virtue of such ownership, be a Member of the Association. The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. Membership shall be appurtenant to and may not be separated from ownership of any such Dwelling Unit or Lot made subject to the jurisdiction of the Association. Such ownership shall be the sole qualification for membership, and shall automatically commence upon a person becoming such Owner, and shall automatically terminate and lapse when such ownership shall terminate or be transferred.

Section 2. Organization. The HOA shall initially be a nonprofit, unincorporated association. Within three months after filing of these CCRs, but not later than upon the sale of the first lot, Declarant will incorporate the HOA as an Oregon nonprofit corporation. The

Bylaws shall be subject to this Declaration, and provide for the number of officers and directors, the annual meeting requirements, and other operational matters, and shall be recorded in Benton County.

ARTICE III
VOTING RIGHTS

Section 1. Voting. The association shall have one class of voting membership:

Each owner shall be entitled to one vote for each Dwelling Unit or Lot in which they hold the interest required for membership by Article II. Declarant shall hold 75% of all votes, irrespective of the number of Lots sold by Declarant, until it has sold all Dwelling Units or Lots, or if earlier, upon the expiration of Declarant's right to annex additional phases to this Declaration, or upon waiver described below. When more than one person holds such interest in any Dwelling Unit or Lot, all such persons shall be Members. The vote for such Dwelling Unit or Lot shall be exercised as they among themselves determine, or if unable to agree, they may cast fractional votes proportionate to their ownership interests, but in no event shall more than one vote be cast with respect to any one Dwelling Unit or Lot. The vote applicable to any Lot being sold under a contract of purchase shall be exercised by the contract vendor unless the contract expressly provides otherwise.

Voting rights with respect to amendment of these CCRs are described in Section 3 of Article X.

Section 2. Subsequent Phases. The HOA shall including all Property, and without limitation, additional Lots (Phases) shall be subject to this Declaration as and when added.

Section 3. Turnover. Declarant reserves the right to waive, in writing, its extraordinary voting rights at any time, or to release such voting rights to a lesser percentage if so stated in the waiver. Upon such written waiver, unless otherwise stated, Declarant will be entitled to the same voting rights as any owner (one vote per Lot or Dwelling Unit) and Declarant will withdraw from active participation in the HOA, provided however, Declarant's waiver of general voting rights shall not waive Declarant's right to approve any amendments to this Declaration as stated in Article X unless specified by such waiver. Declarant shall assist in planning such turnover in accordance with provisions of the Oregon Planned Community Act.

ARTICLE IV
PROPERTY RIGHTS

Section 1. Members' Easement of Enjoyment. Every Member of the HOA shall have a right and easement of enjoyment in and to the Common Area, and such easement shall be appurtenant to and shall pass with the title to every Lot; subject, however, to the following provisions:

(a) The right of the Association to suspend any Member's voting rights for any period during which any assessments against the Member's Property remains unpaid; and for a period not to exceed thirty (30) days for each infraction of its rules and regulations; and

(b) The right of the Association to promulgate reasonable rules and regulations governing such rights of use, from time to time, in the interest of securing maximum safe usage of the Common Area by the Members of the Association without unduly infringing upon the privacy or enjoyment of the Owner or occupant of any Dwelling Unit, including, without limitation, rules restricting persons under or over designated ages from using certain portions of such Property during certain times.

Section 2. Delegation of Use. Any Member may delegate, in accordance with the Rules and Regulations adopted from time to time by the Association, his or her right of enjoyment to the Common Area to his or her family, tenants, or contract purchasers, providing they reside on the Property.

ARTICLE V
OPEN AREAS AND STREETSCAPE

Section 1. Tract A thru R. Open space areas A thru R are dedicated to the "HOA" with portions dedicated to the City for drainage ways, walkways, and storm water detention facilities.

Section 2. Streetscapes. If Phase II is undertaken, Tracts J, M, O, P, Q, and a 25' wide portion adjacent to 29th Street of K, are designated streetscapes. These areas shall be maintained as mown and irrigated turf and deciduous shade trees. A landscape plan for establishment and continued maintenance has been prepared by the Developer and approved by the City. Alterations in the plan must be approved by the HOA and the City.

Section 3. Open Space Conservation Tracts. The Open Space-Conservation Tracts are Tracts C, F, G, H, and K; and Tracts A, B, D, E, and G. These tracts shall be retained in a natural manner. There shall be long-term maintenance activities to remove non-native and invasive species such as blackberries and scotch broom. Existing vegetation will be maintained for the well-being of the resource and safety of residents. These tracts shall not be used for landscaped features or equipment such as gardens, composting, lawns, hot tubs, play structures, sheds, or for dumping debris of any type including yard and animal waste.

Section 4. Open Space and Storm Water Detention Facilities in Area D. These areas, most of which are dedicated to the City, will remain the responsibility of the HOA to maintain as a safety issue under the C.O.A., via a maintenance easement that the City shall grant the HOA in conjunction with the dedication of the deeded areas. The grass/tree landscape treatment will require frequent mowing to keep blackberries, Scotch Broom, and other weedy species from establishing themselves in this area. Frequent mowing, weed removal, and general maintenance is essential to maintaining visibility into the pond areas and minimizing safety issues for children and others.

Section 5. Drainage Ways. Portions of Tract, A, B, C, D, E, F, G, H, K, R have been dedicated to the City as drainage ways. A maintenance easement has been granted to HOA for these areas.

