

After Recording Return to:

Stew Stone
Prudential Real Estate Professionals
PO Box 12397
Salem, OR 97309

**COVENANTS, CONDITIONS AND RESTRICTIONS
FOR LOTS 24-26 AND 28-35 OF THE SAWGRASS SUBDIVISION OF
HORN RAPIDS, A MASTER PLANNED COMMUNITY**

THESE COVENANTS, CONDITIONS AND RESTRICTIONS FOR LOTS 24-26 AND 28-35 OF THE SAWGRASS SUBDIVISION OF HORN RAPIDS, A MASTER PLANNED COMMUNITY (the "**Covenants**"), to be effective upon its recording in the real property records of Benton County, Washington, is made and executed this ____ day of July, 2004, by **North Stone Richland, LLC**, an Oregon limited liability company ("**Declarant**").

RECITALS:

- A.** Declarant is the owner of certain real property located in Benton County, Washington, which is commonly known as the Sawgrass Subdivision of Horn Rapids, a Master Planned Community and more particularly described on **Exhibit A** attached hereto and by this reference made a part hereof (the "**Subdivision**").
- B.** The Subdivision is governed by that certain Declaration of Covenants, Conditions, Restrictions and Easements for Horn Rapids, a Master Planned Community, which has been recorded in the real property records of Benton County, Washington on May 27, 1994, at Vol. 608, Page 1847 ("**Original Declaration**").

- C. Lots 24-26, 28 and 29 of the Subdivision border a water feature (the "**Detention Water Feature**") that benefits those lots by enhancing the environment and adding value to those lots.
- D. Lots 30-35 of the Subdivision border a water feature (the "**Golf Course Feature**") that benefits those lots by enhancing the environment and adding value to those lots.
- E. Declarant desires to subject the owners of Lots 24-26, 28 and 29 of the Subdivision (the "**Group 1 Owners**") to the care and maintenance of the Detention Water Feature and the owners of Lots 30-35 of the Subdivision (the "**Group 2 Owners**") to the care and maintenance of the Golf Course Feature in order to preserve the value and desirability of such lots, as provided herein.

NOW THEREFORE, the Declarant hereby declares that:

1. Care and Maintenance of Water Feature

- 1.1** The owners of lots 24-26, 28 and 29 of the Subdivision shall be obligated to operate, maintain and repair the Detention Water Feature. Such obligation shall include, but not be limited to, the repair and maintenance of the pump system and all related piping, cleaning of the water feature, payment for electricity serving the Detention Water Feature, and care and maintenance of the landscaping surrounding the water feature. All obligations shall be performed by the owners on a prompt, diligent and regular basis in accordance with generally accepted standards of the Subdivision.
- 1.2** The owners of Lots 30-35 of the Subdivision shall be obligated to operate, maintain and repair the Golf Course Feature. Such obligation shall include, but not be limited to, the repair and maintenance of the pump system and all related piping, cleaning of the water feature, payment for electricity serving the Golf Course Feature, and care and maintenance of the landscaping surrounding the water feature. All obligations shall be performed by the owners on a prompt, diligent and regular basis in accordance with generally accepted standards of the Subdivision.

2. Costs

The costs related to performing the obligations set forth in Section 1.1, above shall be borne equally by the Group 1 Owners. The costs related to performing the obligations set forth in Section 1.2, above shall be borne equally by the Group 2 Owners. Each lot owner shall be assessed on a monthly basis for such owner's share of the costs. Declarant shall determine the initial assessment to be paid by the owners. The Manager, as described below, may modify the amount of the assessment each year to account for reserves and expected maintenance of the water feature in the coming year.

3. Manager

- 3.1** The Group 1 Owners and Group 2 Owners shall each appoint one owner among them to manage the obligations for care and maintenance set forth in these Covenants, by majority vote of such group. Such appointed owner shall hereinafter be referred to as the "**Manager**." The Manager shall maintain all funds on behalf of

the Owners in a designated account and shall contract with sub-contractors to repair and maintain the water feature as necessary. Such appointed Manager shall serve until he or she resigns or is removed. The manager may be removed by a majority vote of the lot Owners so long as another manager is immediately appointed to fulfill the role required by this Section.

