DECLARATION OF COVENANTS AND RESTRICTIONS
FOR BRADLEY TOWNHOMES

This Declaration is made by Home Industries, Inc. and NSP Development 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 four new single family homes with O'lin lot line 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 hereeto.

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 any obligation.

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

Page 1-Declaration

ARTICLE II
NAME

The name by which the Property described in the attached Exhibit A shall be known is Bradley Townhomes.

Recorded in Yamhill County, Oregon
CHARLES STEIN, COUNTY CLERK

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ARTICLE III
DESCRIPTION OF IMPROVEMENTS

The Property contains four (4) Lots upon which is situated one (1) residential structure. The structure along with its driveways, garages and decks contains four (4) 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.

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

a. A two (2) foot wide strip of land on both sides of each adjoining property line shall serve as an easement 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 north 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, City of Newberg, PGE, GTE, TCI Cable and shall constitute easements for the benefit of each Owner from the other Owners.

Section 3. Easement Restriction. The entire north Nineteen (19) 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. All other parking shall be limited to unit driveway pads.

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 a 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 rule of law regarding party walls and liability for property damage due to negligence of 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 Owner who has 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 each use without prejudice, however, to the right of any such Owner 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 Contribute Rune 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

Section 1: 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 conditions of his lot.

Section 2. Driveway Maintenance. Each lot owner shall maintain the easement described in Article IV, Section 2, Paragraph c, and shall be responsible for one-fourth (1/4) of any and all costs associated with the maintenance of said agreement.
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 for 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 person 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 of 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 23rd day of May, 1997.

HOME INDUSTRIES, INC.

By: [Signature]
George H. Koertzen, President

STATE OF OREGON

County of Multnomah

The aforesaid instrument was acknowledged before me on May 23rd, 1997, by George H. Koertzen of Home Industries, as their voluntary act and deed.

REBECCA J. ALBRIGHT
Notary Public for Oregon
My Commission Expires: Sept. 19, 2000

IN WITNESS WHEREOF, the undersigned, being the Declarant and Owner, has hereunto set its hand this 28th day of May, 1997.

NSP Development Inc.

By: [Signature]
A. Paul Brenneke, President

STATE OF OREGON

County of Multnomah

The aforesaid instrument was acknowledged before me on May 28, 1997, by A. Paul Brenneke of NSP Development Inc., as their voluntary act and deed.

REBECCA J. ALBRIGHT
Notary Public for Oregon
My Commission Expires: Sept. 19, 2000
EXHIBIT A

Legal Description
Bradley Subdivision

Being a part of the Richard Everest Donation Land Claim No. 52 in the northwest quarter of section 21, township 3 south, range 2 west, Williamette Meridian and beginning at a point on the west right right of way line of Springbrook road (Market Rd, #5) said point bearing South 00° 14' 50" West 110.08 feet and North 89° 48' 00" West 30.00 feet from the southeast corner of the north half of said Everest claim, Said point being the initial point of Bradley Subdivision; thence with the South line of Bradley subdivision North 89° 48' 00" West 159.36 feet to a point; thence with the West line of Bradley subdivision North 00° 14' 50" East 80.08 feet to a point on the South right of way line of Hancock street thence with the North line of Bradley subdivision South 89° 48' 00" East 159.36 feet to a point on the aforesaid West right of way line of Springbrook Rd, thence with the East line of Bradley subdivision South 89° 48' 00" West 80.08 feet to the point of beginning.