Section 6. Natural Preservation Plan. A natural feature preservation plan has been developed by a certified arborist and landscape architect and is filed with the Corvallis Community Development director. The plan identifies measures required to protect significant vegetation within the open space conservation areas. In addition to measures taken during street construction, certain trees with their trunk base in the open space conservation area that have canopy drip lines that hang over private lots have been identified and located by survey. These trees are deemed to be significant and are protected from development and future activities on the private lots. The natural features preservation plan identifies these trees by location of trunk, diameter, drip line, species, and size. Certain lots will have one or more of the protected trees canopy zones within private areas. The trees and their canopy zones will be shown on each lot development plan filed with the city for building permits and with the ARC for approvals. The tree canopy zone shall be protected by construction fence during any grading activities. The canopy zone of these protected trees shall not be trenched for irrigation piping or the soil grade altered. Non-irrigated landscaping and turf can be installed in the drip zones of the protected tree. (See preservation plan for lots with protected trees in adjacent open space areas Conditions of Approval 15)

Section 7. Landscape Plan. A landscape plan has been prepared by a landscape architect for the public streetscapes and the private common landscape areas. This plan is on file with the Corvallis Community Development director and the ARC. Certain areas on private lots where cuts and fills from street construction are to be planted and maintained by the HOA (the developer) for an establishment period of at least five years. These areas shall continue to be maintained with the established vegetative cover and in compliance with the landscape plan by the HOA (condition of approval 3B). The landscaped and irrigated common areas shall be maintained by the HOA permanently, including planting and replacement of street trees. The natural common areas shall be maintained by the HOA in compliance with conditions of subdivision approval (condition of approval 3A). The storm water detention facilities area shall be maintained by the HOA in compliance with the Conditions of Approval (Condition of Approval 3C).

Section 8. Sale of Common Area. The HOA may not sell or encumber the Common Area or easement thereto.

Section 9. Building Provisions and Limitations Affecting Lot Development.

(a) (Stepped (or tiered) Foundation). Where an architectural elevation of any side of a structure exceeds 30 feet from the adjacent ground to the uppermost eave, a stepped foundation shall be utilized. A stepped foundation shall be where there is at least one vertical change in the building's foundation that is a minimum of 4.5 feet high and where the width of one of the tiers is at least 25% of the width of the structure (measured generally in the direction of the dominant slope but square with the building).

(b) (Tall Building Elevations). On elevations that exceed an average of 30 feet high as measured from the adjacent ground to the highest eave, a 4-foot building offset along the vertical face of the elevation shall occur at least once every 30 feet. The 4-foot building offset shall be as described in the Land Development Code (LDC), RS-9 District, Section 3.5.30.02b, except the off-set is 4 feet instead of 8 feet. The required offsets include mid-level roof extensions or other extensions or recesses in the building as described by the LDC. These offsets and extensions, however, do not need to extend the full height of the structure; they can be limited to half the height of the elevation (Note: the LDC building height limit for this district is 30", however, the downhill side of a building can be over 40 feet tall as seen in the City's Land Development Code and the State Building Code's height definition. Reference C.O.A. Attachment H). On the specific lots noted below, and on the building elevation that is the low side of the structure where the height of the elevation from ground to highest eave is more than 20 feet, then the elevation shall have a balcony, arbor, mid-level roof projection or a deck. This provision applies to Lots 31 to 46, 50, 51, 52, 55, 56, 57, 73, 76, 77 to 82, 86, 87, 88 and 90 to 93.

(c) (Garages on Uphill Lots). On specific lots that are above the street elevation and are listed below, garages shall be tucked into the hillside with at least 50% of the floor area within the cut portion of the hill or, garages shall be located behind the main structure (affected lots are 1, 2, 11, 12, 39, 41, 47, 48, 52, 62, 74, and 75).

(d) (Special Building Height Limit for Lots 1, 2, 47, 48, and 49). To improve views from the open space park and Open Space-Conservation areas east of the site and to provide an improved transition between these open lands and the proposed subdivision, the following is required:

(i) Structures on Lots 1 and 49 shall be restricted to one story in height;

(ii) Structures on Lot 2 shall have a building height limit not to exceed an elevation of 546 feet above mean sea level (msl). The 546 foot measuring point is a point ½ way between the roof eave and the highest ridge line;

(iii) Structures on Lot 47 shall have a building height limit not to exceed an elevation of 500 feet (msl). The 500 foot measure point is a point on the highest roof ridge line.

(iv) Structures on Lot 48 shall have a building height limit not to exceed an elevation of 500 feet (msl). The 500 foot measure point is a point on the highest roof ridge line, and

(v) Dwellings on Lots 1, 2, 47, 48, and 49 shall have hip roofs.

The above provisions shall be noted on applicable deeds as deed restrictions.

Section 10. Grading Provisions and Limitations Affecting Lot Development. The following provisions and limitations shall apply to both Phase I (and Phase II development if undertaken):

(a) (Cuts and Fills (8 foot height standard)). Structures and on-site improvements shall be designed to fit the natural contours of the site by minimizing cuts and fills. Cuts and fills shall be considered to be minimized by not exceeding 8 vertical feet for an individual cut or fill and not exceeding 16 vertical feet for a combination of cuts and/or fills. The maximum cut or fill used to establish any driveway shall not exceed 8 vertical feet, except that overall vertical heights of these cuts or fills may exceed 8 feet where existing slopes on a site exceed 15 percent. In these cases, an overall maximum vertical height of 14 feet may be achieved by use of more than one cut or fill, provided that a minimum 5-foot wide planted bench, at 4:1 maximum slope, is constructed between the two cuts or fills (excepting that improvements such as sidewalks, stairs, patios, etc.) that cross the bench are not planted (see Attachments I1, I-2 and I-4 of C.O.R.). In addition any cut or fill shall not obstruct the sight distance standard (see Land Development Code) where driveways intersect public streets.

(b) (Alternate Cut and Fill Provision). (12-foot height standard, 30 feet at grade protection) The applicant may utilize the 12 foot total height standard for cuts and fills shown in the section on Attachment I-3 of the C.O.R. and if in compliance with the applicable portions of the following provisions.

