

PUBLIC REPORT

Many years ago a number of subdivisions were developed without provision for sewer, water and road facilities and uninformed buyers were stuck with unusable property. To insure that buyers were properly informed, the state adopted regulations requiring that buyers of lots without homes in older subdivisions be supplied with a state approved document providing information on utilities and services.

The Columbia Hills community is being developed in an old subdivision, thus requiring that such an information document be available. Though this document reveals the nature of a state bureaucracy, it does provide relevant information. We request that you review it and, if you choose to buy a homesite in Columbia Hills, sign the form indicating you have done so.

AFTER RECORDING RETURN TO:

Steven R. Schell

707 S.W. Washington St., #1200

Portland, OR 97205

MASTER DECLARATION OF PROTECTIVE COVENANTS,
CONDITIONS AND RESTRICTIONS

AFFECTING HILLCREST SUBDIVISION PARTS 1, 2, 3 AND 4
(A MAJORITY OF WHICH IS BEING DEVELOPED AS COLUMBIA HILLS)

Hillcrest Subdivision, parts 1, 2, 3 and 4, (hereinafter Hillcrest) is located in Columbia County, Oregon, and consists of 1,143 lots in total. (A portion of Hillcrest, and perhaps eventually all, is being developed as a residential community known as Columbia Hills.) An original declaration entitled "Declaration of Conditions and Restrictions Affecting Hillcrest Additions" was recorded August 1, 1957 in Book "M" beginning at Page 98 of Miscellaneous Records of Columbia County. This declaration allowed for amendment by majority vote. Subsequent amendments were duly made and recorded on July 26, 1979, in Deed Book 225, beginning at Page 619, and on November 6, 1981, in Deed Book 240, beginning at Page 806. All amendments retained the stipulation allowing amendment by the owners of a majority of the lots in Hillcrest.

The owners of a majority of the lots in Hillcrest now wish to amend again these covenants, conditions and restrictions. They therefore, by means of their signatures appended hereto, hereby adopt this document as an amendment to and replacement of the prior declarations and amendments thereto.

NOW, THEREFORE, in consideration of the foregoing, the owners of a majority of the lots in Hillcrest:

A. Have mailed notice and copies of these amendments to all owners of lots in Hillcrest and provided an opportunity for them to participate or object.

B. Amend the earlier declaration and amendments in their entirety and substitute in their place the protective covenants, conditions and restrictions provided herein, hereinafter called "Master CC&Rs". These Master CC&Rs apply to all property in Hillcrest. Furthermore, they run with the land, binding all current and future owners, and are made a part of all conveyances hereafter.

C. Hereby declare the following:

Preamble

WHEREAS, the Hillcrest property owners desire to provide for the preservation and enhancement of property values, amenities, and opportunities in Hillcrest which contribute to the personal and general health, safety, and welfare of residents, and to provide further for the maintenance of the land and improvements thereon, and to this end they desire to subject all property within Hillcrest, together with any such additions as may hereafter be made thereto (as provided in Article I), to the Master CC&Rs hereinafter set forth, each and all of which is and are for the benefit of said property and each owner thereof;

NOW, THEREFORE, the Hillcrest property owners declare that the entirety of the property within Hillcrest Subdivision Parts 1, 2, 3 and 4, and such additions thereto as may hereafter be made, pursuant to Article I hereof, is and are and shall be held, transferred, sold, conveyed, and occupied subject to the covenants, restrictions, easements, charges, and liens hereinafter set forth.

ARTICLE I

Property Subject to These Master CC&Rs and Additions Thereto

Section 1. Subject Property. All lots and other real property within Hillcrest Subdivision Parts 1, 2, 3 and 4, are subject to these Master CC&Rs. These Master CC&Rs run with the land, bind all current and future owners, and are made a part of all conveyances of such lots and other real property.

Section 2. Additions to the Properties. Additional properties shall become subject to these Master CC&Rs upon recording of a consent of the owners of two-thirds (2/3) of the lots already subject to the CC&Rs. For added properties, each separate parcel as shown on the assessor's records of Columbia County shall be considered a lot for the purposes of this document. If any parcel is divided after it is added to the Properties, then such new parcels as are created shall each be a lot for purposes of this document. All the terms of this document shall apply to all such additions.

