CONDITIONS, COVENANTS AND RESTRICTIONS

Know all men by these presents that Royal Oaks Development Co., an Oregon corporation, owner of that tract of land known as Tesky Park, Lot 1, 2, 3, 4, Yamhill County, Oregon hereby causes these conditions and restrictions to become in force and to run with the land until Jan. 1, 2080. These conditions and restrictions may only be amended by the vote of at least two thirds of the property owners. Each lot has one vote.

No building or structure shall be hereinafter erected, altered, or enlarged on these lots except for residential purposes and accessory buildings consisting of garages, carports, private greenhouses, swimming pools and other types of home recreational facilities incidental to residential use, save and except temporary structures used for incidentals to construction work.

No outdoor overhead wire or service drop for the distribution of electrical energy or for telecommunication purposes except normal television antennas or satellite dishes, nor any pole, tower or other structures supporting any outdoor overhead wires shall be erected, placed or maintained. All service wires to connect their premises and the structures built thereon to the underground electrical, TV cable and telephone utility facilities shall be underground.

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood or which shall or may detract from its value as a private residential area.

No dwelling shall be occupied permanently or temporarily prior to 100 percent completion. Any dwelling shall be fully completed within one year from the start of construction.

No structure of a temporary character, trailer, basement, tent, shack, garage, barn, mobile home, camper of other outbuilding shall at any time be used as a residence either temporarily or permanently.

No lot shall be used or maintained as a dumping ground for rubbish trash, garbage, ashes, or other waste.

No livestock, poultry or horses of any kind shall be raised, bred or kept on this property.

No trailer, camper, boat, motor home, truck and/or any other vehicle not in immediate running condition shall be parked on the street or kept on any lot except fully enclosed inside or fully enclosed by a sight obscuring fence at least five feet in height, except on a temporary basis not exceeding two weeks for guest parking or loading in a driveway.
Enforcement of these reservations, conditions, covenants, agreements and restrictions shall be by proceeding at law or in equity against any person or persons violating or attempting to violate any of the reservations, conditions, covenants, agreements and restrictions contained in here. In any such proceedings, relief may be sought to restrain violation or to recover damages or to compel compliance with the reservations, conditions, covenants, agreements and restrictions contained herein.

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

IN WITNESS WHEREOF, the undersigned has hereunto set his hand this 17 day of April 2006.

ROYAL OAKS DEVELOPMENT CO.

[Signature]
Samuel A. Gotter, III
President

STATE OF OREGON
County of Washington

Before me on the 17 day of April 2006 appeared Samuel A. Gotter, III, President, Royal Oaks Development Co., who acknowledged the foregoing was signed in behalf of said Corporation and was the voluntary act and deed of said Corporation.

[Signature]
M. McDougall
Notary Public for Oregon
My commission expires 7-15-08

[Official Seal]
M. McDougall
Notary Public Oregon
Commission No. 380579
My commission expires July 15, 2008
AGREEMENT FOR INSTALLATION OF A PRIVATE STORM SEWER AND MAINTENANCE AGREEMENT AFTER INSTALLATION

Powell Build Homes, Inc.
P.O. Box 1030
Newberg, OR 97132

WHEREAS, it is the desire of Nicholas and Lisa M. Rutter Individually as the owners of Parcel No. R32118AA 03501 and Ervin H. and V. Joyce Tesky Individually and Trustees for the Tesky Family Estate the as the owners of Parcel R32118AA 03700 in the City of Newberg, Yamhill County, Oregon to grant Raymond C. Johnisee the owner of Parcel No. R32118AA 03401 the right to construct a private storm sewer on the westerly five foot portion of their properties in accordance with the attached Exhibit - "A".

WHEREAS, Johnisee is to bear all costs for the installation of the private storm sewer.

WHEREAS, the owners of the three parcels agree that this Maintenance Agreement has been established to comply with certain conditions of Approval by the City of Newberg for the development of Parcel No. R32118AA 03401 by Johnisee.

WHEREAS, the private storm drain is not part of the City storm drain system.

NOW, THEREFORE, it is hereby agreed:

1. The owners of the three parcels shall meet at least once every year to review the current condition of the storm drain easement and discuss any maintenance needs and costs.

2. The cost of maintenance shall be charged to Johnisee. If any owner shall directly cause the storm drain pipe to be damaged, that owner shall be solely responsible for the entire cost of repairing the storm drain pipe to the satisfaction of the City of Newberg within thirty (30) calendar days of the damage occurrence.

