



When recorded return to:

Dina E. Alexander
Ball Janik LLP
101 SW Main Street, Suite 1100
Portland, Oregon 97204

RESTRICTIVE COVENANT AGREEMENT

THIS RESTRICTIVE COVENANT AGREEMENT (this "Covenant") is made as of the 6th day of February, 2004, Cascade Highlands LLC, an Oregon limited liability company ("Owner").

Owner is the owner of certain real property located in Deschutes County, Oregon more particularly described on the attached Exhibit A (the "Buffer Strip"). Owner intends to restrict the use of the Buffer Strip, which is adjacent to Legal Lots 194 of Phase II-A, 236-239 of Phase II-B, 240-246 of Phase II-L of Broken Top, and 466-471 of Phase V-C of Broken Top, and Custom Lots 473 and 474 of Phase V-C of Broken Top (collectively, such lots are referred to herein as the "Broken Top Property"). The Broken Top Property is depicted on the attached Exhibit B. The legal lots comprising the Broken Top Property have been or will be sold to parties to be benefited by this Covenant. In connection with the sale of such legal lots, Owner desires to place certain restrictions on the use of the Buffer Strip for the benefit of the owners of the Broken Top Property, all as more particularly described herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Owner declares and covenants as follows:

1. No Build Covenant. Owner hereby covenants for the benefit of the Broken Top Property that Owner shall not at any time construct or erect a building or any other vertical structure or vehicular roadway anywhere on the Buffer Strip. Notwithstanding the foregoing, nothing contained herein shall prevent Owner from constructing walkways on, installing or maintaining underground utilities on or under, making minor landscaping improvements on, or cutting or clearing trees, shrubbery and brush as necessary for fire protection from, the Buffer Strip.
2. Covenant Running With Land. The covenant set forth in Section 1 above is intended to burden the Buffer Strip, and to benefit the Broken Top Property, and shall constitute a covenant running with the land, binding upon Owner and any subsequent owners of the Buffer Strip, and benefiting the Broken Top Property, and any subsequent owners of the Broken Top Property.
3. Headings. The headings herein are inserted only as a matter of convenience and for reference and in no way define, limit or describe the scope or intent of this Covenant nor in any way affect the terms and provisions hereof.

4. Entire Agreement/Severability. This Covenant, including the exhibits hereto, constitutes the entire agreement, and this Covenant once executed and delivered shall not be modified, canceled, or altered in any respect except by a writing executed by the Owner and the owners of the legal lots comprising the Broken Top Property, or their successors-in-interest. The invalidation of any provision of this Covenant, in whole or in part, or of any application of a provision of this Covenant, by judgment or court order shall in no way affect the other provisions of this Covenant or application thereof.

IN WITNESS WHEREOF, the undersigned has executed this Covenant on the day and year first written above.

CASCADE HIGHLANDS LLC, an Oregon
limited liability company

By: [Signature]
Print Name: T. B. Dame
Its: Owners Representative

State of OREGON)
County of Multnomah) ss.

The foregoing instrument was acknowledged before me this 16th day of February, 2004, by T. B. Dame, the Owners Representative of Cascade Highlands, LLC.

[Signature]
Notary Public for the State of Oregon
Commission Expires on: 2/23/04

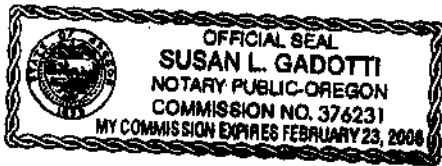


Exhibit A

Legal Description of the Buffer Strip

All that portion of land located in the west half of Section 1, and the east half of Section 2, Township 18 South, Range 11 East, Willamette Meridian, Deschutes County, Oregon, described in deed to Cascade Highlands Limited Partnership, recorded in Volume 252, Page 2196, on December 19, 1991, in Deschutes County, records, more particularly described as follows:

Beginning at the Northwest corner of lot 474 of Broken Top, Phase V-C, as per plat recorded as CS 14516 in Deschutes County Surveyor Records;

Thence along the west line of said Broken Top, Phase V-C, along an arc of a 2680.00 foot radius curve to the right, through a central angle of $18^{\circ}53'24''$, an arc length of 883.58 feet, the chord of which bears South $31^{\circ}04'49''$ East, 879.58 feet;

