

DECLARATION AND ESTABLISHMENT OF
PROTECTIVE COVENANTS, AND RESTRICTIONS
FOR SUN CLOUD ESTATES

It is the intent of the developer to maintain a wooded environment with continuity of building appearance being the primary objective to protect property values. Additionally, as the residents will wish to have the serenity of country living, certain building and activity restrictions to protect all residents within the subdivision, have been established. It is intended that these restrictions be applied with common sense and discretion.

Initially the Plan Review Committee will consist of the developers, (Frank McCubbins and Betty Hughes), developing contractor (Arnold Hanson), and a representative of the listing broker (Priscilla Martin Duke Warner Realty). As each lot is purchased and improved, the new land owner may have the option of serving as a member of the Plan Review Committee after their homes are completed and occupied. At such time as a land owner agrees to serve on the committee, one of the original committee members will resign, until only owners of lots located in Sun Cloud Estates shall remain. All lot owners in Sun Cloud Estates have the option of serving on the committee. A two-thirds majority rule shall prevail.

THEREFORE THIS DECLARATION is made on October 9, 1996, by Frank McCubbins, Betty Hughes, Arnold Hanson, Priscilla Martin ("Declarant").

WHEREAS, Declarant intend by this Declaration to make a covenant running with the land of both convenator and covenantee;

WHEREAS, it is the desire and intention of Declarant to impose mutual, beneficial restrictions under a general plan or scheme of improvement for the benefit of all the owners of real property within the subdivision known as Sun Cloud Estates and described in Article 1, by legal description (Exhibit "A") and plat map (Exhibit "B"), and all future owners of that real property;

NOW, THEREFORE, Declarants declare that all of the property described in Article 1 is held and will be held, conveyed, hypothecate, encumbered, leased, rented, used, occupied, and improved subject to the following limitations, restrictions, covenants, and reservations, all of which are declared and agreed to be in furtherance of a plan for the subdivision, improvement, use, and sale of the property, and are established and agreed on for the purpose of enhancing and protecting the value, desirability, and attractiveness of the property and every part of it. All of the limitations, restrictions, and covenants will run with the land and will be binding on all parties having or acquiring any right, title, or interest in the property described in Article 1 or any part thereof, and will inure to the benefit of all of the property described in Article 1 and the future owners of that property.

ARTICLE 1. PROPERTY SUBJECT TO DECLARATION

The property subject to this Declaration is legally described on attached page Marked Exhibit "A", and the plat map Marked Exhibit "B".

ARTICLE 2. DEFINITIONS

Lot; means one of the numbered parcels of the real property on Exhibit "B".

The Property; means the property described in Article 1, Exhibit "A".

Map; means the recorded map referred to in Article 1, Exhibit "B".

Setback; means the minimum distance between the residence or other structure referred to and a given street or property line.

Building limits; means the area defined by the setback from the street and side lot lines and a building limit line across the rear of the lots.

ARTICLE 3. BUILDING RESTRICTIONS

No building may be erected, constructed, or altered, on any of the lots other than a single family residence with customary and suitable outbuildings as permitted by law and approved, in writing, by the Plan Review Committee.

All property owners must comply with the laws and regulations of the State of Oregon, County of Deschutes, and any applicable municipality regarding the fire protection, animal control, building construction, water, sanitation and public health. Septic tanks and drainfields must meet Deschutes County Health Department standards.

Plans submitted to the Plan Review Committee are to show specifications, nature, kind, shape, height, materials and color of exterior finish to be used. Construction is to be in compliance with all applicable building codes. Topography, location in relation to other structures and property lines and harmony of external design are factors to be considered before approval to construct is granted. This also applies to fences, outbuildings, and all other improvements. Trees intended to be removed for construction should be marked. Proposed plans must be submitted to the Plan Review Committee thirty (30) days prior to the intended construction.

ARTICLE 4. ARCHITECTURAL GUIDELINES

Building size: Residential buildings must have a minimum of fourteen hundred square feet of living area, exclusive of garages. No Manufactured homes shall be allowed on the Sun Cloud Estate subdivision. No Mobile homes on a permanent bases.

Setbacks: Setbacks must conform to the County requirements. In addition, the front setbacks, the side setbacks, and the rear setbacks must be a minimum of 100 feet from any and all property lines at the front, sides, and rear of each lot. A variance from this rule is possible for a exceptional building, or view site but must have the approval of the Plan Review Committee.

Building completion: Once actual construction has begun, the owner must complete construction, ready for occupancy, within one year.

Exterior walls: Shall be approved by the Plan Review Committee. No metal, or plywood siding will be allowed.