3. This agreement is binding upon the owners of the three parcels, or any portion thereof, their heirs, successors and assigns, and any owners of surrounding property that become a part of this agreement and obtain use of this private storm drain for future property development.

4. All owners shall keep the five foot Storm easement free and clear for maintenance access.

5. Invalidation of any provisions of this Storm Drain Maintenance Agreement by judgement or court order shall in no way affect any of the other provisions of this agreement, which shall remain in full force and effect.

OFFICIAL YAMHILL COUNTY RECORDS
CHARLES STERN, COUNTY CLERK

$86.00

02/12/2001 03:21:13 PM

DNR-EDNR Cnt=1 Stn=1 KAREN
$45.00 $10.00 $20.00 $11.00
CONTINUED PAGE 2

IN WITNESS THEREOF, on this 10 day of January 1998, the parties have signed this agreement:

Raymond C. Johnisee, Individual

Nicholas A. Rutter, Individual

Lisa M. Rutter, Individual

Ervin H. Tesky, Individual

Ervin H. Tesky, Trustee for Tesky Family Trust

V. Joyce Tesky, Individual

V. Joyce Tesky, Trustee for Tesky Family Trust

FOR THE STATE OF OREGON )
COUNTY OF YAMHILL ) ss.

Personally appeared in the above named Raymond C. Johnisee, Ervin H. and V. Joyce Tesky, co-Trustees of the Tesky Family Trust and Nicholas A and Lisa M. Rutter acknowledged the foregoing instrument to be their voluntary act and deed.

After recording, return to Raymond C. Johnisee, P. O. Box 1026, Sherwood, OR 97140.

Notary Public

My commission expires 12/31/10

STATE OF OREGON,

County of Yamhill

BE IT REMEMBERED, That on this 10th day of January, 1998, before me, the undersigned, a Notary Public in and for said County and State, personally appeared the within named Ervin H. Tesky, and 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.

Notary Public for Oregon

My Commission expires 12/31/10
EXHIBIT A

The City is authorized to assist in developing the property. This is in accordance with Section 14.01.19 of the Hillsboro Fire Protection District's Fire Protection Act.

SEE MAP 3
LEGAL DESCRIPTION – Private Storm Drainage Easement
Located in T3S, R2W, Section 18
City of Newberg, Yamhill County, Oregon

Prepared for Roy Powell
February 9, 2001

Easement Description for:   Tax Lot 3218AA-3401

That portion of the 5.00 foot wide storm drainage easement described in the attached Exhibit A that lies within that parcel described in deed to Duane M. Hann and Shannon L. Hann recorded in Instrument Number 199913681, Yamhill County Deed Records.

Easement containing 436 sq. ft. more or less.
LEGAL DESCRIPTION – Private Storm Drainage Easement
Located in T3S, R2W, Section 18
City of Newberg, Yamhill County, Oregon

Prepared for Roy Powell

February 9, 2001

Exhibit A

Storm Drainage Easement

A 5.00 foot wide storm drainage easement, being 2.50 feet in width on each side of the following described centerline:

Situated in the northeast quarter of Section 18, Township 3 South, Range 2 West, of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described as follows:

Beginning at a point on the north line of Columbia Drive, said point being 2.50 feet east of the southwest corner of that parcel described in deed to Ervin H. Teskey and V. Joyce Teskey, recorded in Film Volume 299, Page 388, Yamhill County Deed Records; thence North, parallel with and 2.50 feet distant from the west line of said Film Volume 299, Page 388, 173.50 feet more or less to a point 2.50 feet south of the north line of said Film Volume 299, Page 388; thence East, parallel with and 2.50 feet distant from said north line of Film Volume 299, Page 388, 32.65 feet more or less to a point that is 2.50 feet South and 2.50 feet East of the southwest corner of that parcel described in deed to Nicholas A. Rutter and Lisa M. Rutter recorded in Film Volume 230, Page 1174, Yamhill County Deed Records; thence North, parallel with and 2.50 feet distant from the west line of said Rutter parcel and its northerly extension, 92.50 feet more or less to a point 2.50 feet north of the south line of that parcel described in deed to Duane M. Hann and Shannon L. Hann recorded in Instrument Number 199913681, Yamhill County Deed Records; thence East, parallel with and 2.50 feet distance from the south line of said Hann parcel, 69.63 feet to a point that is 2.50 feet East of the southerly extension of the west line of Parcel I of said Instrument Number 199913681; thence north 12.50 feet more or less to the south line of said Parcel 1, Instrument Number 199913681.