(i) The width of a property owner's cut or fill (i.e., exempts road cuts and fills) can not exceed the width of the dwelling;

(ii) No portion of a rear yard cut or fill shall be within 4 feet of the rear property line unless it is a cut or fill associated with a road;

(iii) (Front Yard). Each lot can have one 8 foot maximum cut or fill in the front yard (includes street cut or fill). Also, the 8 foot height can be accomplished by using more than one wall;

(iv) (Back Yard). Each lot abutting another back yard can have one 8 foot maximum cut or fill in the back yard. Note: Conditions (iii) and (iv) combine to permit a single lot to have two cuts or two fills, or one of each (see Attachment I-2 of C.O.R.);

(v) The front yard cut or fill height is measured from the property side of the sidewalk;

(vi) On Flag lots or other lots that do not abut the street for at least $1/4^{th}$ the width of the lot, a fill is measured from the at-grade toe of the slope or bottom of retaining wall to the surface of the level area and a cut is measured from the top of the fill or retaining wall to the surface of the level area.

(vii) (Protection of Open Space at Natural Grade). The 8 foot maximum cut or fill can be extended to 12 feet if the 12 foot height includes at lease one offset. The offset shall be at least 4 feet wide (maximum slope for the offset / tier is 4:1), and a 30-foot wide open space at natural grade shall be preserved between the property rear line and any change in grade. Where this 30-foot open space contains significant trees, these trees shall be noted as protected trees on the site plan required as part of building permit approval.

(viii) (Through Lot Cut/Fill Provisions). In a typical back yard abutting back yard scenario, there are 4 possible 8 foot high cut/fill situations between two parallel roads. With a through lot, there are 3 possible 8 foot high cut/fill situations between two parallel roads. These lots permit an 8 foot maximum road cut and an 8 foot maximum road fill, plus a property owner discretionary 8 foot maximum cut or fill. However, the discretionary cut or fill shall not extend into the required 20 foot deep through lot landscape buffer area (see Attachment 1-4 of the C.O.R.). In addition, a through lot can also use the 12 foot high, open space at natural grade option where the 30 feet of protected area does not include any street or on site change in grade areas.

(d) (Grading Plan & Section Submittal). Concurrent with requests for building permits, a lot grading plan is required. This plan shall include existing and proposed contours that are easy to distinguish, are labeled clearly with appropriate elevations, and the contour information needs to extend at least 20 feet beyond the property lines if the cut or fill area is within 20 feet of a property line. The grading plan shall note all retaining walls and cut or fill slopes. Also, a section through the impacted area on the lot (including through the building, the yard where grading is to occur, though retaining walls and through the driveway area shall be provided to illustrate the grading plan. The section(s) shall note the existing and proposed slopes and elevations of lower floors of the dwelling. The City may request additional sections if needed to verify requirements have been satisfied. In addition, where there are existing significant trees, these shall be noted.

(e) (Final Plat Requirement). The above provisions and limitations shall be noted in the deeds and restrictions for this site.

Section 11. Trail Maintenance. Certain trails specified in the C.O.A. (paragraphs 26, 27, 28) have the following limitations and responsibilities:

(a) (Trails F and H (C.O.A. Attachment L-51). These trails shall be 5 feet wide paved public trails with a blacktop surface meeting City construction specifications. The trails, and an area 5 feet on either side, shall be dedicated to and maintained by the City. However, the H.O.A. is responsible for removal of brush within the 15 foot wide dedicated area. A public access easement shall be established to allow access along these trails.

(b) (Trails D and E). Trail D shall be a 5 foot wide concrete trail located in the middle of the pond access drive meeting City construction specifications. Trail E

shall be the gravel access drive. Trail E shall only be constructed if the drainage ponds are constructed and the trail avoids interruptions of existing surface drainage patterns. These trails will be owned and maintained by the City, however, the H.O.A. is responsible for removal of brush within the gravel drive area.

(c) (Trails A, B, C, G, I, J, K, and L). These trails shall be 5 feet wide paved trails with a blacktop surface and shall be owned and maintained by the H.O.A. and meeting City construction specifications. These trails shall be located in a 15 foot wide public access easement. Trail L, adjacent to the private drive, shall be raised above the drive and separated from it by a standard curb and shall be signed for public access. The deeds for lots 45, 46, 71 and 72 shall note the trail access provision adjacent to their lots and Trail A will be located within the dedicated street- right-of-way separating lots 71 and 72. All trails (trails A through L) shall be constructed concurrent with public improvements. A public access easement shall be established to allow access along these trails.

ARTICLE VI
COVENANT FOR MAINTENANCE ASSESSMENT

Section 1. Creation of the Lien and Personal Obligation of Assessments. The Declarant hereby covenants for all of said Property (including without limitation, subsequent Phases), and each Owner of any Dwelling Unit or lot by acceptance of a deed or contract of purchase therefore (other than Declarant), whether or not it shall be so expressed in any such deed or other conveyance or agreement for conveyance, is deemed to covenant and agree to pay to the Association: (1) Regular annual or other regular periodic assessments or charges; (2) Special assessments for capital improvements or reserve funds; and (3) Special assessments with respect to certain lots and dwelling units ("Private Assessment"). Such assessments shall be fixed, established, and collected from time to time as hereinafter provided. The regular and special assessments, together with such interest thereon and costs of collection thereof, shall be a charge on the land and shall be a continuing lien upon the Property against which each such assessment is made. Each such assessment, together with such interest, costs and reasonable attorney's fees, shall also be the personal obligation of the person who was the Owner of such Property at the time such assessment was levied. The obligation shall remain a lien on the Property until paid or foreclosed, and shall be a personal obligation of successors in title, and shall be diligently enforced by the H.O.A.