- 3.2** As compensation for serving as manager, the Manager shall not be obligated to make any payment required by this Covenant while such person serves as Manager. The payment obligation that would have been required of the Manager shall be borne equally by the remaining owners of the Manager's group.

4. Enforcement and Fines

The Declarant, or the owners of lots, individually and severally, shall have the right to enforce all of the covenants, restrictions and charges now or hereinafter imposed by of this Deed Restriction as may appertain specifically to said bodies or owners by any proceeding at law or in equity. Failure by any of the foregoing persons or entities to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of their right to do so thereafter. If any lot owner fails to make a payment when due, the Manager or the majority of the lot owners in any group may levy a fine of Fifty Dollars (\$50.00) for any payment more than sixty (60) days late, and One Hundred Dollars (\$100.00) for any payment more than one hundred twenty (120) days late. In addition, after one hundred twenty (120) days of nonpayment, the lot owners shall have the right to record a lien against the nonpaying lot owner's property in the amount of the payment due, plus all late fees and cost to record the lien.

5. Time and Effect

These covenants are to run with the land and shall be binding on all parties and all persons claiming under them.

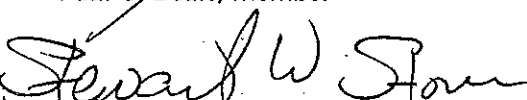
6. Attorney Fees and Costs

If any arbitration, suit or action is instituted to interpret or enforce the provisions of this Agreement, to rescind this Agreement, or otherwise with respect to the subject matter of this Agreement, the party prevailing on an issue shall be entitled to recover with respect to such issue, in addition to costs, reasonable attorney fees incurred in preparation or in prosecution or defense of such arbitration, suit, or action as determined by the arbitrator or trial court, and if any appeal is taken from such decision, reasonable attorney fees as determined on appeal.

IN WITNESS WHEREOF, the Declarant has caused these Covenants to be executed the day and year first hereinabove written.

North Stone Richland, LLC

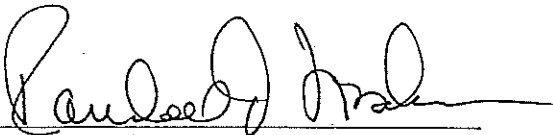
By: 
Paul C. Beals, Member

By: 
Stewart W. Stone, Member

State of Oregon)
) ss.
County of Marion)

On this 29th day of July, 2004, personally appeared Paul C. Beals, a member on behalf of North Stone Richland, LLC, an Oregon Limited Liability Company, who being duly sworn, did acknowledge the foregoing instrument to be its voluntary act and deed.

Before me:



Notary Public for Oregon

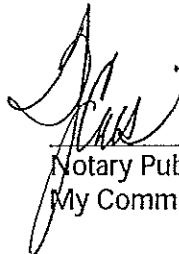
My Commission Expires: Jan 10, 2005



State of Oregon)
) ss.
County of Marion)

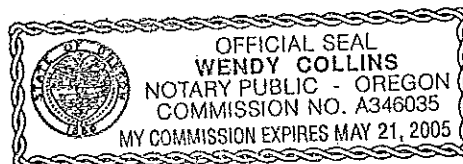
On this 29th day of July, 2004, personally appeared Stewart W. Stone, a member on behalf of North Stone Richland, LLC, an Oregon limited liability company, who being duly sworn, did acknowledge the foregoing instrument to be its voluntary act and deed.

Before me:



