



DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

9801353

OF
CRESTED HILLS

Cascade #13

THIS DECLARATION, made on the date hereinafter set forth by Milo B. Bauder, hereinafter referred to as "Declarant" or "Developer,"

WHEREAS, Declarant is the owner of certain property in the County of Benton, State of Washington, which is more particularly described below; and

WHEREAS, Declarant will convey the said properties, subject to certain protective covenants, condition, restrictions, and reservations, easements, rights of access, lines and charges as hereinafter set forth;

NOW THEREFORE, Declarant hereby declares that all of the properties described below shall be held, sold and conveyed subject to the following easements, restrictions, covenants and conditions, all of which are for the purpose of enhancing and protecting the value, desirability, and attractiveness of the real property. These easements, covenants, restrictions, and conditions shall run with the real property and shall be binding on all parties having or acquiring any right, title or interest in the described properties or any part thereof, and shall inure to the benefit of each owner thereof.

ARTICLE I

DEFINITIONS:

- Section 1. "Lot" shall mean and refer to any plot of land shown upon any recorded subdivision map of the properties.
- Section 2. "Unit" shall mean and refer to any individual dwelling shown upon any recorded subdivision map of the properties.
- Section 3. "Owner" shall mean and refer to the record owner, whether on or more persons of entities, or a fee simple title to any lot which is a part of the properties, including contract sellers, but excluding those have in such interest merely a security for the performance of an obligation.
- Section 4. "Declarant" shall mean and refer to the Developer, Milo B. Bauder, his successors and assigns.
- Section 5. "Association" (HOA) shall mean and refer to Crested Hills Homeowner's Association, its successors and assigns.
- Section 6. "Architectural Committee" shall mean and refer to the Developer, Milo B. Bauder, or his designated committee that provides architectural oversight.

ARTICLE II

The real property which is, and shall be held, transferred, sold conveyed, and occupied subject to this declaration is located in Benton County, Washington, and is described as follows:

Real property located in the West half of Section 35, Township 9 North, Range 28 East of the Willamette Meridian lying Southerly and Westerly of the Kennewick Irrigation District Badger East Lateral Canal right of way and Northerly of the following described line:

Beginning at the West quarter corner of said Section 34; thence South 0 33'17" East, 186.00 feet along the West line of said Section 34; thence South 68 41'48" East 1949.90 feet; thence North 41 00'00" East, 850.97 feet to a point on the Westerly right-of-way line of the Kennewick Irrigation District Badger East Lateral Canal and the terminus of said line.

Together with a portion of Section 34, Township 9 North, Range 28 East of the Willamette Meridian more particularly described as follows:

Beginning at the East quarter corner of said Section 34; thence South 0 33'17" East, 186.00 feet along the East line of said Section 34; thence North 57 26'07" West, 1731.93 feet; thence North 31 59'19" West, 693.29 feet to a point on the North line of the Southwest quarter of the Northeast quarter of said Section 34; thence South 89 34'14" East, 1812.32 along said North line and the North line of the Southeast quarter of the Northeast quarter of said Section 34 to a point on the East line of said Section 34; thence South 0 33'25" East, 1320.72 feet to the Point of Beginning.

Except Lot 1 of Short Plat No. 1729 records of Benton County. And Except that portion falling with Lot 1 of Short Plat No. 1452 records of Benton County. Contains 126.5 acres more or less.
Tax Parcel Number 1-3598-300-0001-009

ARTICLE III

GENERAL PROTECTIVE COVENANTS

Section 1. Residential Character of Property. The term "residential lots," as used herein, means all of the lots now or hereafter platted on the existing property of the additions thereto. No structures or buildings of any kind shall be erected, altered, placed or permitted to remain on any residential lot other than one detached single family dwelling for single-family dwelling for single-family occupancy only, with a private garage or carport for not more than three standard size passenger automobiles, except other structures and additional garages may be allowed only by written approval from the Developer.



No house trailers shall be allowed to stop on the property. No motor home, trailer or unmounted camper shall be stored or parked on the premises nearer the front property line than the minimum setback line.

Section 2. Architectural controls. No building shall be erected, placed or altered on any lot (residential OR non-residential) on the property until the building plans, exterior color plan, specifications, plot plan, landscaping and fencing plan, showing the nature, kind, shape, height, materials, and location of such building have been approved in writing by the Developer as to conformity and harmony of external design with existing structures in the subdivision, and as to location of the building with respect to topography and the finished ground elevation.