Section 2. Purpose of Assessments. The assessments levied by the Association shall be used exclusively for the purpose of promoting the recreation, health, safety, and welfare of the residents in said Property, or in particular sets of lots and dwelling units, and for the improvement and maintenance of the Common Area, the services and facilities devoted to these purposes and related to the use and enjoyment of these areas, including, without limitation, the payment of taxes (if not assessed against the Lot Owners) and insurance on all or any part of said Common Area.

Section 3. Annual Assessments. Regular and special assessments shall be made by the Association, and initially established by the Declarant, and shall be payable in equal monthly,

quarterly, or annual amounts (as decided by the HOA) from each Lot or Dwelling Unit, other than those held by Declarant, and shall be made for the following:

(a) Open area and streetscape maintenance described in Article V;

(b) A policy or policies for all-risk insurance including (i) fire and hazard insurance; (ii) liability insurance of not less than $1 million per occurrence for bodily injury and Property damage, and (iii) when and if approved by the association, a fidelity bond, for the Board of Directors and Officers of the Association;

(c) Maintenance of open space and landscape regarding the storm drain system, water detention pond, and anticipated capital expenditures, if any; and

(d) Private Assessments as described below.

(e) Assessments to establish reserve funds for capital improvements or replacements.

(f) Assessments to provide for the expense of the H.O.A., including administrative expense, and the costs of any H.O.A. management or other professional service providers or advisors, or assessment and collection agents.

(g) Any deficit in expenses for any prior period.

(h) Any other items chargeable as an expense of the H.O.A.

Assessments, other than Private Assessments, shall be at a uniform, flat rate for all Lots and Dwelling Units subject to assessment.

Section 4. Private Assessments. Special assessments shall be made on certain lots, and assessed only against such lots equally, as follows:

(a) Lots and Dwelling Units that are contiguous to a private street as platted shall be assessed for the maintenance of such street and its lighting.

(b) Owners of Lots and Dwelling Units that share a common driveway shall provide their own maintenance of such driveway as they shall agree, provided, however, the HOA shall have the right to institute such maintenance and assessment.

Section 5. Date of Commencement of Annual Assessments: Due Dates. All Dwelling Units and all Lots shall be subject to the assessments provided for herein on the first day of the month following the date the Owner takes title. The first regular assessment, and assessments in additional Phases, shall be adjusted according to the number of months remaining in the calendar year.

Section 6. Effect of Nonpayment of Assessments: Remedies of the Association. Any assessments which are not paid when due shall be delinquent. If the assessment is not paid within thirty (30) days after the due date, the assessment shall bear interest from the date of delinquency at the rate of six percent (6%) per annum. The Association shall file in the office of the Director of Records, County Clerk or appropriate record of conveyances of Benton County, State of Oregon, within ten (10) days after delinquency, a statement of the amount of any such charges or assessments, together with interest as aforesaid, which have become delinquent with respect to any Dwelling Unit or Lot on said Property, and upon payment in full thereof, shall execute and file a proper release of the lien securing the same. The aggregate amount of such assessments, together with interest, costs and expenses and a reasonable attorney's fee for the filing and enforcement thereof, shall constitute a lien on the whole Dwelling Unit or Lot with respect to which it is fixed from the date the note of delinquency thereof is filed in the office of said Director of Records or County Clerk, or other appropriate recording office, until the same has been paid or released as herein provided. Such lien may be enforced by the Association in the manner provided by law with respect to liens upon real Property. The Owner of said Property at the time said assessment is levied shall be personally liable for the expenses, costs and disbursements, including reasonable attorney's fees of the Declarant or of the Association, as the case may be, of processing and if necessary, enforcing such liens, all of which expense, costs and disbursements and attorney's fees shall be secured by said lien, including fees on appeal, and such Owner at the time such assessment is levied, shall also be liable for any deficiency remaining unpaid after any foreclosure sale. No Owner may waive or otherwise escape liability for the assessments provided for herein by non-use of the Common Areas or abandonment of the Dwelling Unit or Lot.

Section 7. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be inferior, junior and subordinate to the lien of all mortgages and trust deeds now or hereafter placed upon said Property or any part thereof. Sale or transfer of any Dwelling Unit or Lot, or any other part of said Property shall not affect the assessment lien. However, the sale or transfer of any Dwelling Unit or Lot which is subject to any mortgage, pursuant to a decree of foreclosure under such mortgage or any proceeding in lieu of foreclosure thereof, shall extinguish the lien of such assessments as to amounts thereof which became due prior to such sale or transfer; and such lien shall attach to the net proceeds of sale, if any, remaining after such mortgages and other prior liens and charges have been satisfied. No sale or transfer shall relieve such Dwelling Unit or Lot from liability or any assessments thereafter becoming due or from the lien thereof.

Section 8. Exempt Property. The following Property subject to this Declaration shall be exempt from the assessments created herein; (a) all properties expressly dedicated to and accepted by a local public authority; (b) all Common Area owned by the Association; and (c) Property owned by the Declarant prior to the time a Dwelling Unit or other business is constructed thereon and occupied. However, no land or improvements devoted to dwelling use shall be exempt from said assessments.

Section 9. Reserve Account. To the extent deemed necessary by the HOA, a reserve account for the HOA shall be established in compliance with the Oregon Planned Community Act.

ARTICLE VII
ASSOCIATION GOVERNANCE

Except as otherwise stated herein, all decisions of the Association shall be made by approval of a majority of votes of Owner's entitled to vote as described in Article III. The HOA shall have all powers enumerated in the Oregon Planned Community Act except those specifically limited by this Declaration.

