



AFTER RECORDING RETURN TO:

IRONSTONE DEVELOPMENT, LLC
65316 93rd Pl.
Bend, OR 97701

**DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS
FOR
PEACEFUL PINES SUBDIVISION**

These Covenants, Conditions and Restrictions are made this 24 day of January, 2007 by IRONSTONE DEVELOPMENT COMPANY, LLC, an Oregon limited liability company, hereinafter referred to as "Declarant", as owner of the real property in the County of Deschutes, State of Oregon, described in Exhibit "A" attached hereto and incorporated herein by reference.¹

The property described on Exhibit "A" is hereby made subject to these Covenants, Conditions and Restrictions and will be known as and hereinafter referred to as Peaceful Pines.

Peaceful Pines is being developed as a single family residential community comprised of 18 lots. Except where this Declaration for Peaceful Pines conflicts with any applicable government regulations, this Declaration shall burden all property subject to this Declaration and shall be binding upon the Owners of such property and their successors in interest as set forth herein. In the event any of the development standards or use restrictions of this Declaration should conflict with a more restrictive standard or requirement set forth in any applicable federal, state or local statute, ordinance or regulation, the more restrictive standard or requirement of the applicable governing authority shall apply.

Section 1. DEFINITIONS

1.1 Declarant: The term "Declarant" shall mean Ironstone Development Company, LLC, an Oregon limited liability company, or its assigns or successors in interest.

¹ All Lots described in Exhibit A are owned by Declarant, except for Lots 11 and 12, which are owned by Allan A. Harris. By his signature attached hereto on page 10 hereof, Allan A. Harris hereby agrees that Lots 11 and 12 shall be subject to this Declaration.

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Recorded by Western Title as an
accommodation only. No liability
accepted for condition of title or
validity, sufficiency or affect of
document. 10-04119006 B

1.2 Declaration: The term "Declaration" shall mean this Declaration of Covenants, Conditions and Restrictions for Peaceful Pines.

1.3 Homesite: "Homesite" shall mean a lot as defined herein.

1.4 Improvements: The term "improvements" shall include, but not be limited to, any buildings, outbuildings, landscaping, private roads, rights of way, driveways, parking areas, fencing, barriers, retaining walls, windbreaks, signs, storage areas, propane tanks, solar panels, satellite dishes, above ground pools and all other structures.

1.5 Lot: The term "lot" shall mean each lot described on a subdivision plat or partition map and to any alteration thereof as may be made by a valid lot line adjustment or other authorized land use or zoning procedure.

1.6 Owner: "Owner" shall mean and refer to either all holders of fee title to any lot, or any other person or persons entitled to possession of the lot pursuant to a contract or lease.

1.7 Peaceful Pines: The term "Peaceful Pines" shall mean all of the real property now or hereafter made subject to this Declaration.

1.8 Streets: The term "streets" shall mean any cul-de-sac, street, highway or other thoroughfare within or adjacent to Peaceful Pines and shown on any recorded subdivision or partition map, or survey map of record, whether designated thereon as street, boulevard, place, drive, road, terrace, way, land, circle or otherwise.

Section 2. PROPERTY SUBJECT TO THE COVENANTS, CONDITIONS AND RESTRICTIONS FOR PEACEFUL PINES

2.1 General Declaration Creating Peaceful Pines: Declarant hereby declares that all of the real property located in Deschutes County, Oregon, described in Exhibit "A" is and shall be hypothecated, encumbered, leased, occupied, built upon or otherwise used, improved or transferred in whole or in part subject to this Declaration. All of said Restrictions are declared and established with the purpose of protecting the desirability and attractiveness of said real property and every part thereof. All of the Covenants, Conditions and Restrictions of Peaceful Pines run with all of said real property for all purposes and shall be binding upon and inure to the benefit of Declarant and all Owners and their successors in interest as set forth in this Declaration.

Section 3. ARCHITECTURAL CONTROLS

3.1 Approval Required; Exceptions. No improvement, as defined in Section 1.4 above, shall be erected, placed, altered, maintained, or permitted to remain on any land subject to this Declaration until final plans and specifications have been submitted to and

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approved in writing by Declarant. Certain improvements already exist on Lots 6, 7, 13 and 18. To the extent such improvements are not in compliance with the provisions of this Declaration, they shall be considered allowed exceptions; provided such structures are otherwise in compliance with any applicable federal, state or local statute, ordinance or regulation and further provided that all such structures, including the location thereof, shall be in compliance with all applicable conditions of governmental approval of the final plat of Peaceful Pines. Any new improvements erected or placed on Lots 6, 7, 13 and 18 or any alteration of the existing improvements on such lots must be done in accordance with the procedures and guidelines set forth in this Declaration or subsequently adopted by Declarant.

