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Filed for and return to:

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The information contained in this boxed section is for recording purposes only pursuant to RCW 36.18 and RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

Grantor(s): Corral Creek, LLC, a Washington limited liability company
Grantee(s): The Owners of Lots 1-27 Plat of The Beach at Corral Creek, Douglas County, WA, and the Committee formed by the Amended and Restated Covenants recorded at AFN 3167651, as amended.
Reference Number(s) of Documents Assigned or Released: N/A
Abbreviated Legal Description: Lots 1-28, Plat of The Beach at Corral Creek, Douglas County, WA
Complete or Additional Legal Description on page 1 of Document.
Assessor's Parcel Number(s): 45800000100; 45800000200; 45800000300; 45800000400; 45800000500; 45800000600; 45800000700; 45800000800; 45800000900; 45800001000; 45800001100; 45800001200; 45800001300; 45800001400; 45800001500; 45800001600; 45800001700; 45800001800; 45800001900; 45800002000; 45800002100; 45800002200; 45800002300; 45800002400; 45800002500; 45800002600; 45800002700; 45800002801; and 45800002802

DECLARATION OF EASEMENT AND COVENANTS

THIS DECLARATION OF EASEMENT AND COVENANTS ("Declaration") is made this date by Corral Creek, LLC, a Washington limited liability company ("Grantor") for the benefit of the owners of Lots 1-27, Plat of the Beach at Corral Creek, Douglas County, Washington ("Grantees"), sometimes individually referred as a "Party", or collectively referred to herein as the "Parties".

1. The Property. Grantor is the current owner of Lot 28 of The Beach at Corral Creek, Douglas County, Washington, legally described as follows (the "Lot 28"):

LOT 28, PLAT OF THE BEACH AT CORRAL CREEK,
DOUGLAS COUNTY, WASHINGTON, ACCORDING TO THE
PLAT THEREOF RECORDED DECEMBER 21, 2010, UNDER
AUDITOR'S FILE NO. 3148492.

2. Prior Covenants and Documents. Lot 28 is subject to several recorded covenants, conditions and restrictions, including, but not limited to the following:

2.1 The Amended and Restated Protective Covenants, Douglas County Washington dated December 20, 2005, and recorded December 23, 2005 under Douglas County Auditor's No. 3093154, as amended by the First Amendment to Amended and Restated Protective Covenants, dated January 9, 2008, and recorded January 15, 2008, under Douglas County Auditor's No. 3119700 (same covenants also recorded a second time March 27, 2008 under Douglas County Auditor's No. 3121922), and amended by the Second Amendment to Amended and Restated Protective Covenants, dated April 30, 2012, and recorded May 9, 2012 under Douglas County Auditor's No. 3159788, and The Beach at Corral Creek Protective Covenants, dated December 13, 2010, recorded under Douglas County Auditor's No. 3148349, and

2.2 The Amended and Restated Covenants for the Beach at Corral Creek, dated March 8, 2013, recorded under Douglas County Auditor's No. 3167651, and the First Amendment to the Amended and Restated Covenants for the Beach at Corral Creek, recorded of even date herewith (the "Beach Covenants").

2.3 The Plat of The Beach at Corral Creek Reserve Lot Management Plan, dated December 9, 2010, recorded December 15, 2010 at Douglas County Auditor's No. 3148350.

2.4 The notes, terms and conditions of the Plat of the Beach at Corral Creek including those appearing on the Plat recorded on December 21, 2010 at Douglas County Auditor's File No. 3148492 (altogether, the "Plat").

3. Description of Easement Area. Subject to the terms and conditions of this Declaration, the Grantor hereby grants and quitclaims to the Grantees an exclusive easement over, under, across and upon that portion of Lot 28 generally depicted on attached Exhibit "A" as the "Easement Area", which is incorporated herein by this reference (hereafter, the "Easement Area"). The Grantees, the Committee (as defined in the Amended and Restated Covenants for the Beach at Corral Creek), or a future Homeowner's Association formed for the benefit of the owners of Lots 1-27, hold the exclusive right to use and manage the Easement Area for the sole benefit of the owners of Lots 1-27 and to preclude the use of the Easement Area by any other party, except as set forth in Section 3.1, below. Nothing herein creates any rights in the Easement Area other than those exclusively granted to the Grantees herein.