ARTICLE VIII
ARC

Section 1. Purpose. It is desirable to maintain uniform standards of design, quality of workmanship and landscaping for the homes to be built and maintained in Meadowridge Phase I-IV. Uniform standards of design, quality of workmanship and landscaping protect the interests of each owner in maintaining and increasing the value and enjoyment of that owner's lot. It is not, however, feasible to set forth a comprehensive list of requirements for constructing and maintaining homes in this development. An ARC is therefore established, the purpose of which is to review and approve the design and quality of workmanship of homes, landscaping and minor structures, including fences and gates and retaining walls to be built in Meadowridge at Timberhill. The ARC will make determinations based on compliance with the C.O.A. including but not limited to those stated in Article V regarding Building and Grading Limitations, and the following policy guidelines, as well as the specific restrictive covenants set forth in this declaration. ARC will charge a fee of $200.00 to be paid for professional review with each application.

Section 2. Policy Guidelines.

(a) The nature of the Property lends itself to quality design and constructed homes, constructed by builders who have demonstrated their ability and willingness to design and construct quality homes.

(b) It is of benefit to each owner that each lot in the development be developed with a home as soon as reasonably possible.

(c) That compatibility of construction, styles, and construction materials is desired to maintain the quality of the development.

(d) That well-landscaped lots will add significantly to the value of each and every owner's interest in lots in the development.

(e) That unusual fences, outbuildings and other additions may tend to detract from the enjoyment and the value of each owner's interest in his or her lot.

(f) That it is desirable to preserve as much of each lot owner's view as is reasonably possible under the circumstances.

(g) It is the intent and purpose of this declaration to ensure the harmony of external design of proposed improvements with the existing environment, and as to the location with respect to topography and finished grade elevations.

(h) The ARC may, at its sole discretion, withhold consent to any proposed work if the Committee finds the proposed work would be inappropriate for the particular lot or incompatible with the design standards that the Committee intends for any of the Phases of Meadowridge. Considerations such as siding, shapes, size, color, design, height, solar access, impairment of the view from other lots within any of the Phases, or other effects on the enjoyment of other lots or the common area, disturbance of existing terrain and vegetation and any other factor which the Committee reasonably believes to be relevant, may be taken into account by the Committee in determining whether or not to consent to any proposed work.

(i) It is inappropriate to place or construct on any lot a "manufactured home," "mobile home" or any home or building which is constructed "off site" on the lot upon which it is to be placed.

(j) The ARC shall issue other, detailed guidelines as specified by the requirements of the Conditions of Approval.

Section 3. The Committee. The ARC shall be composed of a minimum of three members. The initial membership shall be appointed by Declarant. Approval of building plans shall require two members' signatures.

At a time when all lots have been sold, the Meadowridge HOA shall elect members to replace those appointed by the Developer. The Meadowridge HOA shall continue the ARC.

Section 4. Approval. Construction may not begin on building, landscaping, or exterior remodeling of any home, outbuilding, or fence unless a request for approval has been submitted to the ARC and has been approved in writing by a majority of the Committee. Requests for approval of exterior remodeling shall contain a copy of the plans and specifications. A request for approval of any landscaping plans shall contain a drawn plan to scale of proposed landscaping. Requests for approval prior to construction of any home or outbuilding must contain the following:

(a) Completion of an Architectural Review Application form provided by the ARC.

(b) A full set of scaled construction drawings, a reduced set of "8 ½ by 11" drawings for filing records and an electronic set of plans on CD. Plans submitted shall comply with all subdivision conditions for that individual lot, (See Meadowridge Conditions of Approval) and all City requirements.

(c) Statement that the C.O.A. requirements are addressed with respect to such lot.

Section 5. Liability. Neither Declarant, the ARC 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.

Section 6. Effective Period of Consent. The ARC's consent to any proposed improvement shall automatically be revoked one (1) year after issuance unless construction of the improvement has been commenced or the owner has applied for and received an extension of time from the Committee.

Section 7. Approval Form.

(a) Within thirty (30) working days after written request is delivered to the ARC by any owner, the Committee shall provide such owner with an approval form executed by a member of the Committee and acknowledged, certifying with respect to any lot owned by the owner, that as of the date thereof, either: (i) all improvements proposed upon or within such lots by the owner comply with this declaration, or (ii) such proposed improvements do not so comply, in which event the form shall also identify the noncomplying improvements and set forth with particularity the nature of such noncompliance.

(b) Approval by the ARC is conditional on the Owner obtaining appropriate lot grading plan and building permits, and a declaration by the Owner that all requirements of the C.O.A. have been satisfied with respect to such lot.

Section 8. Judicial Review. All decisions of the ARC shall be final and conclusive, and shall not be subject to appeal and judicial review except in cases of fraud, bad faith, or failure to follow the procedures set forth herein.

ARTICLE IX
SPECIFIC PROPERTY USE RESTRICTIONS

Section 1. Residential Use. Lots shall only be used for single-family residential purposes. Except with the consent of the HOA, no trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service or business be kept or stored on any lot. Nothing in this paragraph shall be deemed to prohibit (a) activities relating to the rental or sale of dwelling units, (b) the right of Declarant or any contract or homebuilder to construct dwelling units on any lot, to store construction materials and equipment on such lots in the normal course of construction, and to use any dwelling unit as a sales or rental office or model home for purposes of sales or rental in the Property, and (c) the right of the Owner of a lot to maintain his or her professional personal library, keep personal business or professional records or accounts, handle personal business or professional telephone calls or confer with business or professional associates, clients or customers, in the dwelling unit. The HOA shall not

approve commercial activities otherwise prohibited by this paragraph unless the HOA determines that only normal residential activities would be observable outside of the dwelling unit and that the activities would not be in violation of applicable City of Corvallis ordinances.

Section 2. Signs. Unless written approval is first obtained from the HOA, no sign of any kind shall be displayed to public view on any building or building site on the property except one professional sign of not more than five square feet of surface advertising the property for sale or rent, or signs used by the developer to advertise the property during the construction and sales period including an entry signs(s) permanently placed at the entrance by the Declarant. If a property is sold or rented, any sign relating thereto shall be removed immediately, except that the owners or their agent may post a "Sold" sign for a reasonable period following a sale.