In the event the developer or his designated committee fails to approve or disapprove such design and location within thirty (30) days after said plans and specifications have been submitted to it, approval will not be required and this Article will be deemed to have been fully complied with. Neither the Developer or his designated representatives, shall be entitled to an compensation of services performed pursuant to the covenant. The burden of initiating and filing for architectural review shall rest with a lot owner and shall be his responsibility to diligently seek such architectural review.

All plans, specifications, plot plans and other materials which must be submitted for review hereunder shall be submitted to said committee for its retention as the following address as may hereafter be given in writing to the owners or contract purchasers by the Developer or by said committee.

Section 3. Lot size. Not lot boundary adjustment, short platting or other division of property shall be allowed without the written consent of the Developer.

Section 4. Business and Commercial Use of Property Prohibited. No trade, craft, business, profession, commercial or manufacturing enterprise or business or commercial activity of any kind shall be conducted or carried on upon any residential lot, or within any building located on a residential lot, provided, however, the developer may maintain a sales office on the subject property for the purposes of selling property located within the subject area, nor shall any goods, equipment, vehicles, (including buses, trucks, and trailers of any description) or materials or supplies used in connection with any trade, service, or business, wherever the same may be conducted, or any vehicle in excess of 6,000 pounds gross weight (including buses, trucks and trailers of any description) used for private purposes, be kept, parked, stored, dismantled or repaired outside on any residential lot or on any street within the property nor shall any thing be done on any street for more than 48 hours.

No lot or tract shall be used as a dump for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal. Waste containers set at street side must be retained from upset by wind or dogs. Yard rakings, such as rocks, lawn and shrubbery clippings, and dirt and other materials resulting from landscaping work shall not be dumped into public street or ditches or vacant lots. The removal and disposal of all such materials shall be the sole responsibility of the individual lot owner. Should any individual lot owner or contract purchaser fail to remove any such trash, rubbish, garbage, yard rakings and other such material from his property or the street and ditches adjacent thereto, within ten (10) days following the date on which notice is mailed to him by the Developer or the Crested Hills Homeowners Association informing them of such violation, than the Developer or the Crested Hills HOA may have said trash removed and charge the expense of removal to said lot owner or purchaser. Any such charges shall become a continuing lien on the property, which shall bind the property in the hands of the then owner or contract purchaser, and his successors in interest. Such charge shall also be a personal obligation of the one who is the owner or contract purchaser of the lot involved on the date of removal.

No owner or contract purchaser of any residential lot shall permit any vehicle owned by him or by any member of his family or by acquaintance, and which is in a state of disrepair, to be abandoned or to remain parked upon any street within the existing property for a period in excess of forty-eight (48) hours. Should any such owner or contract purchaser fail to remove such vehicle within two (2) days following the date on which notice is mailed to him by the Developer or the Crested Hills HOA may have such vehicle removed and charge the expense of removal to said owner or purchaser in accordance with the provisions of the immediately preceding paragraph. A vehicle shall be deemed to be in a state of disrepair when in the opinion of the Crested Hills HOA, its presence offends the reasonable sensibilities of the occupants of the neighborhood.

Section 5. Residential Use of Temporary Structures Prohibited. No trailer, basement, tent, shack, garage, barn or other outbuildings or any structures of a temporary character erected or placed on the property shall at any time be used as a residence temporarily or permanently.

Section 6. Minimum Square Footage. The following guidelines shall be enforced as minimum square footage for residences (excluding garage)
two story: 1200 s.f. on main level and 800 s.f. upper level
rambler: 1800 s.f.

rambler with daylight basement: 1600 s.f. main level
Section 7. Maximum tree height. Maximum tree height shall be 20 feet from ground where planted.

Section 8. Utility Easements. The grantors for themselves, their successors and assigns, dedicate easements for public utility purposes over the public utility easement strips as shown in the recorded plats. Said easements are hereby granted to maintain, construct and reconstruct and repair sewer lines, domestic water lines, irrigation lines, telephone lines, TV lines, and lines for the delivery of electric energy as the same are constructed and installed at the time of the conveyance of each of the lots in said plat; and whenever the uses of said easement shall cease the same shall revert to the owner of the land affected by said easement.

Section 9. Date for Completion of Construction. Start date for construction of any dwelling or structure placed on any residential lot shall be within six (6) months of purchase date of lot. Completion of homesite as to external appearance, including finished painting, within six (6) months from date of commencement of construction and shall include connection to the public sewer system. Landscaping shall be completed within one year of occupancy.