3.1 The Grantees and the owner of Lot 28 may access that portion of the Easement Area depicted on Exhibit "A" as the "Shared Portion", for the following limited purposes: hiking, hunting and similar passive, pedestrian recreational purposes (i.e. the use of any motorized vehicle is prohibited), and the owner of Lot 28 may further access the Shared Portion for matters directly related to the agricultural uses located within the Orchard Area (including response to governmental regulatory matters associated with the agricultural activities within the Orchard Area). Anyone who enters the Shared Portion shall repair any and all damage related to

or associated with said access to and use of the Shared Portion of the Easement Area. The owner of Lot 28 shall have no right to access or use the exclusive portions of the Easement Area for any purpose (i.e. those portions of the Easement Area outside of the Shared Portion). The Grantees use of the exclusive portion of the Easement Area shall be limited to those permitted uses as described or anticipated in the Reserve Lot Management Plan referenced below, the Plat or the Beach Covenants.

4. Purpose of Agreement; Consideration. This Declaration and grant is in furtherance of and in consideration of the development of the Plat. Further, this Declaration is for the following purposes: (a) to establish the rights and obligations regarding the Easement Area, (b) to preserve the reserve status of Lot 28 pursuant to Section 18.16.046, Cluster Divisions, Douglas County Code and to ensure compliance with the Reserve Lot Management Plan recorded at Douglas County Auditor's File No. 3148350 (the "Reserve Lot Management Plan"), and (c) to grant and preserve certain rights associated with the Plat for the benefit of the Grantees.

5. Scope of Agreement; Terms and Conditions; Administration. This Declaration is subject to the following terms and conditions:

5.1 Access; Bridge; Stormwater. Two private residential roads are depicted on the Plat of the Beach at Corral Creek and identified as "North Shore Drive" and "Frederick Court". Until said obligations are assigned to a homeowners association, it shall be the mutual responsibility of the Grantees to share equally in the cost of maintenance, repair and replacement of the two private residential roads, bridges, culverts, berms and stormwater drainage facilities installed as part of the development of the Plat. The owner of Lot 28 may not use and shall not be responsible for the maintenance and repairs associated with the improvements set forth herein.

5.2 Common Improvements. The Grantees shall have the right to install entry features, trails, gates, and landscaping within the Easement Area, subject to existing conditions associated with Lot 28. The Grantees may construct new trails and other improvements within the Easement Area at any time in the future for the exclusive benefit and use of the owners of Lots 1-27 of the Plat; provided said improvements are consistent with the Reserve Lot Management Plan. Until said obligations are assigned to a homeowners association, it shall be the mutual responsibility of the Grantees to share equally in the cost of maintenance, repair and replacement of any said entry features, trails, gates, or landscaping currently in existence or hereafter constructed within the Easement Area. The owner of Lot 28 may not use and shall not be responsible for the cost of maintenance, repair and replacement of the common improvements constructed within the Easement Area, except as set forth in Section 3, above.

5.3 Common Area. A Common Area is depicted on the Plat of the Beach at Corral Creek, located between Lots 13 and 14, of the Plat. It shall be the responsibility of the Grantees to share equally in the cost of development, maintenance, repair and replacement of any improvements to the Common Area constructed for the joint benefit of Lots 1-27 of the Plat.

5.4 Plat Conditions. There are a number of conditions associated with Lot 28 that were put in place to allow the development of Lots 1-27 of the Plat of the Beach at Corral Creek.

As part of the conditions associated with the Plat, certain structures were installed as a condition of the approval of the Plat. The Easement Area encompasses the areas associated with said conditions and structures. Until said obligations are assigned to a homeowners association, it shall be the mutual responsibility of the Grantees to share equally in the cost of maintenance, repair and replacement of said structures and for ensuring compliance with said conditions of the Plat within the Easement Area.

5.5 Property Taxes. The Grantees or a future homeowners association shall be responsible for reimbursing the owner of Lot 28 for all real property taxes associated with tax parcel number 4580 0002 802. Said reimbursement shall be paid no later than fifteen (15) days prior to the date that the real property taxes are due; provided, the owner of Lot 28 shall provide documentation of the real property taxes due for said tax parcel number at least thirty (30) days prior to the date the real property taxes are due. The owner of Lot 28 shall be responsible for the real property taxes associated with tax parcel number 4580 0002 801.

