DECLARATION OF COVENANTS
AND RESTRICTIONS
FOR
JAN'S COURT TOWNHOMES

This Declaration is made by Home Industries, Inc., hereinafter called the "Declarant."

WITNESSETH

WHEREAS, Declarant is the Owner of real property in the City of Newberg, Yamhill County, Oregon, described in Exhibit A of this Declaration and desires to create thereon three new single family homes with common wall construction at the lot lines, and

WHEREAS, Declarant desires to provide for the preservation of the values in said real property and to this end desires to subject the real property described in Exhibit A to the covenants, restrictions, reservations and charges hereinafter set forth, each and all of which are declared to be for the benefit of said property and each and every Owner of any part thereof, and

NOW, THEREFORE, Declarant hereby declares that the property described above is and shall be held upon and conveyed subject to the covenants, restrictions, reservations and charges hereinafter set forth.

ARTICLE I
DEFINITIONS

The following words and terms when used in this Declaration or any supplemental declaration shall have the following meanings:

a. "Common Property" shall mean those easements described in Article IV, Section 2 hereof.

b. "Lot" shall mean and refer to any plot of land shown on any recorded subdivision map of the Property with the exception of the Common Property.

c. "Owner" shall mean and refer to the record Owner, whether one or more persons or entities, of a fee simple title to any Lot which is part of the Property, including contract sellers, but excluding those having such interest merely as security for the performance of an obligation.

d. "Property" shall mean and refer to such Properties as are subject to this Declaration.

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ARTICLE II
NAME

The name by which the Property described in the attached Exhibit A shall be known is Jan's Court Townhomes.

ARTICLE III
DESCRIPTION OF IMPROVEMENTS

The Property contains three (3) Lots upon which is situated one (1) residential structure. The structure along with its driveways, garages and decks contains three (3) dwelling units. The dwelling units are each two (2) levels with a garage and no basement.

ARTICLE IV
EASEMENTS

Section 1. General Easements. There is hereby created a blanket easement upon, across, over and under each Lot and any Common Property for ingress, egress, installation, repair and maintenance of all utilities, including but not limited to water, sewer, gas, telephones, electricity, storm water discharge system and a master cable or television antenna system.

Section 2. Specific Easements. Three easements exist that affect the Property:

a. A one (1) foot easement exists for roof and gutter overhang or other architectural features resulting from the original construction of the units.

b. A five (5) foot wide strip of land running along the entire east boundary of the Property which shall serve as a general utility easement.

c. A twenty-five (25) foot wide strip of land running the length of the entire south boundary of the Property shall exist for the purpose of ingress and egress, and as a general utility easement;

d. The parcels of land described in the easements set forth in subparagraphs b and c shall remain open and accessible to all Owners and shall constitute easements for the benefit of each Owner from the other Owners.

Section 3. Easement Restrictions. The southern twenty (20) feet of the easement described in Section 2, subparagraph c above shall be limited to ingress and egress to each Lot and no parking will be allowed thereon, except for designated guest parking spaces located on the west boundary. All other parking shall be limited to unit driveways.

Section 4. Improvement Restriction. It is understood and agreed that no structure shall be erected, nor fill placed upon the above-described easement parcels without the prior written consent of the City Engineer for the City of Newberg.

ARTICLE V
PARTY WALLS

Section 1. General Rules of Law to Apply. Each wall which is built as part of the original construction of the dwelling units upon the Property and placed on the dividing line between the Lots shall constitute a party wall, and, to the extent not inconsistent with the provisions of this Article, the general rules of law regarding party walls and liability for property damage due to negligence or willful acts or omissions shall apply thereto.

Section 2. Sharing of Repair and Maintenance. The cost of reasonable repair and maintenance of a party wall shall be shared by the owners who make use of the wall in proportion of such use. The word "use" as defined in this Article means ownership of a dwelling unit or other structure which incorporates any part of such wall.

Section 3. Destruction by Fire or Other Casualty. If a party wall is destroyed or damaged by fire or other casualty, any Owners who have used the wall may restore it, and if the other Owners thereafter make use of the wall, they shall contribute to the cost of restoration thereof in proportion to such use without prejudice, however, to the right of any such Owners to call for a larger contribution from the others under any rule of law regarding liability for negligent or willful acts or omission.

Section 4. Right to Contribution Runs with Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 5. Arbitration. In the event of any dispute arising concerning a party wall, or under the provisions of this Article, each party shall choose one arbitrator, and such arbitrators shall choose one additional arbitrator, and the decision shall be made by a majority of all the arbitrators.

ARTICLE VI
MAINTENANCE AND REPAIR

Except for those items listed in Article V, Sections 2 and 3, all maintenance of and any repairs to any Lot shall be made by the Owner of such Lot; who shall keep the same in good order, condition, and repair; and shall do all redecorating, which at any time may be necessary to maintain the good appearance and condition of his Lot.

ARTICLE VII
COMMON SCHEME RESTRICTIONS

The following restrictions are imposed as a common scheme upon each Lot and the Common Property for the benefit of each other Lot and Common Property and may be enforced by any Owner.

Improvements constructed or maintained on the Lots shall utilize high quality exterior materials and be of such character and design as to be in harmony with surrounding structures and the
Common Property.

No garbage, refuse or cuttings shall be deposited on any street, road or Common Property, and not on any Lot unless placed in a suitable container suitably located.