Section 10. Animals. No animal, livestock or poultry of any kind shall be raised, bred, or kept on any lot, except that dogs, cats, birds or other household pets may be kept. If they are not kept, bred, or maintained for any commercial purpose, so that they shall not be kept in numbers for under conditions reasonably objectionable in a closely built-up residential community.

Section 11. Signs. No signs shall be erected or maintained on any residential lot in the tract, except that not more than one approved FOR SALE or FOR RENT sign placed by the owner or the builder or by a licensed as broker, not exceeding eighteen (18) inches high and twenty-four (24) inches long, may be displayed on any lot.

Section 12. Mail Box Delivery. No mail box, newspaper box or other delivery box shall be located in front of the front setback line or along the street right-of-way, except for cluster mail boxes as specified by the United States Postal service.

Section 13. Mortgages protected. Nothing herein contained shall impair or defeat the lien of any mortgage or deed of trust now or hereafter recorded covering any lot or lots, but title to any property obtained as a resale or foreclosure shall thereafter be held subject to all of the provisions herein.

Section 14. Building Setback and Fence Requirements. No fence, wall or hedge shall be permitted to extend nearer to any street than the minimum front setback line (or front and side of corner lots) of the residence, except that nothing shall prevent the erection of a necessary retaining wall, and except, fencing shall be installed, regardless of location, as a safety barrier to prevent access to hazardous slopes or cut banks or other unsafe areas. Fencing plans must be approved as provided for in Section 2. Fences shall be well constructed of suitable fencing materials and shall be artistic in design and shall not detract from the appearance of the dwelling house located upon the adjacent lots or building sites or be offensive to the owners or occupants thereof. No radio or television antennas shall be permitted to extend more than ten feet above the roof line of any residence without the written approval of the Developer.

ARTICLE IV
EXTERIOR MAINTENANCE

In the event an owner of any lot in the properties shall fail to maintain the premises and the improvement situated thereon in a manner satisfactory to the Association, the association shall have the right, through his agent and employees, to enter upon said parcel and to repair, maintain, and restore the lot and the exterior of the buildings and any other improvements erected thereon. The cost of such exterior maintenance shall be added to and become part of the assessment to which such lot is subject.

ARTICLE V

USE RESTRICTIONS

Section 1. Enjoyment of property. The owners shall use their respective properties to their enjoyment in such a manner so as not to offend or detract from another owner's enjoyment of their own respective properties, except that the owner's enjoyment of view may be restricted because a house will eventually be built on each lot.

Section 2. In Derogation of Law. No owner shall carry on any activity of any nature whatsoever on his property that is in derogation or in violation of the laws and statutes of the State of Washington.

Section 3. Pets. Owners shall observe and obey the laws applicable to the residents of the City of Richland and Benton county pertaining to cars, control and husbandry of animals and pets.

Section 4. Commercial Activity. Except as provided in Article III, Section 4, there shall be no commercial activity of the owners of the properties herein.

Section 5. Temporary Structures. No structure of a temporary character, such as a trailer or a shack or other outbuildings shall be used on any lot at any time as a residence.

Section 6. Nuisances. No noxious or offensive activity shall be carried on upon any properties, nor shall anything be done thereon which may become a nuisance as such is defined in the laws of the State of Washington.

Section 7. Livestock and Poultry. No animals or livestock or poultry of any kind shall be raised, bred or kept on any lot except that dogs, cats or other household pets may be kept according to the provisions of Section 3 hereof.

Section 8. Garbage and Refuse Disposal. No lot shall be used or maintained as a dumping ground for rubbish, trash, garbage or other waste shall not be kept except in a sanitary container.

Section 9. Sewage Disposal. No individual sewage disposal system shall be permitted on any lot.

Section 10. Oil and Mining Operations. No oil drilling, oil development operations, oil refining, quarry or mining operations of any kind shall be permitted upon or in any lot, nor shall oil wells, tanks, tunnels, mineral excavations or shafts be permitted upon any lot.

Section 11. Water Supply. No individual domestic water supply system shall be permitted on any lot.

Section 12. Height. No structures, other than houses and garages shall be built which are more than twenty (20) feet above ground level, and no windmills shall be allowed on the property.

Section 13. Irrigation Water. Extra care and precaution in the design and operation of irrigation systems is required for sloping lots to prevent washouts and water related damage. The natural undisturbed landscape may be retained for those areas too steep to maintain or irrigate. For those lots which have steep slopes to the street below, irrigation is not allowed within twenty (20) feet of the brow of the cut slope. Soil on sloping lots should not be irrigated in excess of 80% of the water holding capacity of soil. No irrigation water runoff from any lot is allowed. A solenoid valve should be installed to gate off the entire system in the event of power failure. All additional measures recommended by the owner's Irrigation Engineer to prevent damage from irrigation water must be installed.