5.6 Insurance; Hold Harmless. The Grantees, or a future homeowners association, shall obtain a general liability insurance policy for all activities and conduct of the Grantees within the Easement Area. The general liability insurance shall be written on an occurrence basis with limits not less than \$1 million for bodily injury and death and \$500,000 for property damage, combined with an excess liability insurance policy in the amount of \$1 million. The owner of Lot 28 shall be named an additional insured on said policies. The Grantees, individually and collectively, hereby agree to hold the owner of Lot 28 harmless and indemnify from any loss, damage, or legal liability occurring within the exclusive portion of the Easement Area (this provision may be assigned to a future homeowners association). The owner of Lot 28 hereby agrees to hold the Grantees harmless and indemnify from any loss, damage, or legal liability of said owner occurring within the Orchard Area. The Grantees, or a future homeowners association, shall provide to the owner of Lot 28, on an annual basis, a copy of a certificate of insurance reflecting that the Grantees or homeowners association has obtained the liability insurance policy herein required. If the Grantees or a future homeowners association fail to provide the required certificate of insurance, or fail to procure liability insurance as required, the owner of Lot 28 shall provide the Grantees or a future homeowners association written notice to cure the default. Should the Grantees or future homeowners association fail to cure the default within 30 days after written notice has been provided, the owner of Lot 28 may pay the insurance premium and charge the premium to the Grantees or homeowners association, which shall be a debt of the Grantees or homeowners association, if such homeowners association is formed. Premium payments paid by the owner of Lot 28 shall bear interest at 12% per annum. Notwithstanding any provision herein requiring arbitration, the owner of Lot 28 may exercise any legal remedy to collect the debt, including the filing of an action in the Superior Court of Douglas County, Washington. Unless a homeowners association has assumed the insurance obligation set forth herein, the Grantees shall be jointly and severally liable for any judgment rendered in favor of the owner of Lot 28 relative to a debt collection action arising from failure to procure, or the payment of, insurance as herein required, including reasonable attorneys' fees and costs. If a future homeowners association has assumed the position of the Grantees, then in that event, the homeowners association shall be liable for any said judgment, including reasonable attorneys' fees and costs.

5.7 Administration. The Committee shall be responsible for administering and enforcing the Amended and Restated Covenants for the Beach at Corral Creek recorded at Douglas County Auditor's File No. 3167651, as amended of even date herewith, and this Declaration with regard to the Easement Area. The Committee may enter contracts for work associated with (a) any obligation to maintain, repair or replace any aspect of the Easement Area set forth in this Declaration, the Amended and Restated Covenants for the Beach at Corral Creek, as amended, or elsewhere, or (b) the exercise of any right granted, including, but not limited to, the construction of future improvements authorized in this Declaration or the Amended and Restated Covenants for the Beach at Corral Creek, as amended, or elsewhere. The Committee shall collect the costs of said work equally from the owners of Lots 1-27. The Committee may adopt and enforce reasonable rules and regulations for the benefit of Lots 1-27 to limit and preclude the use of the Easement Area by anyone other than the owners of lots 1-27 of the Plat, their tenants, guests and invitees, and the owner of Lot 28 for the limited purposes set forth herein. The Grantees may, by majority vote of the Grantees, assign the administration, responsibilities and obligations of this Declaration, in its entirety, to a Homeowner's Association created by the Grantees.

6. Binding on Successors. This Agreement shall run with the land described, forever, and shall be binding on the heirs, successors, and assigns of the Parties, and on all future owners of the land described in this Agreement. The Parties agree that no other property, other than the Property described herein, shall be entitled to benefit from the easements and covenants set forth in this Agreement. As stated above, this Agreement shall forever be binding on the Property described, and no boundary adjustment, or lot-line elimination, lot reconfiguration or other platting or planning mechanism, of any kind or nature, shall alter the terms and conditions of this Agreement as to the property legally described herein.

7. Savings Clause. Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provisions of this Agreement and any statute, law, public regulation or ordinance, the latter shall prevail, but in such event, the provisions of this Agreement affected shall be curtailed and limited only to the extent necessary to bring it within legal requirements.

