DECLARATION OF RESTRICTIONS AND COVENANTS

WHEREAS, MICHELBOOK ESTATES, INC., an OREGON CORPORATION is the owner of that certain tract of land described as HOWARD ADDITION as shown by the duly recorded plat thereof in the "Record of Town-Plats" in the office of the County Clerk of Yamhill County, Oregon and,

WHEREAS, CLAUD E. ENGEL and CARL L. HOWARD, have contracted to purchase said tract and develop it as a subdivision, and

WHEREAS, CLAUD E. ENGEL and CARL L. HOWARD, intend to develop said tract in conjunction with a country club and golf course contiguous thereto and to sell lots and building sites therein, subject to certain protective restrictions, conditions, limitations, reservations, and covenants, hereinafter referred to as "protective restrictions," in order to insure the most beneficial development of said area as a residential subdivision and to prevent any such use thereof as might tend to diminish the value or pleasant enjoyment thereof,

NOW THEREFORE, said MICHELBOOK ESTATES, INC., hereinafter called corporation, and CLAUD E. ENGEL and CARL L. HOWARD second party, hereby declare that said protective restrictions are hereby imposed on said protected area, and are as follows, to-wit:

1. That the Grantee or Grantees under any conveyance shall not at any time conduct, or permit to be conducted, on said premises any trade or business of any description nor shall said premises be used for any other purpose whatsoever except for the purpose of a private dwelling or residence.

2. The corporation and second party recognize that there can be an infinite number of artistic conceptions and ideas for the development of homes sites consistent with the development of the tract and adjoining golf course and country club, and the corporation and second party wish to encourage same. Nevertheless, for the protection of all lot owners, the corporation and the second party desire through architectural committee, hereinafter referred to, to make certain that such development is a proper one and therefore herein make provisions for the

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formation of such a committee and its functions.

The architectural committee, hereinafter called committee, shall at all times consist of as many persons, not less than three, as the corporation shall appoint, which committee shall perform the functions set forth in Paragraph "3" to insure the proper and harmonious development of the entire area.

3. Lot owners will not construct, alter or maintain any improvement on the premises until:

A. They have submitted to the architectural committee a complete set of plans and specifications therefor in form satisfactory to the committee, showing insofar as is appropriate (1) The size and dimensions of the improvement; (2) The exterior design; (3) The exterior color scheme; (4) The exact location of the improvement on the homesite; (5) The locations of driveways and parking areas; and (6) The landscaping arrangement; and

B. Such plans and specifications have been approved in writing by the committee. Approval of said plans and specifications may be withheld, not only because of their noncompliance with any of the restrictions and conditions contained herein, but also because of the reasonable dissatisfaction of said committee with the items set forth in Paragraph "A" above, which, in the reasonable judgment of the committee would render the proposed improvement of inharmonious or out of keeping with the objectives or the improvements erected on other homesites in the immediate vicinity of the premises.

C. If at anytime the lot owner shall have submitted to the committee plans and specifications and committee shall have neither approved such plans and specifications within thirty days (30) from the date of their submission, not notified the lot owner of its objections within such period, then such plans and specifications shall be deemed to have been approved by the architectural committee. Similarly such restrictions shall apply to action upon any revised plans and specifications. Upon completion of the improvement and notice to the committee, the committee shall have the right for a period of ten days (10) from receipt of such notice to inspect said improvement for the purpose of determining whether it complies with the plans and specifications previously approved. Within ten days (10) thereafter said committee shall either approve said improvement or notify.

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the lot owner of the changes necessary to comply with the
plans and specifications. In the event that the committee does
not act within said ten days (10) period the improvement shall
conclusively be deemed to be satisfactory to the committee.
All communications to the committee shall be delivered by hand
or by mail to the corporation at its office in McMinnville, Oregon.

D. The architectural committee has prepared an archi-
tectural check list setting forth general concepts for the
development of said tract, which is available at the office of the
corporation. Such check list may be modified from time to time.

4. The corporation and the second party reserve for the
benefit of the tract those areas designated on said plat as eas-
ements and rights-of-way for the purpose of constructing utilities,
including but not limited to streets, sewers, water, power, gas,
and telephone, for the benefit for all lot owners in said tract.

5. No domestic animals of any kind shall be raised,
kept or permitted upon the leased premises or any part thereof
other than dogs, cats, and birds, which are not kept, bred or
raised thereon for commercial purposes or in unreasonable numbers,
and which are reasonably controlled to avoid their being a
nuisance to other lot owners.

6. The restrictions and covenants contained herein are
to run with the land and shall be binding on all parties and all
persons claiming under them, until January 1, 1995, at which
time said restrictions and covenants shall terminate unless the
majority of the then record owner of the lots contained in said
tract elect to retain said restrictions and covenants.

7. If the parties hereto, or any of them, or any lot
owners or their heirs or assigns or any persons claiming under
them shall violate or attempt to violate any of the restrictions
and covenants contained herein, it shall be lawful for the corporation
or for the second party or for any person or persons owning any
property situated in said subdivision to prosecute any proceedings
at law or in equity against such person or persons violating or
attempting to violate any such restriction or covenant and neither
to prevent him or them from so doing or to recover damages for
such violation.

8. Invalidation of any of these covenants by judgment or
court order.
shall in no wise affect any of the other provisions herein which shall remain in full force and effect.

9. In the event that any lot owner does not construct a residence on said lot within one year after purchase thereof he shall then plant said lot in a lawn and thereafter maintain the same as a lawn until a residence is constructed.
IN WITNESS WHEREOF, the parties have hereunto set their hands and seals:

this 27th day of August, 1975.

Claud R. Engel

Carl L. Howard

MICHIELook ESTATES, INC.

Juliette Barber

STATE OF OREGON
County of Yamhill

On this 29th day of August, 1975, before me appeared R. H. Holcomb and Juliette Barber, both personally known, who being duly sworn, did say that he, the said R. H. Holcomb, is the President, and he, the said Juliette Barber is the Secretary of Michelbook Estates, Inc., the within named Corporation, and that the seal affixed to the said instrument is the corporate seal of said Corporation, and that the said instrument was signed and sealed in behalf of said Corporation by authority of its Board of Directors, and said R. H. Holcomb and Juliette Barber acknowledged said instrument to be the free act and deed of said Corporation in testimony thereof, I have hereunto set my hand and affixed my official seal, this the day and year last above written.

R. D. [Signature]
Notary Public for Oregon
My commission expires 5/26/78

STATE OF OREGON
County of Yamhill

RE DE RE MEMERED, That on this 29th day of August, 1975, before me, the undersigned a Notary Public in and for said County and State, personally appeared the within named Claud R. Engel, Carl L. Howard and 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.

R. D. [Signature]
Notary Public for Oregon, May commission expires