Colors: Colors shall be compatible with neighboring homes, and approved by Plan Review Committee.

Driveways: Shall be asphalt, concrete, or crushed rock. No cinders or dirt driveways will be allowed.

Fences: Private enclosures shall be allowed but must be approved by the Plan Review Committee. Boundary fences must be of an open nature.

Appearance: All garbage, trash, cuttings refuge, garbage containers, and clothes drying apparatus shall be screened from view of neighboring lots. Each lot and its improvements shall be maintained in a clean and attractive fashion so as not to create a fire hazard or visual nuisance to the neighborhood.

Exterior Lighting: Shall be of a type and so placed as to eliminate glare and annoyance to the adjacent property owners and passerby.

Television Satellite Dishes: Location must be approved by the Plan Review Committee.

ARTICLE 5. RESTRICTION ON USE OF PROPERTY

No offensive or commercial activity shall be permitted nor anything be done which may be or become an annoyance to the other lot owners.

No storage of materials, junk, trash, or manure.

No storage of cars, trailers, campers, boats, house trailers, living trailers, self-propelled vehicles of any type may be stored on any street or building site, if visible from the street or adjoining lots.

No firearms of any kind shall be discharged within Sun Cloud Estates subdivision.

No property may be used to raise, breed, or keep farm, or domestic animals such as swine, horses, chickens, cows, turkeys, goats, or sheep. No exotic animals of any kind for pets, or for commercial purposes. A reasonable number of household pets will be allowed.

No signs of any kind or other advertising device of any character for any purpose of use whatsoever, may be erected on property, except one sign not larger than 18" by 24" inches advertising the property for sale or lease, may be erected and maintained.

AMENDMENTS OF DECLARATION

This Declaration may be amended at any time, and from time to time, by an instrument in writing signed by a majority of the then owners of record of the property in the Sun Cloud Estate Subdivision. A written instrument will become effective on its recording with the Deschutes County Recorder.

These restrictions have neither the intent nor the purpose to in any way affect the subdivision standards that are set up by the County of Deschutes.

In Witness Thereto, Declarant has executed this Agreement on the date first written above.

DECLARANT:

Frank McCubbins
Frank McCubbins

Betty Hughes
Betty Hughes

Arnold Hanson
Arnold Hanson

Priscilla Martin
Priscilla Martin

Exhibit "A"

The Northeast Quarter of the Southwest Quarter (NE1/4 SW1/4) and the Northwest Quarter of the Southeast Quarter (NW1/4 SE1/4) of Section Thirty-three (33), Township Sixteen (16) South, Range Twelve (12) East of the Willamette Meridian, Deschutes County, Oregon.

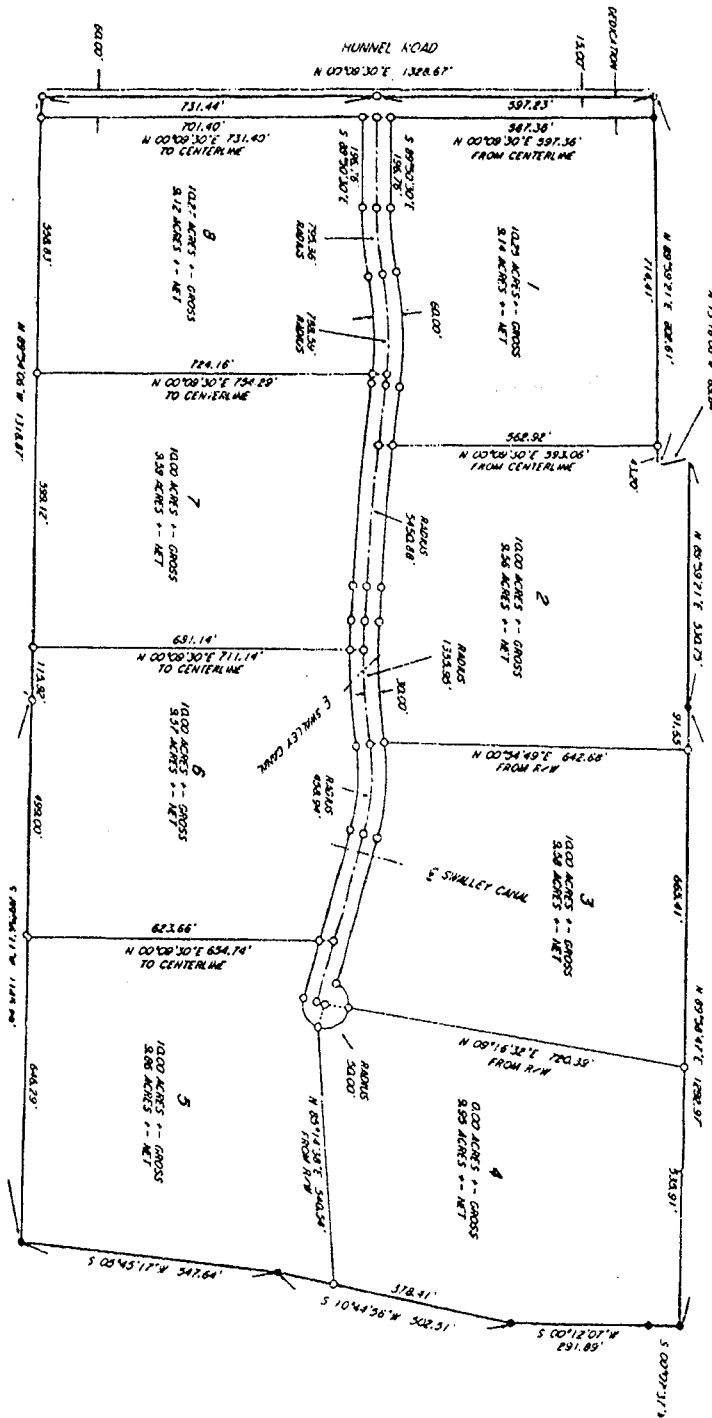
TOGETHER WITH the Westerly 1292.66 feet of the South 67.97 feet of the SW1/4 NE1/4 of Section 33.