3.2 Procedure. Any owner proposing to construct any improvements within Peaceful Pines (including any exterior alteration, addition, destruction or modification to any such improvements) shall follow the procedures and shall be subject to the approvals required by Paragraphs 3.3 and 3.7 below. Failure to follow such procedures or obtain such approvals as required by Paragraphs 3.3 through 3.7 below shall be deemed a breach of this Declaration.

3.3 Required Documents. Any owner proposing to utilize, improve or develop real property within Peaceful Pines shall submit the following items for review:

(a) A professionally prepared site plan showing the location, size, configuration and layout of any building, structure, or improvement (or, where applicable, any alteration, addition, modification, or destruction thereto) including appurtenant facilities for parking and storage.

(b) Professionally prepared plans and drawings showing the nature, style and dimensions of any building, structure, wall, barrier (or, where applicable, any alteration, addition, modification or destruction thereof), including the exterior material types, colors and appearance.

3.4 Review. All plans and drawings identified in Paragraph 3.3 above, shall be submitted to Declarant for review prior to the performance of any proposed work. No plans shall be reviewed until all items specified in this Section are submitted. Within 30 days following receipt of all required plans and drawings, Declarant shall review the plans and shall inform the owner in writing whether or not the plans and drawings conform to the requirements of the CCR's. In the event the owner is not so notified within the 30-day review period, the plans are conclusively presumed to be approved as submitted. In the event any of the plans do not conform to the Peaceful Pines development concept, the owner shall resubmit those non-conforming portions of the plans for review in accordance with the procedures outlined in Paragraph 3.3 above, and this paragraph. No work may be performed relating to any improvement unless and until all aspects of all plans required under Paragraph 3.3 above have been approved by Declarant. Any site plans, construction plans or similar plans and drawings submitted to the Deschutes County in

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connection with the construction of any improvement in Peaceful Pines must bear the prior written approval of Declarant.

3.5 Architectural Guidelines. The development concept for Peaceful Pines shall be determined by Declarant in accordance with applicable statutes, ordinances, regulations, zoning and other governmental land use controls. Architectural guidelines setting forth various aspects of the development concept, in addition to those set forth this Declaration, may be published from time to time by Declarant, but Declarant shall not be required to do so. Declarant shall have the right to alter, rescind or amend any published guidelines without prior notice to any party; provided, however, that once approval has been given pursuant to Paragraph 3.4 above, work may proceed in accordance with the approved plans and drawings notwithstanding any changes in the development concept. All such guidelines shall be in general conformity with this Declaration.

3.6 Inspection. All work related to any building, structure or improvement or other improvements within Peaceful Pines shall be performed in strict conformity with the plans and drawings approved under Paragraph 3.4 above. Declarant shall have the right to inspect any such work upon 24 hours advance notice to determine its conformity with the approved plans and drawings and reserves the right to order a stop to all work, if, in good faith, Declarant believes that any such work is non-conforming. In the event that it is determined in good faith by Declarant that certain work is non-conforming, a stop work notice may be issued, without necessity of court order, which shall require the owner to correct all non-conforming work specified in the notice before the remainder of the proposed work may be completed. Continued work without correction of any such non-conforming items shall be deemed a breach of this Declaration. The Declarant or officer, director, employee, agent or servant of Declarant shall not be responsible for any damages, loss, delay, cost or legal expense occasioned through a stop work notice given in good faith even if it is ultimately determined that such work was in conformity with the approved plans and drawings.

3.7 Waiver. Any condition or provision of Paragraphs 3.2 through 3.6 above, may be waived by Declarant in its exclusive discretion. Any waiver shall be in general conformity with the development concept and development standard for Peaceful Pines. Any such waiver shall not be deemed a general waiver of any aspect of the development concept or the required procedures and approvals specified under Paragraphs 3.2 through 3.6. The granting of a waiver as to one owner shall not automatically entitle any other owner to the waiver of the same or similar conditions or provisions. No waiver shall be valid unless it is in writing, signed by an authorized representative of Declarant and delivered by certified mail to the party claiming the benefit of such waiver.

Section 4. RESTRICTIONS ON USE OF PROPERTY

4.1 Occupancy. The Property shall be used exclusively for residential purposes. No owner shall occupy, use or permit his lot or any part thereof to be used for any purpose

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other than a private single family residence for the owner and his family, except that each owner shall be permitted to rent the unit when he is not in occupancy.