ARTICLE VI
GENERAL PROVISIONS

Section 1. Enforcement. The Developer and each owner or contract purchaser of a lot or lots subject to this declaration, shall have the right to enforce, by any proceeding at law or in equity, all restrictions, conditions, covenants, reservations, liens and charges not or hereafter imposed by the provisions of this declaration. Failure of the Developer or any such owner or contract purchaser, to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so hereafter.

Section 2. Severability. Invalidation of any one of these covenants or restrictions by judgment or court order shall in no wise affect any other provision, which shall remain in full force and effect.

Section 3. Amendment. The covenants and restrictions of this declaration shall run with and bind the land and shall inure to the benefit of and be enforceable by the Crested Hills Homeowners Association or by the owner or contract purchaser of any lot subject to this declaration, including the Developer, their respective legal representatives, heirs, successors and assigns. These covenants and restrictions have a term of 20 years from the date this declaration is recorded, after which time said covenants shall be automatically extended for successive periods of ten years unless an instrument terminating these covenants which is signed by the owners or contract purchasers then owning not less than 85 percent of the property described shall have been filed with the Benton County Auditor. The Developer or his successors in interest may amend the covenants and restrictions of this declaration. In addition, they may be amended by an instrument signed by not less than the owners or contract purchasers then owning 85 percent of the property described. Amendments shall take effect when they have been recorded with the Auditor of Benton County.

ARTICLE VII
MEMBERSHIP IN THE CRESTED HILLS HOMEOWNERS ASSOCIATION

Every person or entity who is the contract purchaser or record owner of a fee interest in any lot, which are subject by covenants of record to assessment by the Declarant or the Crested Hills Homeowners Assn., shall be a member of the Crested Hills Homeowners Assn.; provided however, that any lot held jointly by two or more persons, the several owners of such interest shall designate one of their number as the "member." The foregoing is not intended to include persons or entities who hold an interest merely as security for the performance of an obligation. No owner shall have more than one membership. Membership shall be appurtenant and may not be separated from ownership of or a contract purchaser's interest in any lot which is subject to assessment by the Declarant or the Crested Hills Homeowners Assn. except that the incorporators shall be eligible for membership without regard to ownership of an interest in the properties. Upon transfer of the fee interest to, or upon contract purchaser's interest in any lot, the membership and certificate of membership in the Crested Hills Homeowners Assn. shall ipso facto be deemed to be transferred to the grantee, contract purchaser or new contract purchaser, as the case may be. Ownership of, or a contract purchaser's interest in, any such lot or lots shall be the sole qualification for membership.

It is understood that the Crested Hills Homeowners Assn. has not been formed as of January 1, 1999, but that it will be formed at such time as is necessary to accomplish the stated purposes of such association.

COVENANT FOR MAINTENANCE ASSESSMENTS

Section 1. Creation of the Lien and Personal Obligation of Assessments. Each owner or contract purchaser of any lot or lots by acceptance of a deed or real estate contract therefore, whether or not it shall be so expressed by such deed or other conveyance, is deemed to covenant and agree to pay to the Crested Hills Homeowners Assn. as hereinafter provided by (1) Annual assessments or charges, and (2) Special assessments for capital improvements, such assessments to be fixed, established and collected from time to time as hereinafter provided. The assessments, together with such interest thereon and costs of collection thereof, as hereinafter provided, shall be a charge on the land and shall be a continuing lien upon the property against which each such assessment is made. Each such assessment, together with such interest and costs of collection thereof (including reasonable attorney's fees) shall also be the personal obligation of the person who was the owner or contract purchaser of such property at the time when the assessment fell due. The personal obligation shall not pass to his successors in title unless expressly assumed by them; provided, however, that in the case of a sale or a contract for the sale of (or an assignment of contract purchaser's interest in) a lot which is charged with the payment of an assessment or assessments payable in installments, the person or entity who is the owner or contract purchaser immediately prior to the date of any such sale, contract or assignment shall be personally liable only for the amount of the installments due prior to such date. The new owner or contract purchaser shall be personally liable for installments which become due on or after said date.

Section 2. Purpose of assessments. The Assessments shall be used as follows:

- (1) To control the use, enjoyment or improvement, of all properties which the Developer may transfer title to the Association,
- (2) To maintain and operate the entrance landscaping, lighting, and sprinkler system and related structures, and
- (3) to operate, maintain and control the cluster mailbox stations located as designated by the United States Post Office.