Thence along the west line of Broken Top, Phase II-L, along an arc of a 2680.00 foot radius curve to the right, through a central angle of $2^{\circ}02'03''$, an arc length of 95.15 feet, the chord of which bears South $20^{\circ}37'07''$ East, 95.14 to a point of reverse curvature;

Thence continuing along said west line of Broken Top, Phase II-L, along an arc of a 2326.00 foot radius curve to the left, through a central angle of $9^{\circ}02'32''$, an arc length of 367.08 feet, the chord of which bears South $24^{\circ}07'24''$ East, 366.70 feet;

Thence along the west line of Broken Top, Phase II-B, along an arc of a 2326.00 foot radius curve to the left, through a central angle of $6^{\circ}47'37''$, an arc length of 275.80 feet, the chord of which bears South $32^{\circ}02'29''$ East, 275.64 feet;

Thence along the west line of Broken Top, Phase II-A, along an arc of a 2326.00 foot radius curve to the left, through a central angle of $3^{\circ}39'12''$, an arc length of 148.32 feet, the chord of which bears South $37^{\circ}15'54''$ East, 148.29 feet;

Thence South $50^{\circ}54'30''$ West 100.00 feet;

Thence along an arc of a 2426.00 foot radius curve to the right, through a central angle of $3^{\circ}39'12''$, an arc length of 154.69 feet, the chord of which bears North $37^{\circ}15'54''$ West, 154.67 feet;

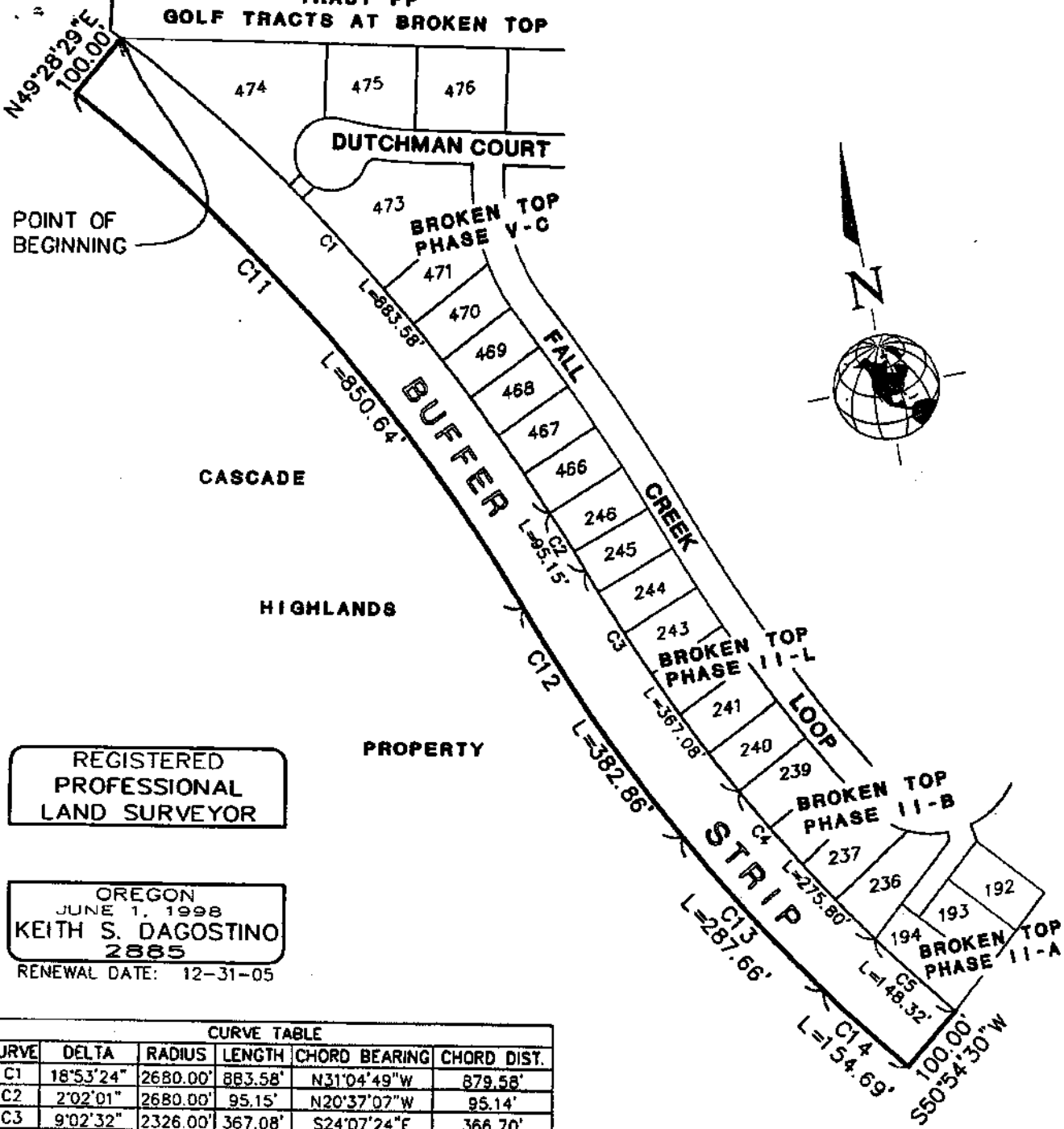
Thence along an arc of a 2426.00 foot radius curve to the right, through a central angle of $6^{\circ}47'37''$, an arc length of 287.66 feet, the chord of which bears North $32^{\circ}02'29''$ West, 287.49 feet;