4.2 Appearance. Each lot within Peaceful Pines shall be maintained in a clean and attractive condition, in good repair and in such a fashion as not to create a fire hazard or public nuisance. No lot shall be used or maintained as a parking place for trucks, trailers, equipment or material, except during construction. No lot shall be used as a dumping ground for rubbish or used as a parking place for automobiles not in regular family use. Trash, garbage or other waste shall not be kept except in sanitary containers. All incinerators or other equipment for the storage of or disposal of such material shall be kept in clean and sanitary condition. Storage of any kind of goods, chattels, merchandise or material shall be screened from view of adjoining lots and streets in a manner approved by Declarant. Storage of vehicles, recreational vehicles or boats will be allowed only if screened from sight behind a solid screen. The design and construction of the solid screen must be approved by Declarant.

4.3 Manufactured and Mobile Homes. No manufactured dwelling, kit home, trailer, mobile home, tent, shack, or other similar outbuilding or structure, shall be erected or placed on any lot.

4.4 Construction Standards. No improvements may be constructed or placed on any lot except as approved in accordance with Section 3 above. Any construction must be completed within 12 months of the start of construction. In addition and subject to such further standards as may be subsequently adopted by Declarant in accordance with Section 3, the following standards shall apply.

4.4.1 No building shall be erected, placed or permitted to remain on any Lot other than one single-family dwelling and a private attached garage. No unattached buildings are allowed without the prior written consent of Declarant.

4.4.2 The habitable floor area of the main structure on each lot, exclusive of one-story open porches and garages, shall not be less than 1,200 square feet for a single family unit.

4.4.3 All structures, including fences, shall be painted in natural earth tones to be approved in advance by Declarant.

4.4.4 All driveways shall be paved asphalt or concrete.

4.5 Parking; Speed. All vehicles owned by an Owner or members of his family must be parked on his driveway or in his garage. No vehicles belonging to guests shall be parked on streets for longer than a 24 hour period. A maximum speed limit of 10 miles per hour must be maintained on all roads and driveways within and adjacent to Peaceful Pines.

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4.6 Commercial Activity. No commercial activity shall be carried on nor shall anything be done which may be or become an annoyance or nuisance to the other owners. The foregoing restriction shall not be construed in such manner as to prohibit an owner from: (1) maintaining a professional library or home office for the conduct of personal (non-commercial) business, (2) keeping personal business or professional records or accounts or, (3) handling personal business or professional calls or correspondence. Use of ATVs, motorcycles, snowmobiles and/or other similar motorized vehicles is limited to ingress and egress to and from a lot.

4.7 Exterior lighting. Outdoor floodlights or vapor lights must be on motion detectors in order to limit light pollution in Peaceful Pines between the hours of 11:00 pm to 7:00 am; flood lights cannot be directed towards other lots, but must maintain a 45-degree downward aspect angle.

4.8 Noise and Offensive Activity. No excessive noise, including barking dogs, is permitted between the hours of 11:00 pm and 7:00 am. 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. The use of firearms, including air guns and pellet guns, is prohibited within the boundaries of Peaceful Pines. The use of fireworks is prohibited at all times.

4.9 Pets. No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, except two dogs, two cats or two other household pets; provided that they are not kept, bred or maintained for any commercial purpose and do not create objectionable noise, dust or odor. Household pets must be under the owner's control at all times. Animals must belong to the owner of the Property.

4.10 Signs. No sign of any kind shall be displayed to public view on or from any lot without the Declarant's prior written consent; provided, however, that an owner may display not more than two (2) "for sale" signs per lot which has a maximum area not to exceed 600 square inches, the longest dimension being not greater than 25 inches placed not closer than three (3) feet from front property line.

4.11 Limitation on Transfer. No owner shall transfer either by bequest (except to such owner's surviving spouse and/or surviving children), conveyance, contract of sale or lease any interest in his lot which would result in ownership of such lot being held by more than five (5) persons. No owner shall grant an easement without approval of Declarant.

4.12 Transient Rental Use. No owner or owners of any unit within Peaceful Pines shall be permitted to rent their unit to any person or persons for transient occupancy which shall be for a period of 30 days or less. A rental shall be defined as the use or possession or the right to use or possess for lodging or sleeping purposes any improvement in Peaceful Pines and rent shall mean the consideration charged whether or not received by the owner, for the occupancy of such improvement any money, goods, labor, credits,

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property or other consideration valued in money without any deduction. Transient use shall not include a rental of any improvement for a period of in excess of 30 consecutive calendar days.