Notary Public for Oregon

My Commission Expires: 5-21-05

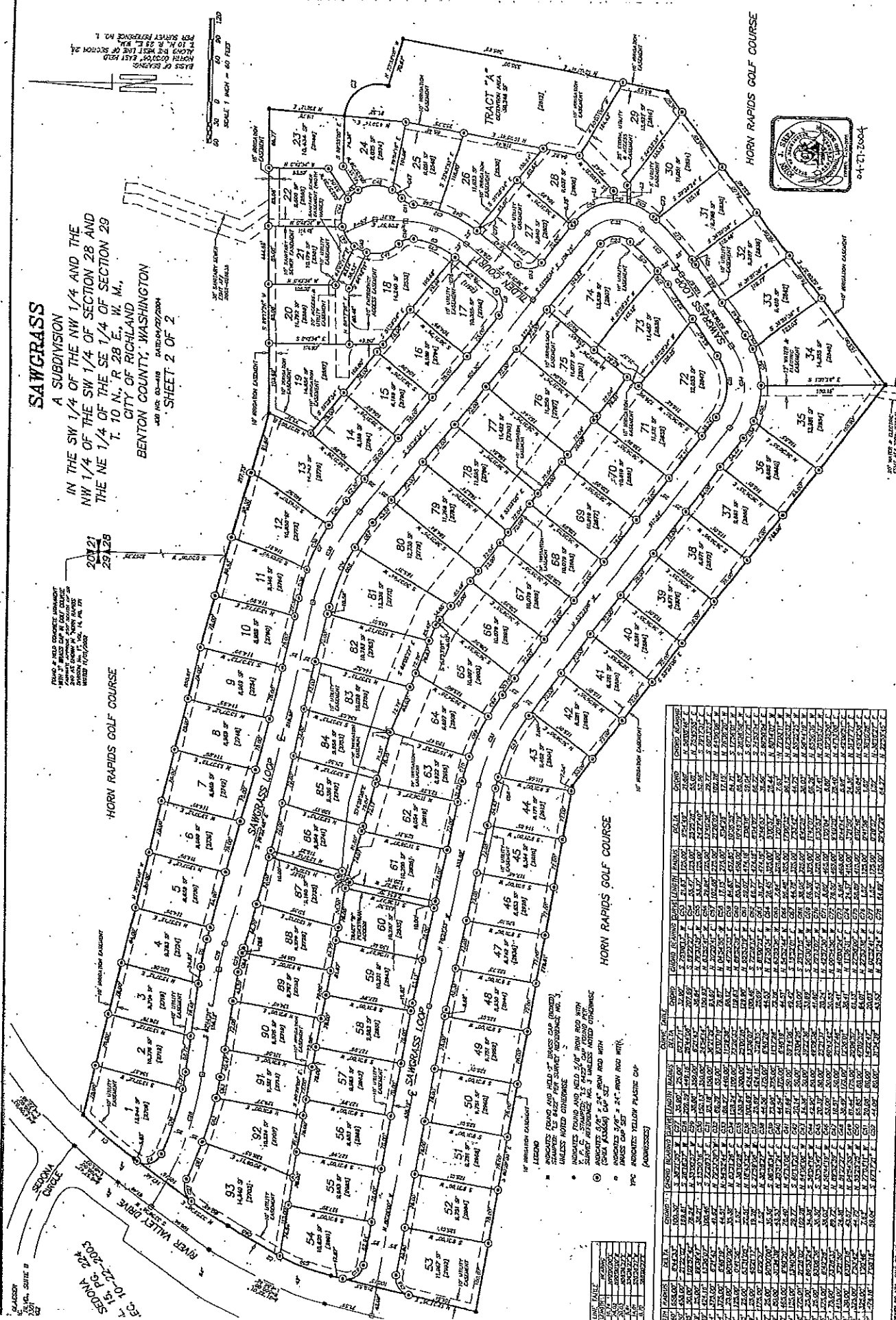
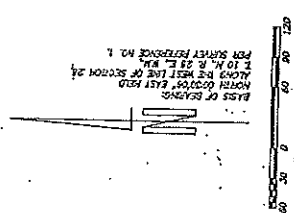


A SUBDIVISION
IN THE SW 1/4 OF THE NW 1/4 AND THE
NW 1/4 OF THE SW 1/4 OF SECTION 28 AND
THE NE 1/4 OF THE SE 1/4 OF SECTION 29
T. 10 N., R. 28 E., W. 4.
CITY OF RICHLAND
BENTON COUNTY, WASHINGTON

FOUND & HELD CONVENTION MONUMENT
WITH 37 BRASS CAP IN GOLF COURSE
COUNTRY APPROX 200' SOUTH OF SO
AND AS EIGHTH IN NORTH RANGES
SECTION 14, T. 14, N. 17
DATED 11/17/2002

HORN RAPIDS GOLF COURSE
MAY 1937 11

EC-15
SEDONA
10-22-2003
224

[illegible]