Thence along an arc of a 2426.00 foot radius curve to the right, through a central angle of $9^{\circ}02'32''$, an arc length of 382.86 feet, the chord of which bears North $24^{\circ}07'23''$ West, 382.47 feet;

Thence along an arc of a 2580.00 foot radius curve to the left, through a central angle of $20^{\circ}55'25''$, an arc length of 942.17 feet, the chord of which bears North $30^{\circ}03'49''$ West, 936.95 feet;

Thence North $49^{\circ}28'29''$ East 100.00 feet to the Point of Beginning.

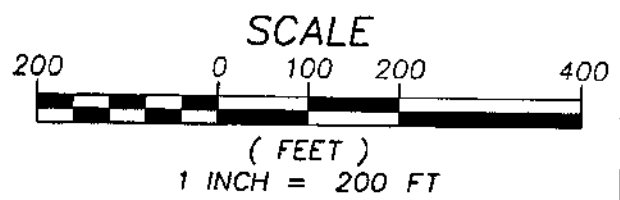
TRACT PP
GOLF TRACTS AT BROKEN TOP



REGISTERED
PROFESSIONAL
LAND SURVEYOR

OREGON
JUNE 1, 1998
KEITH S. DAGOSTINO
2885
RENEWAL DATE: 12-31-05

CURVE TABLE					
CURVE	DELTA	RADIUS	LENGTH	CHORD BEARING	CHORD DIST.
C1	18°53'24"	2680.00'	883.58'	N31°04'49"W	879.58'
C2	2°02'01"	2680.00'	95.15'	N20°37'07"W	95.14'
C3	9°02'32"	2326.00'	367.08'	S24°07'24"E	366.70'
C4	6°47'37"	2326.00'	275.80'	S32°02'29"E	275.64'
C5	3°39'12"	2326.00'	148.32'	S37°15'54"E	148.29'
C11	20°55'25"	2580.00'	942.17'	N30°03'49"W	936.95'
C12	9°02'32"	2426.00'	382.86'	S24°07'23"E	382.47'
C13	6°47'37"	2426.00'	287.66'	S32°02'29"E	287.49'
C14	3°39'12"	2426.00'	154.69'	S37°15'54"E	154.67'



Office: BEND / System: Map-800-612-021 / User: RMA/PROLIS

DESIGNED BY: KSD	CHECKED BY: KSD				
DRAWN BY: RMA	APPROVED BY: KSD				
LAST CONT: 02/04/04	PLOT DATE: 02/05/04				
DATE	BY	REV	REVISION	CK'D	APPR



DEPICTION of BUFFER STRIP and BROKEN TOP PROPERTY

EXHIBIT B

DESCHUTES COUNTY OREGON

SCALE: 1"=200'	PROJECT NO. 31405	DRAWING FILE NAME: 31405-surf-ex-B	SHEET 1 of 1
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