

After Recording Return to:

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

**COVENANTS, CONDITIONS, AND RESTRICTIONS
FOR LOTS 20 THROUGH 25 OF THE SEDONA I SUBDIVISION OF
HORN RAPIDS, A MASTER PLANNED GOLF COURSE COMMUNITY**

THESE COVENANTS, CONDITIONS, AND RESTRICTIONS FOR LOTS 20-25 OF THE SEDONA I SUBDIVISION OF HORN RAPIDS MASTER PLANNED GOLF COURSE 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 _____, 2006, 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 Sedona subdivision of Horn Rapids, a Master Planned Golf Course 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 golf Course Community, which has been recorded in the real property records of Benton County, Washington, on _____, at Vol. ____ Page ____ ("Original Declaration").
- C. Lots 20-25 of the subdivision border a water feature that benefits those lots by enhancing the environment and adding value to those lots.
- D. Declarant desires to subject the owners of Lots 20-25 of the subdivision to the care and maintenance of the water 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

The owners of lots 20-25 of the subdivision shall be obligated to operate, maintain, and repair the 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, 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 above shall be borne equally by the group 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

The group owners shall 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.

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 the Covenants, restrictions, and charges now or hereinafter imposed by 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 or 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 the 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 120 days of non-payment, 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 other wise 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.

Northstone Richland, LLC

By: _____
Paul C. Beals, Member

By: _____
Stewart W. Stone, Member

State of Oregon)
) ss.
County of Marion)

On this ____ day of _____, 2006, personally appeared Paul C. Beals, a member on behalf of Northstone Richland, LLC, and 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: _____

State of Oregon)
) ss.
County of Marion)

On this ____ day of _____, 2006, personally appeared Stewart W. Stone, a member on behalf of Northstone Richland, LLC, and 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: _____