ALSO TOGETHER WITH a parcel of land lying in the SE1/4 NW1/4 of said Section 33, described as follows:

Beginning at the Southeast corner of the SE1/4 NW1/4, also being the Center Quarter corner of said Section 33; thence South 89° 57' 57" West along the South line of said SE1/4 NW1/4, 514.55 feet, more or less, to the centerline of the Swalley Irrigation Canal; thence leaving said South line and commencing along the centerline of said Swalley Canal, North 13° 17' 30" West, 69.83 feet to a point lying 67.97 feet Northerly of said South line of said SE1/4 NW1/4; thence North 89° 57' 57" East along a line parallel to and 67.97 feet North of said North line, 530.62 feet, more or less, to the East line of said SE1/4 NW1/4; thence South 00° 07' 29" West along said East line, 67.97 feet to the point of beginning.

EXCEPTING THEREFROM a portion of the NW1/4 SE1/4, Section 33, described as follows: Beginning at the Southeast corner of said NW1/4 SE1/4; thence South 89° 58' 00" West along the South line of said NW1/4 SE1/4, 173.55 feet; thence leaving said South line North 05° 44' 17" East, 547.49 feet; thence North 10° 44' 14" East, 502.49 feet; thence North 00° 14' 22" East, 291.86 feet to a point on the North line of said NW1/4 SE1/4; thence North 89° 59' 12" East, 25.99 feet to the Northeast corner of said NW1/4 SE1/4; thence South 00° 05' 11" West along the East line of said NW1/4 SE1/4, 1330.21 feet to the point of beginning.

Exhibit "B"



425 - 2590

STATE OF OREGON,

County of Deschutes

SS.

FORM No. 23—ACKNOWLEDGMENT.
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BE IT REMEMBERED, That on this 9th day of October, 1996
before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within
named Arno P. Hanson & PRISCILLA MARTIN

known to me to be the identical individuals described in and who executed the within instrument and
acknowledged to me that they executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.

Patricia Yancey
Notary Public for Oregon
My commission expires

STATE OF OREGON,

County of Linn

SS.

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BE IT REMEMBERED, That on this 9th day of October, 1996
before me, the undersigned, a Notary Public in and for the State of Oregon, personally appeared the within
named FRANK MCCUBBINS AND BETTY HUGHES

known to me to be the identical individuals described in and who executed the within instrument and
acknowledged to me that they executed the same freely and voluntarily.



IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed
my official seal the day and year last above written.

Vicki Lamb
Notary Public for Oregon
My commission expires 7-9-97

STATE OF OREGON)
COUNTY OF DESCHUTES) SS.

I, MARY SUE PENHOLLOW, COUNTY CLERK AND
RECORDER OF CONVEYANCES, IN AND FOR SAID
COUNTY, DO HEREBY CERTIFY THAT THE WITHIN
INSTRUMENT WAS RECORDED THIS DAY:

96 OCT 11 PM 4:02

MARY SUE PENHOLLOW
COUNTY CLERK

BY: M. Lamb DEPUTY

NO. 96-37941 FEE 35

DESCHUTES COUNTY OFFICIAL RECORDS