Section 3. Animals. No animals, livestock or poultry of any kind shall be raised, bred, or kept on any part of said property except dogs, cats, or other household pets provided that such household pets are not kept, bred or maintained for any commercial purposes. Any inconvenience, damage or unpleasantness caused by such pets shall be the responsibility of the respective owners thereof. No dog shall be permitted to roam the Property unattended, and all dogs shall be kept on a leash while outside a lot. An Owner or resident may be required to remove a pet upon receipt of the third notice in writing from the HOA of violations of any rules, regulation or restriction governing pets within the Property.

Section 4. Waste. No lot or part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal and out of public view. Yard rakings, dirt and other material resulting from landscaping work shall not be dumped onto streets, Common Areas, Common Maintenance Areas or on any lots. Should any Owner fail to remove any trash, rubbish, garbage, yard rakings or any such materials from any lot, any street, Common Maintenance Area or Common Area where deposited by Owner within ten (10) days following the date on which notice is mailed to Owner by the HOA, the HOA may have such materials removed and charge the expense of such removal to the Owner.

Section 5. Offensive Conditions. No noxious or offensive or unsightly conditions shall be permitted upon any part of said property, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.

Section 6. Other Occupancies. No trailer, camper-truck, tent, recreational vehicle (R.V.), garage, barn, shack, or other outbuilding shall at any time be used as a residence, temporarily or permanently, on any part of the Property.

Section 7. Parking.

(a) Parking of commercial vehicles, boats, trailers, motorcycles, trucks, or other equipment of a type not normally used for family transportation shall not be allowed on any part of the property nor on public ways adjacent thereto except only within the confines of an enclosed garage and no portion of the same may project beyond

the enclosed area. The term “of a type not normally used for family transportation" includes campers, other vehicles, and other equipment primarily used for camping, recreation, or overnight accommodations.

(b) No Owner shall permit any vehicle which is in an extreme state of disrepair or which is not highway operable and currently licensed to be abandoned or to remain parked upon any lot or on the Common Area or on any street for a period in excess of forty-eight (48) hours. A vehicle shall be deemed in an "extreme state of disrepair" when the HOA reasonably determines that its presence offends the occupants of the neighborhood. Should any Owner fail to remove such vehicle within five (5) days following the date on which notice is mailed to him by the HOA, the HOA may have the vehicle removed from the Property and charge the expense of such removal to the Owner.

Section 8. Maintenance. Each Owner shall be responsible for maintaining and keeping in good order the condition and repair of the exterior of that Owner's dwelling unit, of the lot, and of the landscaping on the lot. Each Owner shall ensure that no tree, shrub, or landscaping unreasonably interferes with the view of other lot owners. In the event that any owner fails to comply with the condition of this paragraph, in addition to any other remedies, the HOA may perform the required maintenance and bring legal action against the owner of the lot to recover the cost of the maintenance performed.

Section 9. Insurance. Each Owner shall maintain a suitable policy of casualty and liability insurance upon his or her dwelling and lot. In the event that any house, outbuilding, or fence is damaged through casualty loss, each Owner shall repair and restore such property as soon as it is reasonably practical under the circumstances but not in any event to exceed one (1) year from the date of loss.

Section 10. Landscaping. Each Owner shall maintain the grass, shrubs, trees, and other landscaping on the lot in good condition. Owners shall submit a landscape plan for approval by the ARC. The plan shall indicate:

(a) Location of all native trees to be preserved.

(b) All native tree species diameter at 4 ft. above ground (DBH) and the drip line shall be accurately indicated on the plan. (See Conditions of Approval 6 A and 41)

(c) All major shade trees proposed shall be indicated including species, locations, caliper at planting and expected height at maturity. (See Conditions of Approval 6 B and 41)

(d) All required screening plantings. (See Conditions of Approval 43)

(e) On cut or fill slopes of 2:1 ratio (run to rise) erosion resistant vegetation must be planted to establish 80% cover within 2 years on these slopes.

(f) All areas to be planted with materials requiring irrigation shall be indicated as to general type (i.e. shrubs, gardens, turf). Areas requiring protections of native oak trees shall be indicated on landscaping plans. No irrigation is permitted in these areas (See Conditions of Approval 41-F)

(g) On the downhill side of dwellings, at least 3 large deciduous canopy trees shall be planted. These trees shall be identified on the grading and landscaping plans required with each building permit. Trees shall be installed prior to final inspection.

(h) If Phase II is developed, on the south and downhill side of dwellings in Areas B and C, Phase II, three "Large Canopy Trees" (as defined in the Land Development Code) shall be planted on each lot concurrent with lot construction. These trees and the species name shall be illustrated on the required lot grading and landscape plan and, if on the uphill side of a retaining wall, they shall not be located within 15 feet of the top of wall.

Section 11. Service Facilities.

(a) Service facilities (garbage, fuel tanks, clotheslines, etc.) shall be screened such that the elements screened are not visible at any time from the street or a neighboring property. All telephone, power, natural gas, cable television, and other communication lines shall be placed underground.

(b) Exterior antennas shall not be permitted to be placed upon any Lot except as approved by the ARC. Small satellite dishes may be approved, but must be included in the site development plan.

(c) A fire sprinkler safety system, approved by the fire marshal, shall be installed in dwellings at the time of initial construction for lots 53, 54, 64 to 68, and 76 to 82.

Section 12. Construction. The ARC reserves the right to approve the builders selected by Owners.

Section 13. Mail Box Stands. Mail Box Stands shall be furnished and maintained by the US Post Office. The location shall be determined by local U.S. Post Office and City officials. Maintenance of sidewalk areas around mail boxes is the responsibility of adjacent property owners.