Section 3. Supplemental CC&Rs. The owners of a group of lots in Hillcrest may make their property and only their property subject to supplemental covenants, conditions and restrictions, which shall be known as Supplemental CC&Rs for a particularly described area. (This is the procedure being

followed by the owners of Columbia Hills.) Supplemental CC&Rs may contain provisions including but not limited to: establishing a homeowners association to enforce and administer the Supplemental CC&Rs; providing for assessments, charges, fines, fees, and other payments, and liens against lots for the purpose of securing such payments, to pay for activities of the association that are of general benefit to the area affected by the Supplemental CC&Rs; annexing additional properties to be subject to the Supplemental CC&Rs notwithstanding that such properties may not otherwise be subject to these Master CC&Rs; providing for water, sewer, roads, recreation, drainage, cable television, electrical, telecommunication, and other services benefitting the owners of the property subject to the Supplemental CC&Rs; architectural and aesthetic controls; and any other provisions, conditions, covenants, and restrictions intended to promote the recreation, health, safety, and general welfare of the owners of property within the area affected by the Supplemental CC&Rs.

ARTICLE II

Covenants and Use Restrictions

The following covenants and use restrictions are applied to Hillcrest.

Section 1. Completion of Structure. All structures for which a building permit has been issued by Columbia County shall be completed within one year from the date of issuance thereof.

Section 2. Occupancy Permits. No person shall reside in Hillcrest, either temporarily or permanently, except in a structure for which an occupancy permit has been issued.

Section 3. Single Family Living Unit. No living unit shall be designed or built for occupancy for other than a Single Family Dwelling, as that term is defined by the Columbia County zoning ordinance then in effect.

Section 4. Manufactured Dwelling. No Manufactured Dwelling as defined in ORS 446.003(22)(a) (1993 edition) shall be built or placed upon the property. Notwithstanding the above, if a person or cooperating group of persons owns thirty (30) or more Hillcrest lots and is engaged in development activities, then such person or group may be allowed to site one or more manufactured dwellings, mobile homes or travel trailers, as they

are defined by Oregon law, for promotion, office, staff quarters or security purposes.

Section 5. Floor Space. No living unit shall have less than one thousand eight hundred (1,800) square feet of enclosed and covered living space excluding the garage.

Section 6. Garages. All Living Units shall have at least double garages. Clear space for storage of at least one passenger vehicle shall be available at all times. To the extent reasonably possible, garages shall be oriented to mitigate their impact on street views; this principle should be a consideration in architectural review, if it exists.

Section 7. Fire Prevention. Roofs are to be of fire retardant materials and the degree of fire retardation shall be a consideration in the choice of other building materials; these principles are to be a consideration in architectural review, if it exists. Brush shall be maintained in such a way that it will not fuel a fire. On any lot where brush poses a fire hazard and the lot is within 300 feet of a home, the owner of the lot and/or the homeowners' association have the right to enter upon the lot and cut the brush. To exercise this right, notice shall be given by the home's owner or by a relevant homeowners' association to the lot owner of the danger and the need to cut the brush. The notice also shall contain a statement to the effect that if the brush is not cut by the owner within thirty (30) days of the date of the notice, the affected homeowner or the homeowner's agent shall have the right to enter upon the lot and cut the brush. If the lot owner fails to perform, the homeowner or homeowner's agent may enter upon the lot and cut the brush (including any trees of less than four inches diameter at breast height).

Section 8. Yards. The minimum distance between the property line and structures requiring building permits shall be as required by Columbia County. Greater setbacks are usually appropriate and should be a consideration in architectural review, if it exists.

Section 9. Water Conservation. Water conservation benefits all occupants of the Hillcrest subdivision. Irrigated yard and garden areas should be limited and homes should have water conservation fixtures. Specific restrictions may be set forth by any water suppliers, and water conservation should be a consideration in architectural review, if it exists.