Said easement containing 1,929 square feet more or less.
LEGAL DESCRIPTION – Private Storm Drainage Easement
Located in T3S, R2W, Section 18
City of Newberg, Yamhill County, Oregon

Prepared for Roy Powell
February 9, 2001

Easement Description for: Tax Lot 3218AA-3700

That portion of the 5.00 foot wide storm drainage easement described in the attached Exhibit A that lies within that parcel described in deed to Ervin H. Tesky and V. Joyce Tesky recorded in Film Volume 299, Page 388, Yamhill County Deed Records.

Easement containing 1,043 sq. ft. more or less.
LEGAL DESCRIPTION – Private Storm Drainage Easement
Located in T3S, R2W, Section 18
City of Newberg, Yamhill County, Oregon

Prepared for Roy Powell
February 9, 2001

Exhibit A

Storm Drainage Easement

A 5.00 foot wide storm drainage easement, being 2.50 feet in width on each side of the following described centerline:

Situated in the northeast quarter of Section 18, Township 3 South, Range 2 West, of the
Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described
as follows:

Beginning at a point on the north line of Columbia Drive, said point being 2.50 feet east
of the southwest corner of that parcel described in deed to Ervin H. Tesky and V. Joyce Tesky,
recorded in Film Volume 299, Page 388, Yamhill County Deed Records; thence North, parallel
with and 2.50 feet distant from the west line of said Film Volume 299, Page 388, 173.50 feet
more or less to a point 2.50 feet south of the north line of said Film Volume 299, Page 388;
thence East, parallel with and 2.50 feet distant from said north line of Film Volume 299, Page
388, 32.65 feet more or less to a point that is 2.50 feet South and 2.50 feet East of the
southwest corner of that parcel described in deed to Nicholas A. Rutter and Lisa M. Rutter
recorded in Film Volume 230, Page 1174, Yamhill County Deed Records; thence North, parallel
with and 2.50 feet distant from the west line of said Rutter parcel and its northerly extension,
92.50 feet more or less to a point 2.50 feet north of the south line of that parcel described in
deed to Duane M. Hann and Shannon L. Hann recorded in Instrument Number 199913681,
Yamhill County Deed Records; thence East, parallel with and 2.50 foot distance from the south
line of said Hann parcel, 69.63 feet to a point that is 2.50 feet East of the southerly extension
of the west line of Parcel I of said Instrument Number 199913681; thence north 12.50 feet more or
less to the south line of said Parcel 1, Instrument Number 199913681.

Said easement containing 1,929 square feet more or less.
LEGAL DESCRIPTION – Private Storm Drainage Easement
Located in T3S, R2W, Section 18
City of Newberg, Yamhill County, Oregon

Prepared for Roy Powell
February 9, 2001

Easement Description for: Tax Lot 3218AA-3501

That portion of the 5.00 foot wide storm drainage easement described in the attached Exhibit A that lies within that parcel described in deed to Nicholas A. Rutter and Lisa M. Rutter recorded in Film Volume 230, Page 1174, Yamhill County Deed Records.

Easement containing 450 sq. ft. more or less.
LEGAL DESCRIPTION – Private Storm Drainage Easement
Located in T3S, R2W, Section 18
City of Newberg, Yamhill County, Oregon

Prepared for Roy Powell
February 9, 2001

Exhibit A

Storm Drainage Easement

A 5.00 foot wide storm drainage easement, being 2.50 feet in width on each side of the following described centerline:

Situated in the northeast quarter of Section 18, Township 3 South, Range 2 West, of the Willamette Meridian, City of Newberg, Yamhill County, Oregon, and more particularly described as follows:

Beginning at a point on the north line of Columbia Drive, said point being 2.50 feet east of the southwest corner of that parcel described in deed to Ervin H. Tesky and V. Joyce Tesky, recorded in Film Volume 299, Page 388, Yamhill County Deed Records; thence North, parallel with and 2.50 feet distant from the west line of said Film Volume 299, Page 388, 173.50 feet more or less to a point 2.50 feet south of the north line of said Film Volume 299, Page 388; thence East, parallel with and 2.50 feet distant from said north line of Film Volume 299, Page 388, 32.65 feet more or less to a point that is 2.50 feet South and 2.50 feet East of the southwest corner of that parcel described in deed to Nicholas A. Rutter and Lisa M. Rutter recorded in Film Volume 230, Page 1174, Yamhill County Deed Records; thence North, parallel with and 2.50 feet distant from the west line of said Rutter parcel and its northerly extension, 92.50 feet more or less to a point 2.50 feet north of the south line of that parcel described in deed to Duane M. Hann and Shannon L. Hann recorded in Instrument Number 199913681, Yamhill County Deed Records; thence East, parallel with and 2.50 feet distance from the south line of said Hann parcel, 69.63 feet to a point that is 2.50 feet East of the southerly extension of the west line of Parcel I of said Instrument Number 199913681; thence north 12.50 feet more or less to the south line of said Parcel 1, Instrument Number 199913681.

Said easement containing 1,929 square feet more or less.
PRIVATE ROADWAY AND STORM DRAINAGE MAINTENANCE AGREEMENT FOR "TESKY PARK"

AS RECORDED IN BOOK______, PAGE_____,
SUBDIVISION PLAT RECORDS FOR YAMHILL COUNTY

WHEREAS, Peter Feher and Nancy Panner desire to construct a private roadway across Lots 3 and 4, and a private storm drainage system across Lots 1, 3 and 4 of "TESKY PARK"; and

WHEREAS, Lots 3 and 4 of "TESKY PARK" are benefited by the private roadway system; and

WHEREAS, Lots 1 through 5 of "TESKY PARK" are benefited by the private storm drainage system; and

WHEREAS, The private roadway and storm drainage improvements are not a part of the City of Newberg Street and Storm Drainage systems; and

WHEREAS, The owners of Lots 1 through 5 of V will be desirous of providing for the proper maintenance of the private roadway and storm drainage improvements, hereinafter referred to as "private roadway improvements" and "private storm drainage improvements", and to delegate authority for maintenance.

NOW, THEREFORE, it is hereby agreed:

(1) By acceptance of the deed to property within said "TESKY PARK", whether or not it shall be so expressed in such deed or other conveyance, the grantee shall become a party to this Agreement. Such grantees are hereinafter referred to as owners. The consideration for this Agreement is the mutual promises of the owners to share in the cost of maintenance of said private improvements.

(2) The owners of "TESKY PARK" hereafter called affected owners shall meet at 7:00 p.m., on the second Tuesday in January of each year to elect a Chairperson and review the condition of the private roadway and private storm drainage improvements and discuss maintenance needs and costs.

(3) The owners of Lots 3 and 4 are equally responsible for the maintenance of the private roadway which consist of a concrete driveway approach and a twelve foot wide asphalt driveway. The private roadway improvements shall be maintained to a standard appropriate for all-weather paved roads.

(4) The owners of Lots 1 through 5 are equally responsible for the maintenance
of the private drainage improvements which consist of a water quality swale, a concrete ditch inlet with sump, and piping into a City of Newberg maintained pollution control manhole. The water quality swale and water quality swale easement areas are to be maintained in a vegetated state. Cleaning of the concrete ditch inlet sump is the responsibility of Lots 1 through 5. Individual rain drain piping into the water quality swale is the responsibility of the Lot served by the rain drain piping. Lot 1 shall be responsible for removing litter and debris from the water quality swale easement area located on Lot 1. Lot 3 shall be responsible for removing litter and debris from the water quality swale easement area located on Lot 3. Lot 2 shall be responsible for maintaining the drainage swale along the West five feet of Lot 2 to provide surface drainage to adjoining properties. Lot 3 shall be solely responsible for maintaining the drainage swale along the North and West five feet of Lot 3 to provide surface drainage to adjoining properties.

(5) The owners of Lots 1 through 5 shall be entitled to one vote per Lot in decisions regarding the maintenance of the private storm drainage improvements, the election of a Chairperson, or changes to this Agreement; except, however, in the case of a tie vote, the existing Chairperson shall be entitled to two votes.

(6) At the meeting held each year, the affected owners shall elect a Chairperson to represent the affected owners in all matters regarding maintenance of the private storm drainage improvements for the coming year.

(7) The quantity and quality of the work to be performed on the private storm drainage improvements shall be determined by a majority vote of the affected owners in accordance with Paragraph (4) above.

(6) The costs of private roadway improvements and private storm drainage improvement repairs shall be apportioned equally among the affected owners on a per lot basis regardless of frontage, location, or improvements. If an individual owner shall cause the private roadway improvements and private storm drainage improvements to be damaged, that owner shall be solely responsible for the entire cost of repairing the private roadway improvements and private storm drainage improvements to the satisfaction of the other owners within thirty calendar days of the damage.