Section 14. Building Materials and Conditions. All building materials must be approved by the ARC before being used either in new construction or exterior remodeling. The following specific restrictions on building materials and conditions shall likewise apply:

(a) Each owner must install sidewalks consistent with planned development approval. Installation must occur when home is built or within one year of purchase of a Lot, whichever occurs first.

(b) Roofing materials are limited to the following:

(i) Cedar shakes or shingles

(ii) Tile or slate or metal or comparable material

(iii) Heavy weight composition shingles (25-year warranty minimum). Both brand and color must be approved by the ARC.

(c) Roof ridges on certain homes may be limited to hip roofs by the ARC to minimize the blockage of view of those nearby.

(d) Each Owner of a single-family dwelling shall build, as a minimum, a double car garage.

(e) In the event that any construction activity has made any change or alteration in any open areas, the Owner will restore the open area to its natural state within one year following completion of construction.

(f) Only high quality wood, brick, stone or approved architectural exterior finish products and colors may be used and must be approved by the ARC. This includes paints and stains. The structure shall have siding materials on all sides.

(g) Each lot shall be graded to allow for natural drainage runoff and each Owner will provide drainage systems as necessary to properly drain surface water.

(h) The area under roof of the single family dwelling excluding porches and connecting garages shall be not less than 1800 square feet; provided, however, that, should the dwelling be of more than one story in height, such area shall not be less than 2100 square feet. The ARC may permit a variance from the minimum square footage requirement.

Section 15. Fences. To ensure an attractive community, no fences, gate, screen gate, or similar structure may be placed on any lot unless the following requirements are satisfied:

(a) Any fence, screen gate, or similar structure must be approved in advance of construction in writing by the ARC (as required by ARTICLE III, Section 4).

Items to be submitted for approval include:

- Type of construction (Scale Drawing)
- Plot, plan of area (layout to scale)
- Height, materials and color

(b) No fence or screen over 36'' in height shall be placed in the front yard set back area.

(c) Fences behind the front set back line of the house in the side yards adjacent to streets, and backyards on through lots and open spaces shall have five feet of screen planting on the outside of the fences.

(d) In an attempt to encourage trees, bushes, and shrubs for privacy screening and still provide secure area for children and pets, without creating an unpleasant looking barricaded community, the following guidelines have been established:

(i) Quality woods with natural earth tones are recommended.

(ii) Fences located off the property line used for screening will be encouraged, such as around patio.

(iii) Fences broken with vegetation screen will be encouraged.

Section 16. Completion of Construction. The construction of any building on any Lot, including painting and all exterior finish, shall be completed within twelve (12) months from the beginning of construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the ARC. The building area shall be kept reasonably clean and in workmanlike order during the construction period.

Section 17. Landscape Completion. All landscaping must be completed within six (6) months from the date of occupancy of the dwelling unit constructed thereon. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval of the ARC.

Section 18. Easement. No building is allowed within easements. See both public and private easement definitions on page 2 for rights and responsibilities regarding easements.

Section 19. Trees.

(a) (Maximum Development Area For a Lot with Existing Trees). On lots containing significant trees, the maximum development area shall be limited to the following (see also Code definition of development which defines development as including buildings, drives, patios, retaining walls or other grade changes but, in this situation, not including lawns, paths, and plantings except as specified for oak trees in Subsection (e) below):

1) 8,000 square feet of development area on lots where the total area is less than 22,000 square feet.

2) For lots greater than 22,000 square feet, the development area shall be limited to 8,000 square feet plus 20% of the area in excess of 22,000 square feet.

(b) (Front Yard Setback). To facilitate large rear yard area protection of trees, the minimum front yard building setback shall be 10 feet with a minimum garage setback of 19 feet.

(c) (Preserve Significant Oak Trees over the Younger Fir Trees). Where fir trees are encroaching on the older oak trees, significant fir trees can be removed to protect the oaks provided: (i) a licensed arborist submits a statement that this fir tree removal is needed to protect specific oaks and the fir removal represents the minimum number of removed fir trees needed to protect the oak(s) and (ii) the plan includes other measures to assure oak tree survival such as not permitting irrigated lawns under the oak(s). Concurrent with building permit applications, property owners shall provide documentation to Development Services, including a site plan identifying all trees involved, that the request for fir tree removal complies with this Section.

(d) (The 5-Tree Rule).

(i) On the site grading and landscape plans submitted to the City, existing significant trees (those with diameters of 8 inches or greater, measured at 4 feet above grade) shall be surveyed and identified on the plans. The exact tree dripline shall also be located and mapped. Where there are clusters of significant trees, the trunk location and drip line of trees on the edge of the grove shall meet this requirement.

(ii) Where there are 5 or more existing significant trees on a lot, at least 5 of these trees shall be preserved. If preservation is not possible, one new large canopy tree (see LDC List in Chapter 4.2 of the Code) shall be planted for trees removed so that, after development, a total of 5 significant and/or large canopy trees are on the site. Trees shall be installed prior to final inspection.

(iii) For significant trees that are to be protected, construction fencing shall be located five feet outside the dripline of these trees if they are located in the vicinity of proposed construction. The fence shall be protected during construction so that fill or other materials are not against this fence and the fence remains vertical during construction.

(e) (Significant Oak Trees & Development). Where development is intended to be located within the circle of protection of a significant oak tree, the plans submitted for development shall include the arborist specifications on how to best assure the

survival of the tree during and after development, including a construction fence protecting the area of the oak canopy where there will be no development, and there shall be provisions to help assure the survival of an oak tree in this situation even though the tree would not be counted as a protected tree when applying the 5-tree rule.

(f) (Oak Trees and Lawn Prohibition). Lawns are not permitted within the Circle of Protection of Oak trees.