Section 10. Road Construction and Reimbursement. Lots were sold initially in Hillcrest with only partially completed roads of poor quality. Columbia County has required that roads

be paved as a condition of the issuance of building permits. If one lot owner, whether developing property for sale or securing a building permit, constructs road improvements on any road in the subdivision, then, before another owner commences construction of a home on property fronting the improved road, that owner shall reimburse the owner who paid for the road. The reimbursement shall be calculated as a proportion of the total cost of the road improvement, the portion being the length of the road adjacent to the parcel on which the home is to be built divided by the total length of the road improved.

Section 11. Pro Rata Share. As a condition of the issuance of building permits in Hillcrest, Columbia County has required that the property owner pay for the roads (except for the County maintained Callahan Road) and have recognized a homeowners' association as the appropriate vehicle for arranging for the maintenance and repair of the roads and for collecting funds to accomplish such purposes. Every homeowner in Hillcrest, whether or not a member of the homeowners' association, shall pay the pro rata share of the road and sidewalk/trail maintenance costs assigned to his and/or her property.

Section 12. Driveways and Parking Pads. All driveways from a paved street to a parking pad in front of a garage shall be paved not less than ten (10) feet in width if serving one Living Unit nor less than sixteen (16) feet in width if serving more than one Living Unit. Parking pads in front of garages shall be paved at least the width of the garage opening(s) for a distance of not less than twenty (20) feet in length from the garage opening. Notwithstanding the above, a driveway serving a lot that is greater than three (3) acres in size may be paved for only the first 100 feet from a paved road if the portion not to be paved is not visible from any improved road, and, if any architectural review committee has jurisdiction, the absence of pavement is approved by such committee.

Section 13. Utility Easements; Certain Plat Easements Extinguished. The original subdivision plats of Hillcrest reserved easements five feet wide along all lot boundaries for utilities and drainage. If a homeowners association exists, it may also use such easements for road improvements, walking, jogging and/or hiking, provided that any such uses shall be constructed and maintained by the said association or the county. If any lot owner or any utility entity providing service to Hillcrest lots uses any of these easements as provided for in the plat, then the association, if any, owner or entity may, but is not required to, record a Notice of Use of Easement; any such Notice shall provide specificity as to which easement is used on which lot and the benefitting homeowners association, lot owner

or utility entity. The dedication of these easements notwithstanding, if any lot(s) or portion(s) thereof are developed as a single tract or, more specifically, irrevocably joined as a group by recorded instrument, the easements along the original platted lot boundaries which are not exterior boundaries to such group shall be hereby extinguished, provided, however, that the interior easements have not already been put to use as provided for in the plat.

Section 14. Property Line Adjustments. Adjustment of property lines between adjacent lots is allowed, provided that no lot or group of lots which have been irrevocably joined by restriction is reduced in area such that structures, septic system primary and repair areas, and water well areas are jeopardized or eliminated or reduced below their legally required minimum areas. Unless an easement along the prior lot line has been put in use, the easement shall be moved along with the adjusted lot line. If an easement has been put in use, the owner or owners benefitting from the lot line adjustment may choose to relocate the easement and use to the new lot line, but only if the use can be reasonably relocated and if it is done at their sole expense. If a lot owner or utility entity has recorded a Notice of Use of Easement designating an easement along the prior lot line, the lot owner(s) seeking the relocation of easement shall require a signed agreement by the owner or entity using the easement, which agreement shall not be unreasonably withheld, and the lot owner seeking such relocation shall record said agreement.

Section 15. Antennae and Satellite Dishes. Not more than one outdoor antenna shall be allowed per Living Unit. Antennae shall be attached to the Living Unit or Garage and shall not exceed five feet in height above the highest roof line. Satellite dishes shall be allowed provided they are: of mesh design, colored to blend in with the surrounding landscape, approved under architectural review (if applicable to the lot), not located any closer to an improved-right-of way than is the house, and not located closer than twenty (20) feet to any other property line (except where an adjoining owner has given permission in a writing which is acknowledged). Any recorded permission given shall bind subsequent adjoining owners.