(7) An undivided one-fifth interest in the private storm drainage improvements across Lots 1, 3 and 4 is hereby attached to each of the five lots in "TESKY PARK", and title to each undivided one-fifth interest shall pass with each transfer of each parcel.

(8) An undivided one-half interest in the private street improvements across Lots 3 and 4 is hereby attached Lots 3 and 4 of "TESKY PARK", and title to each undivided one-half interest shall pass with each transfer of each parcel.
(9) No vehicle or other parking shall be allowed in said private roadway. All owners shall keep all of the roadway free and clear for vehicle and emergency vehicle access.

(10) Enforcement of this Agreement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate this Private Roadway and Storm Drainage Maintenance Agreement, either to restrain violation or to recover damages. In case suit or action or request for arbitration is instituted, the prevailing party shall be entitled to all costs and expenses, including reasonable attorney fees, at trial and upon appeal. The Chairperson, at his or her discretion, may file a statement of claim with an arbitration service. In this event, the decision of the arbitrator shall be binding upon the parties and the fee for the arbitrator shall be borne equally by the parties unless the arbitrator determines that the fee should be borne unequally and allocates the fee. In the event of a violation or attempted violation of this Private Improvement Agreement, the Chairperson shall also be entitled to recover all costs and expenses, including reasonable attorney's fees that shall arise from enforcing any provision of this Agreement even though no suit or action or request for arbitration is instituted.

(10) The owners of Lots 3 and 4 shall share equally on a per parcel basis in the liability of the private access and utility easement area across Lots 3 and 4. Each owner shall obtain homeowner's liability insurance which includes all risks arising directly or indirectly out of the public use of the private roadway area at a level determined by a majority vote of the affected owners. The owners may, by their majority vote, carry a single insurance policy which covers all of them against liability out of public use of the roadway area, sharing the cost equally among them if such insurance is available and desirable.

(11) The Chairperson shall be empowered to borrow monies where necessary to complete private roadway maintenance and private storm drainage maintenance and to pay interest at a reasonable rate for such sums as are borrowed.

(12) Within twenty days after the expenditure of such sums the Chairperson shall send a written notice to each affected owner setting forth their share of the bill. The amount billed shall be due and payable within thirty days thereafter, and if not so paid the Chairperson may prepare a notice entitled "Lien Notice" setting forth the legal description of the property for which an assessment has not been paid, name of owners or reputed owners, the date of the assessment, and the amount thereof. Said Lien Notice, over the Chairperson's signature, shall then be recorded in the lien notices in Yamhill County and shall constitute a lien on the described premises for a period of one year. The Chairperson shall make charges for interest on any amounts unpaid under this Agreement at the rate of 1-1/2% per month or proration.
thereof) or at the maximum rate permitted under any applicable law for past-due obligations, whichever is less.

(13) During the period of the year the Chairperson may, after having given ten days written notice, institute proceedings to foreclose the lien as provided under ORS 87.060 in the State of Oregon. Said foreclosure shall provide for the costs of filing the lien, attorney's fees and such legal fees as is necessary for the prosecution of the cause. During the one year period the affected owners may, over the signature of the Chairperson, sue for the assessment without foreclosure and in such suit shall be entitled to costs and reasonable attorney's fees.

(14) Invalidation of any provisions of this Private Roadway and Storm Drainage Maintenance Agreement by judgement or court order shall in no way effect any of the other provisions of this Agreement, which shall remain in full force and effect.

THIS AGREEMENT shall be deemed a Covenant running with the land and is binding upon the owners of Lots 1 through 5 of "TESKY PARK", their heirs, successors, and assigns.

IN WITNESS WHEREOF, the owner or owners of all of the above described Lots signed this agreement on the date and year set forth below.

[Signatures]

Peter J. Feher

Nancy Panner

State of Oregon

County of Yamhill

Personally appeared the above named Peter Feher and Nancy Panner who acknowledged the foregoing instrument to be their voluntary act and deed.

IN WITNESS WHEREOF I have set my hand and seal this 29 day of November 2005.

[Seal]

Notary Public

[Seal]

Debbie Kay Lee
Notary Public

Commission No. 353913


After Recording, Return to:
Peter Feher and Nancy Panner, 12995 SW Pacific Highway, Tigard, OR 97223