Section 3. Powers of the Crested Hills Homeowners Association and assessment amount. The amounts of the annual assessments shall be such as is reasonably necessary to accomplish the purposes set forth in Section 2. The assessments shall be fixed by the Crested Hills Homeowners Assn. and after such association is formed. Such Association shall have all powers reasonably necessary to accomplish the purposes set forth in Section 2.



Section 4. Special assessments for Capital Improvements. In addition to the annual assessments authorized above, at the Crested Hills Homeowners Assn. may levy, in any assessment year, a special assessment applicable to that year only for the purpose of defraying in whole or in part, the cost of any construction, reconstruction, repair or replacement of capital improvements, including fixtures and personal property related thereto, provided that any such assessment shall have the assent of two-thirds (2/3) of the votes of members who are voting in person or by proxy at a meeting duly called for this purpose.

Section 5. Date of Commencement of assessments-Due Dates. As to each particular lot involved, the liability for the assessments provided for in Section 3 of this Article shall begin on the 1st day of the year following formation of the Crested Hills Homeowners Association. said assessment shall be due and payable within 30 days after assessed.

Section 6. Effect of Non-Payment of Assessments-Remedies. If any assessment is not paid within 30 days after it was first due and payable, the assessment shall bear interest from the date on which it was due at a rate corresponding to the then current Seafirst Bank prime rate +2% in effect at the time of delinquency, and the Crested Hills HOA may bring an action at law against the one personally obligated to pay same and/or foreclose the lien against the property, and interest, costs, and reasonable attorney's fees of any such action shall be added to the amount of such assessment; all such sums being included by judgement/decree.

Section 7. Subordination of the Lien to Mortgages. The lien of the assessments provided for herein shall be subordinate to the lien of any first mortgage (and to the lien of any 2nd mortgage given for security of the purchase price) now or hereafter placed on any lot. Sale or transfer of any lot shall be subject to such 1st mortgage, or purchaser money 2nd mortgage, pursuant to decree of foreclosure under such mortgage or in lieu of foreclosure thereof, shall cancel the lien of such assessments as to payments thereof which became due prior to such sale or transfer. No sale/transfer shall relieve such lot from assessment liability thereafter becoming due or from lien.

Section 8. Recreation Club. The Crested Hills HOA shall have the right to form a "Recreation Club" as provided for by applicable City of Richland ordinances with such club established for the use and enjoyment of all HOA members.

Section 9. Exempt Property. The following property subject to this declaration shall be exempt from the assessments created herein:

- a) All properties owned by Declarant;
- b) All properties dedicated to and accepted by a local public authority.

Section 10. Amendment of Covenants. The Declarant shall have the right to amend these covenants until such time as eight percent (8%) of the lots have been sold.

DATED: This 15 day of Jan. 1999
White L. Bowden
Ronnan L. Bowden



STATE OF WASHINGTON)
)ss
COUNTY OF BENTON)

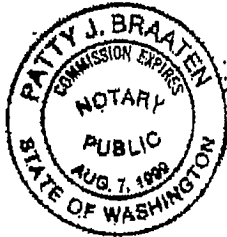
I certify that I know or have satisfactory evidence that
MILO E. BAUDER AND DONNA L. BAUDER
is/are the person(s) who appeared before me, and said person(s)
acknowledged that (he/she/they) signed this instrument and acknowledged
it to be (his/her/their) free and voluntary act for the uses and purposes
mentioned in the instrument.

Dated: January 15, 1999

Patty J. Braaten
Signature

Patty J. Braaten Notary
Printed Name/Title

My appointment expires: 8-7-99



Milo Bauder
120 Meadow Hills Drive
Richland, WA 99352



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Page: 1 of 1
12/08/2000 09:38P
8.00 Benton County

Misc. # 20844

CASCADE TITLE CO.

8.00

ADDENDUM TO DECLARATION OF COVENANTS OF CRESTED HILLS

The covenants of Crested Hills, recorded 1/15/99, A.F. #1999-001517 are hereby amended as follows:

The following insert shall be added to ARTICLE III, GENERAL PROTECTIVE COVENANTS, Section 2: The initial construction shall be performed only by one of Declarant's approved builders. The names of such are available from Declarant at 120 Meadow Hills Drive, Richland, WA.

DATED: This 4 day of December

Milo B. Bauder

Alma L. Bauder