Section 16. Corner Obstructions. Corner lots, where roads intersect, shall have no sight obstruction between three and ten feet in height, as measured from street grade, located in the area between the paved streets and a line beginning at the point twenty (20) feet from the intersection along one street to the corresponding point twenty (20) feet from the intersection along the other street.

Section 17. Signs. No signs shall be allowed, except "for sale" signs or political signs (not displayed more than 30 days in advance nor five days after the election date to which the sign refers). Such signs shall be limited to not more than two signs, each not exceeding 864 square inches nor 36 inches on a side.

Section 18. Overhead Outdoor Wiring. Except for holiday lights and displays between November 20 and January 31, no overhead outdoor wiring exceeding twenty (20) feet in exposed length shall be permitted.

Section 19. Outside Storage. No more than one vehicle shall be regularly stored outside of the garage. No inoperable or unlicensed vehicle, no motor home or travel trailer, no boat, or no trailer shall be stored outside, either on private property or on the street right-of-way. Notwithstanding the foregoing, on homesites of four acres or more, not more than three (3) operable and licensed vehicles (including a motor home, boat, travel trailer or trailer) shall be stored outside.

Section 20. Off-road Vehicles. No motorized off-road vehicle, as the term "off-road vehicle" may be used by the State of Oregon, shall be allowed to operate anywhere except (a) on right-of-ways improved for use by passenger vehicles and (b) on the operator's property in Hillcrest.

Section 21. Livestock and Animals. Except as to large lots in the buffer area of the Hillcrest Subdivision as found in the Exception to the Columbia County Comprehensive Plan of 1984 and except as provided herein, no livestock shall be kept or maintained in Hillcrest. In order to minimize the effects of domestic animals on wildlife in Hillcrest and the surrounding area, (1) not more than two dogs in excess of six months of age shall be kept by residents of any Living Unit, and such dog(s) shall at all times be under residents' voice control or attached by leash held by the resident or attached to an immovable object, or otherwise restrained, (2) not more than two domestic cats in excess of six months of age shall be kept, and (3) no horses shall be kept unless four acres or more are owned or leased and not more than one horse per two acres of land owned or leased shall be kept. In the buffer area, no more than one animal of any kind, in excess of six (6) months of age, per acre of lot shall be kept.

Section 22. Weapons. The discharging of firearms, the shooting of arrows, the setting off of any explosive, or the launching of any fuel propelled device shall be prohibited.

Section 23. Home Occupations. Home occupations, that is, occupations conducted in a home, are allowed provided that:

(a) No person other than members of the family residing in the Living Unit shall be engaged in such occupations;

(b) The use of the home for such occupations shall be clearly incidental and subordinate to its use for residential purposes by its occupants, and not more than 25 percent of the floor area of the home, including garage area, shall be used in the conduct of such home occupation;

(c) There shall be no change in the outside appearance of the Living Unit or other visible evidence of the conduct of such home occupation;

(d) There shall be no sales on the premises, except by electronic or mail communication;

(e) No traffic shall be generated by the home occupation other than would normally be expected in a residential neighborhood; and

(f) No equipment or process shall be used in such home occupation that creates noise, vibration, glare, fumes, odors, or electrical interference detectible to the normal senses off the premises. No equipment shall be used which creates visual or audible interference in any radio or television or communication receivers or causes fluctuations in line voltage off the premises.

Section 24. Child Care. Notwithstanding anything elsewhere provided, a child care facility may be operated on any lot if it otherwise meets state and local requirements.

Section 25. Right to Quiet Enjoyment of Property. Hillcrest property owners have a right to reasonable quiet enjoyment of their property.

ARTICLE III

Duration

These Master CC&Rs shall run with the land and be binding on all owners and those claiming under them for a period of twenty (20) years from the date hereof, after which time they shall be automatically extended for successive periods of ten (10) years unless the owners amend them in accordance with the provisions for amendment in this document.

ARTICLE IV

Amendments

Section 1. Provision for Amendments. These Master CC&Rs may be amended by an instrument signed by the then record owners of not less than the majority of the lots, except that any such amendments may not limit the powers of supplemental CC&Rs duly approved for a portion of Hillcrest.