Section 5. FENCE MAINTENANCE; ASSESSMENTS.

Declarant shall erect at his own expense a wooden fence around the perimeter of Peaceful Pines. The owners of each lot shall equally share the cost of repairing and maintaining the fence. In order to effectuate this provision, the Declarant shall have the right to periodically impose in advance against the owner of each lot assessments in an amount which is estimated by the Declarant to be necessary to provide for the annual repair and maintenance of the fence. The Declarant shall keep all monies which are collected from such assessments in a "fence maintenance fund" and shall use the monies in such fund only for the purposes specified herein. The Declarant shall have the authority to purchase materials and employ others as needed to repair and maintain the fence. The Declarant shall have the authority to make additional periodic assessments for emergency repairs if there are insufficient funds in the fence maintenance fund to make such repairs. All assessments shall be due within 10 days of delivery of notice of such assessment unless otherwise indicated in such notice. For purposes of this instrument, notices shall be in writing and shall be effective when actually delivered in person or three days after being deposited in the U.S. mail, by first class mail, postage prepaid and addressed to the owner at the last known address of such owner. Each assessment shall be a separate, distinct and personal debt and obligation of the owner against whom the assessment is imposed or from whom the amount is due. If the owner fails to pay any assessment when due, the owner shall be in default and the Declarant shall be entitled to pursue all available legal remedies, including a suit to recover the amount of any unpaid assessment or may file and foreclose a lien as hereafter set forth. The amount of any unpaid assessment shall bear interest at the rate of 12 percent per annum from the due date until paid. The amount of the unpaid assessment, together with interest thereon at the rate of 12 percent per annum and costs and attorney's fees as provided for herein, shall become a lien upon the lot owned by the person from whom the assessment is due upon the filing by the Declarant in the Official Records of Deschutes County, Oregon, a notice of lien setting forth the amount due and the description of the property against which the lien is imposed. Such lien shall not take affect until notice thereof has been so filed. Such lien shall be subordinate to any lien of any mortgage upon any lot, which is accepted in good faith and for value and which was recorded prior to the filing of the notice of lien. In the event any legal action, with or without suit, is instituted to enforce the provisions of this Section, the prevailing party in such action shall be entitled to recover reasonable attorney fees and costs incurred in such action, including legal fees and costs incurred in writing letters and other forms of correspondence, preparation and filing of a lien, foreclosing a lien, prosecuting a suit for damages or specific performance, including arbitration, and any appeal therefrom.

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Section 6. DETERMINATION OF DECLARANT'S ROLE

6.1 Declarant's Control. At such time as the Declarant shall no longer desire to exercise the architectural, landscaping, signing and lighting controls over any lots within Peaceful Pines, Declarant shall cause to be recorded in the Official Records of Deschutes County, Oregon, a declaration stating that Declarant no longer desires to exercise any further controls over development in Peaceful Pines. Recordation of such a declaration shall formally terminate Declarant's interest and all rights of architectural landscaping, signing and lighting controls, as well as any other duties of Declarant under this Declaration.

6.2 Formation of PPARC:

(a) Upon formal termination of Declarant's control, Declarant shall form an Oregon nonprofit organization called the Peaceful Pines Architectural Review Committee (PPARC). The PPARC shall be governed by a three-person board of directors. PPARC shall succeed to all powers, responsibilities and rights of Declarant under this Declaration with respect to the exercise of architectural, landscaping, signing and lighting controls.

(b) Within thirty (30) days after the commencement date of PPARC, the initial board of directors shall be elected. Persons eligible for the initial PPARC shall be limited to owners of any lot within Peaceful Pines. Declarant shall solicit from and circulate to all lot owners a list of nominees for the initial board of directors positions within the 30-day PPARC organizational period. Declarant shall then conduct an election of the initial board of directors. The three nominees obtaining the three highest vote totals shall constitute the initial board of directors.

(c) The total number of votes entitled to be cast for each director's position shall be based upon the total number of lots within Peaceful Pines. Each lot owner shall have the right to cast one vote for each lot owned. If there is more than one owner of a lot, all owners of such lot shall be collectively entitled to one vote. The initial board of directors shall meet within thirty (30) days after their election and may, at that time, adopt any governing documents, including bylaws, guidelines, procedures, rules and regulations, relating to the architectural, landscaping, signing and lighting controls within Peaceful Pines that are not inconsistent with the development concept and development standard for Peaceful Pines.

