

Return Address:
The John's Real Estate Corporation
130 Riverview Drive
East Wenatchee, WA 98802

PRIVATE EASEMENT, MAINTENANCE
AND IMPROVEMENT AGREEMENT
INCLUDING STORM DRAINAGE FACILITIES/DETENTION PONDS

Reference numbers of related documents: _____

Grantor:

1. Bald Eagle Three, LLC
2. Joshua J. Corning
3. Shypoke, LLC
4. The John's Retirement Plan

Grantee:

1. Bald Eagle Three, LLC
2. Joshua J. Corning
3. Shypoke, LLC
4. The John's Retirement Plan

Legal Description:

1. Pt. Sec. 16 and 21, T26N, R21, EWM
2. Additional legal description is on pages 1 & 2 of document

Assessor's Property Tax Parcel Account Number(s): 262116340150, 262121210050
262121220100, 262121220150

This PRIVATE EASEMENT, MAINTENANCE AND IMPROVEMENT AGREEMENT (the "Agreement") made this 12th day of January, 2008 by and between Joshua Corning, a single man ("Corning"); Shypoke, LLC, a Washington limited liability company, ("Shypoke"); The John's Retirement Trust, a retirement trust ("John's"); and Bald Eagle Three, LLC, a Washington limited liability company ("Bald Eagle").

Corning is the owner of real property located in Chelan County, Washington known as Lots 1 through 4 of Osprey Short Plat No 2005-095 recorded under Chelan County Auditor's No. 2295936. It is also legally described as:

That portion of Sections 16 and 21, T. 26 N., R. 21 E., W.M. described as Parcel "A" on that certain boundary line adjustment prepared by Erlandsen and Associates as recorded in A.F.N. 2191328, records of Chelan County, WA; Together with a portion of said Cascade and Columbia River Railroad as recorded under Chelan County Auditor's No. 2289455.

Shypoke is the owner of real property located in Chelan County, Washington known as Lots 1 through 4 of Shypoke Short Plat No. 2005-028 recorded under Chelan County Auditor's No. 2295935. It is also legally described as:

That portion of Sections 16 and 21, T. 26 N., R. 21 E., W.M. described as Parcel "B" on that certain boundary line adjustment prepared by Erlandsen and Associates as recorded in A.F.N. 2191328, records of Chelan County, WA;

Together with a portion of said Cascade and Columbia River Railroad as recorded under Chelan County Auditor's No. 2289455.

John's is the owner of real property located in Chelan County, Washington known as Lots 1 through 4 of Blue Heron Short Plat No. 2005-081 recorded under Chelan County Auditor's No. 2295937. It is also legally described as:

That portion of Sections 16 and 21, T. 26 N., R. 21 E., W.M. described as Parcel "C" on that certain boundary line adjustment prepared by Erlandsen and Associates as recorded in A.F.N. 2191328, records of Chelan County, WA;

Together with a portion of said Cascade and Columbia River Railroad as recorded under Chelan County Auditor's No. 2289455.

Bald Eagle is the owner of real property located in Chelan County, Washington known as Lots 1 through 4 of Bald Eagle Short Plat No. 2005-035 recorded under Chelan County Auditor's No. 2295938. It is also legally described as:

That portion of Sections 16 and 21, T. 26 N., R. 21 E., W.M. described as Parcel "D" on that certain boundary line adjustment prepared by Erlandsen and Associates as recorded in A.F.N. 2191328, records of Chelan County, WA;

Together with a portion of said Cascade and Columbia River Railroad as recorded under Chelan County Auditor's No. 2289455.

The parties hereto hereby grant and establish an easement for access and utilities as depicted on Exhibits A-1 through A-4 attached hereto and by reference incorporated herein (the "Access Easement"). Said easement is for the benefit of all owners of the property described in said Exhibits and shall run with the land in perpetuity.

Bald Eagle hereby grants and establishes an easement for an 8,000 square foot wetland buffer and for access thereto over and across Lot 3 & Lot 4 of the Bald Eagle Short Plat as depicted in Exhibit A-4 hereto (the "Wetland Buffer"). Said easement is for the benefit of all owners of the property described in Exhibits A-1 through A-4 and shall continue only so long as shall be required by Shoreline Substantial Development Permit No. 2008-015. Upon the expiration of the easement all rights in and to the property impressed with the easement shall revert to the owner of the lot on which said easement is located.