Section 2. Procedure for Amendments. Prior to the time when signatures are requested, each owner shall be mailed or given a copy of the proposed amendment and a signature page. Mailing to a list of owners as shown on the records of the County Assessor shall be deemed adequate. Thereafter, each owner approving of such amendment shall sign his or her name and indicate his or her lots, block number, and date of signing on an original or signature page copy of the proposed amendment. All owners of a lot, as shown on the deed, must sign the copy. When any owner has in his, her or its possession appropriately signed copies indicating approval of the necessary owners of a majority of the lots in all parts of Hillcrest taken together, he, she or it shall attach all signature pages to the original of the amendment, shall prepare and execute a certified statement that he or she is a home owner affected by the amendment, that proper notification to owners of the proposed amendment has been made, that all signatures are to the best of his or her knowledge valid, and that the signatures represent more than a majority of all lots in Hillcrest Subdivision Parts 1, 2, 3 and 4. The amendment, signature pages and certificate shall be combined in one document, shall be acknowledged before a notary public, and the document shall be recorded in Columbia County, Oregon. The amendment shall be effective as of the date of recording. If a homeowners association exists, the owners of a majority of the lots in Hillcrest duly approve the amendment, and the board of the association has approved it, then on behalf of the owners approving the amendment an officer of the association may attach to the amendment a page or pages listing the approving owners and

their ownership by lot and block and record the resulting document. Such attachment shall be deemed sufficient for purposes of showing the approval of the listed owners of the amendment. All owners of a lot, as shown on the deed, must sign such amendment for the vote to count. If a lot or irrevocably joined group of lots is being sold by contract, then both the vendor and the vendees must sign. If the lot or irrevocably joined group of lots is subject to a mortgage or trust deed, the signatures of the mortgagees or trustees shall be obtained in addition to that of the owner.

ARTICLE V

Miscellaneous Provisions

Section 1. Lessees and Other Invitees. Lessees, invitees, contractors, family members and other persons entering Hillcrest under rights derived from an owner of any lot shall comply with all of the provisions of these Master CC&Rs. The owner of the Lot extending permission to others shall be responsible for obtaining such compliance and shall be liable for any failure of compliance by such persons in the same manner and to the same effect as if the failure had been committed by the owner.

Section 2. Construction; Severability; Plural; Gender; Number; Captions. These Master CC&Rs shall be liberally construed to accomplish the purposes hereof. Nevertheless, each provision of these Master CC&Rs shall be deemed independent and severable, and the invalidation or partial invalidation of any provision by a court of competent jurisdiction shall not affect the validity or enforceability of any part and all of the remaining provisions. As used herein, the singular shall include the plural and the plural the singular, and the masculine and neuter shall each include the masculine, feminine and neuter, as the context requires. All numbers and captions used herein are intended solely for convenience of reference and shall in no way limit any of the provisions of these Master CC&Rs.

Section 3. Enforcement. Any lot owner may enforce any of the provisions of this Declaration using the following procedure. If a homeowners association exists under Supplemental CC&Rs, it shall have the right and responsibility to enforce the covenants and use restrictions against any lot in Hillcrest and its owner or owners, provided it acts within a reasonable time of receiving notice of the need for enforcement. Otherwise, any owner of any lot in Hillcrest also shall have the right to enforce any of these CC&Rs. The association or enforcing lot

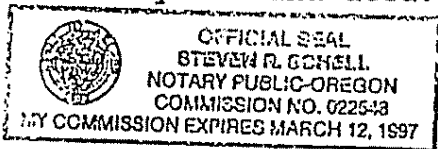
owner shall first notify by letter the other lot owner of the nature of the complaint, citing the specific provision or provisions of this Declaration serving as the basis for the complaint. The notice letter shall be sent by certified mail, return receipt requested. The parties may agree to arbitrate. If they do, they shall select an arbitrator. The arbitrator shall follow the commercial rules then appertaining of the American Arbitration Association, the costs of the arbitrator shall be shared equally, the award may be docketed as a judgment in Columbia County, and each party shall bear his or her own attorneys' fees. If the other lot owner fails to respond or does not respond in a way which is satisfactory to the association or first lot owner within 15 days of the date of receipt of the letter, then the association or lot owner may undertake legal proceedings in Circuit Court for Columbia County. The successful party at trial or on appeal shall be entitled to attorneys' fees from the unsuccessful party.