Section 20. Lighting. On the downhill side of homes with a predominately southern exposure, lighting fixtures shall be shielded to direct light toward the ground and windows (including windowed doors) shall use non-glare glass (glass that minimizes solar reflections).

ARTICLE X
GENERAL PROVISIONS

Section 1. Enforcement. The ARC, or any Owner, or the owner of any recorded mortgage on any part of said property shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, easements, liens and charges now or hereafter imposed by the provisions of this Declaration, provided that the party seeking to enforce can show that its interests are adversely affected to some material degree by the failure to enforce. Failure by the ARC or by any owner to enforce any covenant or restrictions 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. Any of the covenants and restrictions of this Declaration except for the easements herein above granted may be amended by vote or agreement of the owners representing at least 75% of the total votes and pursuant to the voting rights described in Article III, provided, in addition, unless specifically waived in writing, for so long as Declarant owns any Dwelling Unit or Lot in the Property, the Declarant must vote in favor of any such amendment in order for it to be enacted, and provided further that no amendment shall change the C.O.A. as stated herein without approval of the City of Corvallis. All amendments shall become effective when reduced to writing, executed by the Owners and, if applicable, the Declarant, and recorded in the Benton County Deed Records.

Section 4. No Right of Reversion. Nothing herein contained in this Declaration, or in any form of deed which may be used by Declarant, or its successors and assigns, in selling said property, or any part thereof, shall be deemed to vest or reserve in Declarant or the ARC any right of reversion.

Section 5. Benefit of Provisions: Waiver. The provisions contained in this Declaration shall bind and inure to the benefit of the Declarant, the ARC, and the Owner or Owners of any portion of said Property, and their heirs and assigns, and each of their legal representatives, and

failure by Declarant or by the ARC or by any of the Owners or their legal representatives, heirs, and successors or assigns, to enforce any of such conditions, restrictions or charges herein contained shall in no event be deemed a waiver of the right to do so.

Section 6. Assignment by Declarant. Any or all rights, powers, and reservations of Declarant herein contained may be assigned to the ARC or to any other corporation or association which is now organized or which may hereafter be organized and which will assume the duties of Declarant hereunder pertaining to the particular rights, powers and reservations assigned; and upon any such corporation or association evidencing its intent in writing to accept such assignment, have the same rights and powers and be subject to the same obligations and duties as are given and assumed by Declarant herein, provided however, all rights of Declarant herein reserved or created shall be held and exercised by the undersigned alone, so long as they own any interest in any portion of the property.

(a) Declarant reserves the right to annex an unlimited number of lots constituting Phases II, III, and IV of the Property and to annex additional common areas.

(b) Anything in this Declaration to the contrary notwithstanding, including but not limited to the attached Exhibit "B", the Declarant shall not be obligated to annex Phase II, III or Phase IV to Phase I. Statements made herein with respect to Phase II development limitations are made because of references to Phase II in the C.O.A.

(c) Declarant reserves the right with respect to such additional Phases: (i) to supplement or amend the CCRs for any and all such Phases, and (ii) assign its right to supplement and amend the CCRs to a purchaser for development of a majority of lots in a subsequent Phase ("Developer") of any such Phase subject to such restrictions on Developer as Declarant shall impose. In no event shall such assignee enhance or diminish the rights and obligations of the Declarant and the HOA as described herein, and without limitation, the rights reserved to Declarant as stated above in this Section 6 of this Article X.

(d) A Developer of any subsequent Phase shall be subject to such special conditions and assessments for purposes of the maintenance of the Common Areas described in Article X as shall be agreed between Declarant and Developer.

(e) A Developer will be treated the same as any other Lot owner with respect to all covenants, conditions and restrictions stated herein, and, without limitation, with respect to the voting rights described in Article III, and Section 3 of this Article X.

(f) Declarant's right to annex additional Lots shall expire thirty (30) years from the date this Declaration is recorded, unless extended for successive periods of ten (10) years by written and recorded instrument of the Declarant.

Section 7. McDonald Forest. With respect to McDonald Forest issues, the Executive Vice President of Declarant shall serve as the contact with the College of Forestry at Oregon

State University until the takeover meeting of the H.O.A. Thereafter, the contact person shall be the Chairman of the Board of Directors of the H.O.A.

Section 8. Statement Required by Planning Department. McDonald Forest is a self-sustained, actively managed forest for teaching, demonstration, and research. These lands are outside the City but have a Benton County Forest Conservation Zone designation. The lands are managed by the College of Forestry at Oregon State University. The goals for this forest are to conserve forest land and promote university teaching including the management and growing of trees for research and timber harvest while minimizing conflicts between uses. One of the uses of the land is recreational use. This use has resulted in vandalism to the point that years of research data has been destroyed and the forest resource harmed.

Forest management activities can impact nearby residential uses by producing noise, dust, smoke and timber cutting as well as limiting access due to fire danger, controlled burns, chemical uses, and other management activities as specified by the State's Forest Practices Act Rules contained in OAR 629-24-102(2)(a).

IN WITNESS WHEREOF, we the owners of the property have executed this Declaration on the 12th day of February, 2003.

TIMBERHILL CORPORATION

By _____

By Kristen L Hiner
Asst. Sec.

OFFICIAL SEAL
MARY J. MORRIS
NOTARY PUBLIC-OREGON
COMMISSION NO. 321274
MY COMMISSION EXPIRES MARCH 3, 2003

Attachments: Exhibits "A" and "B"

STATE OF OREGON)
) ss
County of Linn)

The above and foregoing was subscribed and sworn to before me by officers of the **Timberhill Corporation, John S. Brandis, Jr., President** and **Kristen L. Hiner, Asst. Secretary**, this 12 day of February, 2003.

_____
NOTARY PUBLIC FOR OREGON
My Commission Expires: 3-3-03