It is the purpose of this Agreement to establish and provide for the maintenance and improvement of the Access Easement and Wetland Buffer and to provide for the apportionment, assessment and collection of the cost thereof.

The undersigned further agree as follows:

I. DEFINITIONS

1.1 Common Maintenance. The term "common maintenance" as used herein shall mean all reasonable and necessary actions undertaken to preserve the Access Easement in a useful and good condition. Common maintenance shall include all things reasonable and necessary for said maintenance and additionally to maintain the Wetland Buffer as required by Shoreline Substantial Development Permit identified above. Refer to Appendix "A" attached hereto for specific requirements for storm drainage facilities maintenance, including detention Ponds.

1.2 Improvements. The term "improvement" as used herein shall mean all actions undertaken to enhance the utility of the Access Easement or adapt it to a new or additional purpose. Improvement shall include, but shall not be limited to; an upgrade of the surface composition of the Access Easement roadway.

1.3 Property Owner. The term "property owner" as used herein shall mean any person or entity who agrees in writing to be bound by the terms of this Agreement; the successors and assigns of any such person or entity; and any person or entity who hereafter acquires a fractional portion of real property owned by any such person or entity. In the event real property subject hereto is being purchased pursuant to a real estate contract, the contract vendee, not the contract vendor, shall be deemed the "property owner" of such real property for the purposes of this Agreement.

II. ADMINISTRATIVE COVENANTS

2.1 Approval. When this Agreement requires owner approval such approval shall be by sixty percent (60%) vote, with one vote per lot (a "Lot").

2.2 Amendment. Amendment of this Agreement shall be by sixty percent

(60%) vote, with one vote per Lot. Amendments shall be in writing and recorded in the same manner as this Agreement.

2.3 Severability. The provisions hereof shall be deemed independent and severable, and the invalidity or partial invalidity or unenforceability of any provision shall not affect any other provision hereof.

2.4 Enforcement. Enforcement shall be by proceedings at law or in equity against any person or persons violating or attempting to violate this Agreement either to restrain violation or to recover damages. The substantially prevailing party in any dispute of the enforcement of this Agreement shall be entitled to recover reasonable attorney's fees.

2.5 Insurance. Each owner within the real property described above is responsible for obtaining his own insurance for acts or omissions with regard to this Agreement.

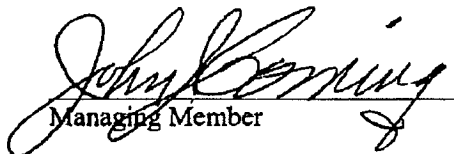
2.6 Assessments. The costs of repair, construction, replacement, improvement and maintenance as provided for herein shall be assessed to the owners so that one share of such costs is assessed per Parcel/Lot. Said costs, charges and assessments shall be as provided in the Articles of Incorporation of OSPREY AT LAKE ENTIAT ASSOCIATION and the Bylaws of said Association. Should an owner fail to pay an assessment the remedies set forth in said Articles and Bylaws shall apply.

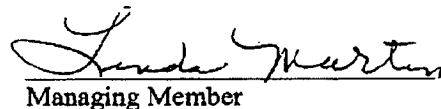
2.7 Administration. Agreement shall be administered by the OSPREY AT LAKE ENTIAT ASSOCIATION in accordance with the Articles of Incorporation and Bylaws of said Association.

IN WITNESS WHEREOF, the undersigned owners of the above mentioned property have signed this Agreement as of the 12th day of January, 2008~~9~~

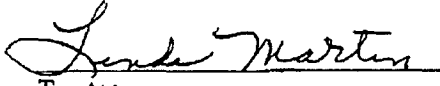
SHYPOKE, LLC

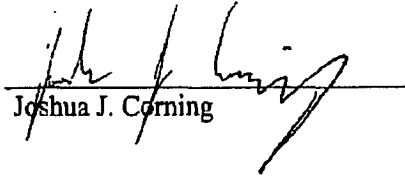
BALD EAGLE THREE, LLC


Managing Member


Managing Member

THE JOHN'S RETIREMENT PLAN

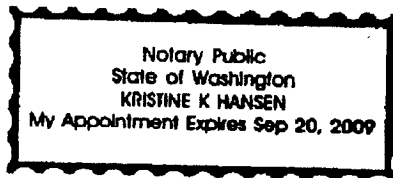

Trustee


Joshua J. Corning

STATE OF WASHINGTON)
) ss.
County of Chelan)