DATED as of this 11th day of July, 1994.

ACKNOWLEDGMENT

STATE OF OREGON)
) ss.
County of Multnomah)

Before me this 11 day of July, 1994 appeared J. RICHARD RECHT, personally known to me, and also known to me to be the President of COLUMBIA HILLS DEVELOPMENT COMPANY, on his own behalf, on behalf of said company and as Attorney-in-Fact for ARTHUR C. NELSON, WILLIAM AND LESLEY HUNT, HILLCREST INVESTMENTS, LTD., SCAPPOOSE VENTURE/SCAPPOOSE PARTNERS, MONIKA ZIMMERMAN (NELSON) AND DONALD GRAVESTOCK, and acknowledged the foregoing Master Declaration of Protective Covenants, Conditions and Restrictions dated as of July 11, 1994 as his, its and their voluntary act and deed.

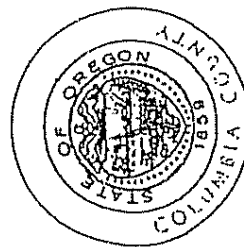


St R. Schell
Notary Public for Oreem
My commission expires: 3/12/97

State of Oregon, ss
County of Columbia
I hereby certify that the within is a copy of the original record on file in the County Clerk's office.
Dated this 6th day Sept, 1994.
ELIZABETH E HUSER, COUNTY CLERK
By: Elizabeth Jordan
Deputy

I hereby certify that the within instrument was received for record and recorded in the County of Columbia, State of Oregon.

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ELIZABETH HUSER, County Clerk
By: Elizabeth Jordan Deputy
Receipt # 2808 Fees \$ 130.00

GENERAL

DOCUMENTATION, INFORMATION MENTIONED AND MATERIAL CONTAINED IN THIS FILING ARE MATTERS OF PUBLIC RECORD. ALL SUCH INFORMATION PROVIDED TO THE REAL ESTATE COMMISSIONER BY A SUBDIVIDER, SERIES PARTITIONER OR DEVELOPER IN CONNECTION WITH A FILING OF A SUBDIVISION OR SERIES PARTITION WILL BE AVAILABLE FOR INSPECTION BY INTERESTED PARTIES AT THE OFFICE OF THE REAL ESTATE COMMISSIONER IN SALEM, OREGON.

PROSPECTIVE PURCHASERS ARE ADVISED TO INSPECT THE PROPERTY PRIOR TO PURCHASING AND SHOULD READ AND UNDERSTAND THE PUBLIC REPORT OR SEEK COMPETENT PROFESSIONAL ADVICE AS THE REAL ESTATE COMMISSIONER HAS NOT INSPECTED THIS PROPERTY AND IS RELYING SOLELY ON THE SUBDIVIDER'S, SERIES PARTITIONER'S OR DEVELOPER'S ANSWERS TO THE QUESTIONNAIRE.

PLEASE NOTE THE PROJECTED DATES OF COMPLETION OF WATER AND SEWER LINES, UTILITIES AND ROADS. PLEASE ALSO NOTE THAT HOOKUP FEES FOR UTILITIES MAY BE IN ADDITION TO STATED COSTS.

PROSPECTIVE PURCHASERS SHOULD REQUEST FROM THE SUBDIVIDER, SERIES PARTITIONER OR DEVELOPER COPIES OF ALL DOCUMENTS WHICH AFFECT OWNERSHIP OF LAND IN THE DEVELOPMENT, SHOULD READ AND UNDERSTAND THESE DOCUMENTS OR SEEK PROFESSIONAL ADVICE. THE DOCUMENTS MAY INCLUDE BUT ARE NOT NECESSARILY LIMITED TO THE FOLLOWING: RESTRICTIVE COVENANTS, SALES AGREEMENTS, ENCUMBRANCES, ASSOCIATION ARTICLES AND BYLAWS AND DEED FACSIMILES. PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT UNLESS AGREEMENTS DEALING WITH THE PURCHASE OR SALE OF REAL PROPERTY ARE REDUCED TO WRITING AND MADE A PART OF THE CONTRACT, THEY MAY BE DIFFICULT OR IMPOSSIBLE TO ENFORCE.