No noxious or offensive activities shall be carried out on the Property.

No Owner shall remove trees or shrubs upon his Lot, except those which are a hazard, diseased, or where approval to remove the trees has been granted by the City of Newberg.

No boat, camper, trailer or vehicle repair or storage shall be conducted on the Property.

ARTICLE VIII
GENERAL PROVISIONS

Section 1. Duration. The covenants and restrictions of this Declaration shall run with and bind the land, shall inure to the benefit of the Owner of any land subject to this Declaration, their respective legal representatives, heirs, successors and assigns for a term of fifty (50) years from the date this Declaration is recorded, after which time said covenant shall be automatically extended for successive periods of ten (10) years unless an instrument terminating these covenants and restrictions is signed by the then Owners by a unanimous vote.

Section 2. Amendments. These covenants and restrictions may be amended by an instrument signed by all Owners. Any amendment must be recorded.

Section 3. Enforcement. Enforcement of these covenants and restrictions shall be by any proceeding at law or in equity against any person or persons violating or attempting to violate the covenant or restriction, either to restrain violation or to recover damages. Failure by any Owner to enforce any covenant or restriction therein contained shall in no event be deemed a waiver of the right to do so thereunder.

Section 4. 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.
IN WITNESS WHEREOF, the undersigned, being the Declarant and Owner, has hereunto set its hand this 30th day of June 1995.

HOME INDUSTRIES, INC.

By: [Signature]

George M. Koehrer, President

STATE OF OREGON
County of Clackamas

The foregoing instrument was acknowledged before me on 6/18/95 by George M. Koehler, President of Home Industries, Inc., as their voluntary act and deed.

Claudia E. White
NOTARY PUBLIC FOR OREGON
My Commission Expires: 6/18/99

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EXHIBIT A

Legal Description

A tract of land in the Southeast Quarter of Section 19, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron rod set at the Northwest corner of that tract of land conveyed to Carita Ann Turner, et al. by deed recorded July 6, 1977 in Film Volume 121, Page 965, Deed and Mortgage Records of Yamhill County, Oregon; and running thence North 89°48'29" East along the North line of said tract, a distance of 118.75 feet; thence South 1°43'21" East, parallel with the West line of said tract, 80.03 feet, more or less, to a point on the South line of said tract; thence South 89°48'29" West, along the South line of said tract, 118.75 feet to the Southwest corner thereof; thence North 1°43'21" East along the West line of said tract, 80.03 feet, more or less, to the place of beginning.

TOGETHER WITH A non-exclusive easement for egress purposes over the South 20 feet of even width described as follows: A tract of land in the Southeast Quarter of Section 19, Township 3 South, Range 2 West of the Willamette Meridian in Yamhill County, Oregon, more particularly described as follows:

Beginning at a 5/8" iron rod set at the Northwest corner of that tract of land conveyed to Carita Anne Turner, et al. by deed recorded July 6, 1977 in Film Volume 121, Page 965, Deed and Mortgage Records of Yamhill County, Oregon; and running thence North 89°48'29" East along the North line of said tract, a distance of 118.75 feet to the TRUE place of beginning; thence continuing along the North line of said tract, North 89°48'29" East a distance of 141.15 feet to a 3/4" iron pipe set on the West line of Charles Street; thence Southwesterly along the West line of said Charles Street to a 5/8" iron rod set on the South line of said Turner, et al. tract; thence South 89°48'29" West along the South line of said Turner, et al. tract, 124.14 feet, more or less, to a point which is 118.75 feet East of the Southwest corner thereof; thence North 1°43'21" West parallel with the West line of said Turner tract a distance of 80.30 feet, more or less, to the TRUE place of beginning.
FIRST AMENDMENT TO
DECLARATION OF COVENANTS
AND RESTRICTIONS
FOR
JAN'S COURT TOWNHOMES

The following amendments to the Declaration of Covenants and Restrictions for Jan's Court Townhomes are made by Declarant, Home Industries, Inc., owner of all properties affected thereby.

1. The non-exclusive easement described in Exhibit A to the Declaration of Covenants and Restrictions for Jan's Court Townhomes, Fee No. 195607084, recorded June 8, 1996, Records of Yamhill County, shall be corrected to reflect that the same easement is for ingress, egress and general utilities, as stated in the attached amended Exhibit A.

2. Article IV is amended to include the following section as Section 5:

Section 5. Maintenance. Each lot owner shall maintain the easement described in Article IV, Section 2, Paragraph c, and shall be responsible for one-third (1/3) of any and all costs associated with the maintenance of said easement. In addition, each lot owner shall maintain the easement for ingress, egress and utilities described in amended Exhibit A, and shall be responsible for one-third (1/3) of the three-sevenths (3/7) maintenance responsibility as stated in the easement in amended Exhibit A, of any and all costs associated with the maintenance of said easement.

IN WITNESS WHEREOF, the undersigned, being the Declarant and Owner, has hereunto set its hand this 22d day of June, 1996.

HOME INDUSTRIES, INC.

By: ____________________________
    George H. Koertzen, President

STATE OF OREGON

County of Yamhill

The foregoing instrument was acknowledged before me on June 26, 1996 by GEORGE H. KOERTZEN

as President of Home Industries, Inc., a Voluntary Association.

By: ____________________________
    Gary F. Linden
    Registrar of Deeds
    County of Yamhill

Notary Public for Oregon

Commission Expires: 5/16/97