6.3 Failure to Organize. In the event Declarant is unsuccessful in organizing the board of directors of PPARC within the 30-day organizational period specified above, Declarant shall have no further responsibilities relating to PPARC and the PPARC board of directors shall be organized exclusively by the owners of lots within Peaceful Pines. Such failure of organization of the PPARC board of directors shall not affect the existence of PPARC or the effectiveness of this Declaration.

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Section 7. DURATION AND AMENDMENT OF THIS DECLARATION

7.1 Duration. The Covenants, Conditions and Restrictions of Peaceful Pines shall continue to remain in full force and effect at all times within respect to all property, and each part thereof, now or hereafter made subject thereto (subject however, to the right to amend and repeal as provided for herein) for a period of thirty years from the date this Declaration is recorded. However, unless within one year from the date of said termination, there shall be recorded an instrument directing the termination of this Declaration signed by owners of not less than two-thirds of the lots then subject to this Declaration, this Declaration, as in effect immediately prior to the expiration date, shall be continued automatically without further notice for an additional period of ten years and thereafter for successive periods of ten years unless within one year prior to the expiration of each such successive period the Covenants, Conditions and Restrictions for Peaceful Pines are terminated as set forth above in this Section.

7.2 Amendment. This Declaration or any provision thereof, or any Covenant, Condition or Restriction contained herein, may be terminated, extended, modified, or amended, as to the whole of said property or any part thereof by Declarant without the consent of any other owner, person or entity. Upon establishment of PPARC, such action may be taken by the affirmative vote of the majority of the directors of PPARC.

7.3 Recording. Any amendment, deletion or repeal of this Declaration shall not become effective until recorded in the Official Records of Deschutes County, Oregon.

Section 8. ENFORCEMENT

8.1 This Declaration shall be specifically enforceable by Declarant, or by PPARC or any owner of any lot in Peaceful Pines. Any breach of this Declaration shall subject the breaching party to any and all legal remedies, including damages or the destruction, removal or the enjoining of any offending improvement or condition.

8.2 In the event any legal action, with or without suit, is instituted to enforce the provisions of this Declaration, the prevailing party in such action shall be entitled to recover reasonable attorney fees and costs incurred in such action, including legal fees and costs incurred in writing letters and other forms of correspondence, prosecuting a suit for damages or specific performance, including arbitration, and any appeal there from.

Section 9. EFFECT OF DECLARATION.

The Covenants, Conditions and Restrictions of this Declaration shall run with the land included in Peaceful Pines and shall bind, benefit and burden each lot in Peaceful Pines, including any additions thereto. The terms of this Declaration shall inure to the benefit and shall bind Declarant, all successors and assigns of Declarant and all owners of any lot in Peaceful Pines, their successors, assigns, heirs, administrators, executors,

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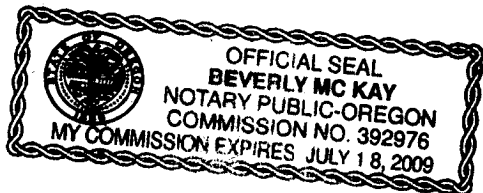
mortgagees, lessees, invitees or any other party claiming or deriving any right, title or interest or use in or to any real property in Peaceful Pines. The architectural controls, use restrictions and regulations set forth in Sections 3, 4, 5 and 6 of this Declaration shall be binding upon all Owners, lessees, licensees, occupants and users of the property known as Peaceful Pines and their successors in interest as set forth in this Declaration, including any person who holds such interests as security for the payment of an obligation, including any mortgagee or other security holder in actual possession of any lot by foreclosure or otherwise and any other person taking title from such security holder.

IRONSTONE DEVELOPMENT COMPANY, LLC

By: John Nash
John Nash,
Member

STATE OF Oregon, County of Deschutes, ss:

The foregoing instrument was acknowledged before me this 12th day of February, 2007 by John Nash as a member of Ironstone Development Company, LLC, an Oregon limited liability company.

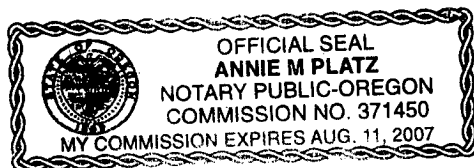


Beverly McKay
Notary Public for Oregon
My Commission Expires: 7-18-09

Allan A. Harris
Allan A. Harris

STATE OF Oregon, County of Deschutes, ss:

The foregoing instrument was acknowledged before me this 24 day of January, 2007 by Allan A. Harris.



Annie M. Platz
Notary Public for Oregon
My Commission Expires: August 11, 2007

EXHIBIT "A"

Lots 1 through 18 and Tract A, PEACEFUL PINES, Deschutes County, Oregon