THESE COMMENTS, COMBINED WITH THE ATTACHED NOTICE OF INTENTION AND REQUEST FOR FURTHER INFORMATION WHICH WAS FILED BY THE SUBDIVIDER, SERIES PARTITIONER OR DEVELOPER WITH THE REAL ESTATE DIVISION, CONSTITUTES THE COMMISSIONER'S PUBLIC REPORT.

CAUTION: IF YOU HAVE PURCHASED ONE OR MORE LOTS OR PARCELS IN THIS SUBDIVISION OR SERIES PARTITION FOR RESALE TO ANOTHER PERSON, YOU MAY BE A DEVELOPER AS DEFINED IN ORS 92.305(3). IF SO, YOU WILL BE REQUIRED BY ORS 92.405 TO PROVIDE YOUR PURCHASER WITH A COPY OF THE PUBLIC REPORT. IF YOU HAVE ACQUIRED LESS THAN 11 LOTS OR PARCELS WITHIN THE LAST SIX MONTHS, YOU WILL BE RESPONSIBLE FOR CERTAIN MATERIAL CHANGES IN THE PUBLIC REPORT AS SET FORTH IN ORS 92.365. IF YOU HAVE ACQUIRED 12 OR MORE PARCELS, IT MAY BE NECESSARY FOR YOU TO MAKE A NEW DEVELOPER FILING. IF YOUR PURCHASE OF LOTS OR PARCELS WITHIN THIS SUBDIVISION OR SERIES PARTITION MAKES YOU A DEVELOPER, YOU SHOULD CHECK WITH THE REAL ESTATE DIVISION TO ASSURE YOUR COMPLIANCE WITH THE APPROPRIATE STATUTES.

COMMENTS

THE FOLLOWING ITEMS IN THE FILING SUBMITTED TO THE REAL ESTATE DIVISION BY THE SUBDIVIDER, SERIES PARTITIONER OR DEVELOPER HAVE BEEN NOTED BY THE REAL ESTATE COMMISSIONER AND SHOULD BE BROUGHT TO THE ATTENTION OF THE PROSPECTIVE PURCHASER PRIOR TO THE SIGNING OF AN AGREEMENT. THIS REPORT DOES NOT RELIEVE THE SUBDIVIDER, SERIES PARTITIONER OR DEVELOPER OF THE RESPONSIBILITY FOR ANY SALES MADE PRIOR TO THE DATE THIS REPORT IS ISSUED.

CONDITION OF TITLE

A title report issued by Key Title Company, dated April _____, 1994, Order # _____, indicates several encumbrances which may be of interest to a prospective purchaser:

The subdivider has stated its intention to sell property free and clear of any financial encumbrances.

Prospective purchasers should determine condition of title to any given lot of their choice prior to signing any sales agreement.

WATER

The subdivider has made the following statement:

"Unless a purchaser explicitly waives this provision in a sales agreement, the developer will provide purchaser with connection to a well that, at time of drilling, has adequate quantity and purity of domestic water to serve buyer's parcel. Supply may be augmented by storage facilities. Purity may be enhanced by filtering. Each well may serve not more than three homes.

If a public water system is provided, then the parcel owner may be required to connect. All costs of connection cannot exceed \$5,000 (in 1987 dollars), which may be paid as a charge on the water bill over a period of not less than 10 years."

SANITATION

The subdivider has made the following statement:

"Unless a purchaser explicitly waives this provision in a sales agreement, the developer will supply to purchasers a Certificate of Favorable Site Evaluation for Subsurface Sewage Disposal, issued by the Oregon DEQ or its contract agency."