8. Miscellaneous Provisions.

8.1 Counterparts. This Agreement may be executed in counterpart and when combined together for recording shall be deemed to be one original and binding on the Parties.

8.2 Headings. The section headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

8.3 Entire Agreement; Amendments. This Declaration contains the entire understanding with respect to the subject matter hereof and supersedes all prior agreements or understandings among the lot owners with respect thereto. This Declaration may be amended only by an agreement in writing signed by (a) a majority of the owners of Lot 28, and (b) a majority of the owners of Lots 1-27, Plat of the Beach at Corral Creek recorded at Douglas

County Auditor's File No. 3148492; provided that all signatures must be notarized and the amendment must be recorded with the Douglas County Auditor in order to be binding on the Parties.

8.4 Authority. The Grantor owns Lot 28 and a majority of Lots 1-27, Plat of the Beach at Corral Creek recorded at Douglas County Auditor's File No. 3148492. This Declaration shall be binding on the Grantees and shall be deemed an amendment to the Amended and Restated Covenants for the Beach at Corral Creek recorded at Douglas County Auditor's File No. 3167651, as amended by the First Amendment thereto recorded of even date herewith.

8.5 Conveyance of Lot 28. Upon the conveyance of Lot 28, subject to this Declaration, the Grantor shall have no further rights or obligations, if any, as the successor developer of the Plat of the Beach at Corral Creek, other than as an owner of one or more lots of the Plat of the Beach at Corral Creek.

8.6 Arbitration. In the event a dispute arises concerning any matter set out in this Declaration, the parties shall consult and attempt to resolve the dispute. In the event that parties cannot agree upon a resolution of the dispute, the same shall be settled pursuant to Chapter 7.04A RCW, except as herein provided.

8.6.1 Arbitration shall be before one disinterested arbitrator, if one can be agreed upon, otherwise before three disinterested arbitrators, one named by each party, and one by the two arbitrators thus chosen. If all arbitrators have not been appointed within fifteen (15) days after demand for arbitration, then either side may apply to the Douglas County Superior Court, upon ten (10) days written notice to the other for appointment of the necessary arbitrators remaining to be appointed, and the judicial appointment shall be binding and final. The arbitrator or arbitrators shall determine the controversy in accordance with the laws of the State of Washington as applied to the facts found by him/her or them. The arbitrator or arbitrators may grant injunctions or other relief in such controversy or claims.

8.6.2 The decision of the arbitrator or arbitrators shall be final, conclusive and binding upon the parties and a judgment may be obtained in any court having jurisdiction. Each party shall pay one-half of the costs and expenses of such arbitration, and the substantially prevailing party shall be entitled, in addition to other relief, to such reasonable attorney's fees and costs as determined by the arbitrator(s).

8.7 Attorney's Fees. In the event it is necessary to utilize the services of an attorney to enforce any of the terms of this Declaration, such enforcing party shall be entitled to compensation for its reasonable attorney's fees and costs. In the event of litigation or arbitration regarding any of the terms of or any matter associated with this Declaration, the substantially prevailing party shall be entitled to, in addition to other relief, their costs, plus reasonable attorney's fees, as determined by the Court.

8.8 Venue. Venue for any action related to this Declaration shall be in Douglas County, Washington. This Agreement shall be governed by and construed in accordance with the Laws of the State of Washington.

DATED this 13 day of MAY, 2014.

GRANTOR:

CORRAL CREEK, LLC

By: _____

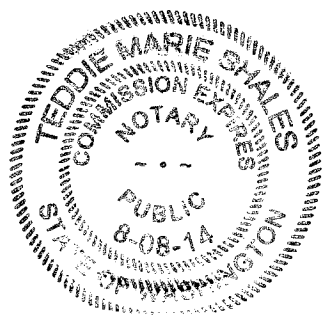
Name: DAVE ZUCRAGA

Title: member

STATE OF WASHINGTON)
County of Chelan)ss.

I certify that I know or have satisfactory evidence that Dale Zuluaga is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath, stated that he/she was authorized to execute the instrument and acknowledged it as Member of Corral Creek, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 5/13, 2014.



Teddie Marie Shales
Teddie Marie Shales (Printed name)
NOTARY PUBLIC, state of Washington
My appointment expires 8/8/14