On this 12th day of January, 2008⁹, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared John J. Coming to me known to be a member of Shypoke Limited Liability Company, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

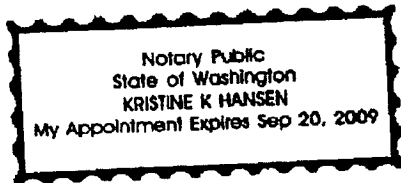


Signature of Kristine Hansen
Notary Public Kristine Hansen
(printed or typed name)
Title: Notary Public
My Appointment Expires 9/20/09

STATE OF WASHINGTON)
) ss.
County of Chelan)

On this 12th day of January, 2008⁹, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Linda Martin to me known to be a member of Bald Eagle Three Limited Liability Company, the limited liability company that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said limited liability company, for the uses and purposes therein mentioned, and on oath stated that he is authorized to execute the said instrument.

Witness my hand and official seal hereto affixed the day and year first above written.

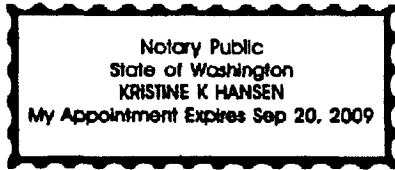


Signature of Kristine Hansen
Notary Public Kristine K Hansen
(printed or typed name)
Title: Notary Public
My Appointment Expires 9/20/09

STATE OF WASHINGTON)
) ss.
County of Chelan)

On this day personally appeared before me Joshua J. Corning to me known to be the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 12th day of January, 2008⁹

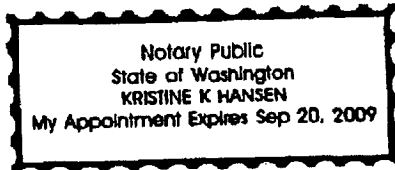


Signature of Kristine K Hansen
Notary Public Kristine K Hansen
(printed or typed name)
Title: Notary Public
My Appointment Expires 9/20/09

STATE OF WASHINGTON)
) ss.
County of Chelan)

On this day personally appeared before me Linda Martin to me known to be the Trustee of The John's Retirement Plan and the individual described in and who executed the within and foregoing instrument, and acknowledged that he signed the same as his free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN under my hand and official seal this 12th day of January, 2008⁹



Signature of Kristine K Hansen
Notary Public Kristine K Hansen
(printed or typed name)
Title: Notary Public
My Appointment Expires 9/20/09

APPENDIX A

OPERATION AND MAINTENANCE

AT A MINIMUM, FACILITIES SHOULD BE INSPECTED IN THE SPRING AND FALL IN ADDITION TO FOLLOWING RECOMMENDATIONS FOR WHEN MAINTENANCE IS NEEDED.

Maintenance Requirements for Detention Ponds

General	Trash & Debris	Any trash and debris which exceed 5 cubic feet per 1,000 square feet (this is about equal to the amount of trash it would take to fill up one standard size garbage can). In general, there should be no visual evidence of dumping. If less than threshold all trash and debris will be removed as part of next scheduled maintenance.	Trash and debris cleared from site.
	Poisonous Vegetation and noxious weeds	Any poisonous or nuisance vegetation which may constitute a hazard to maintenance personnel or the public. Any evidence of noxious weeds as defined by State or local regulations. (Apply requirements of adopted Integrated Pest Management (IPM) policies for the use of herbicides).	No danger of poisonous vegetation where maintenance personnel or the public might normally be. (Coordinate with local health department) Complete eradication of noxious weeds may not be possible. Compliance with State or local eradication policies required
	Contaminants and Pollution	Any evidence of oil, gasoline, contaminants or other pollutants (Coordinate removal/cleanup with local water quality response agency).	No contaminants or pollutants present.
	Rodent Holes	Any evidence of rodent holes if facility is acting as a dam or berm, or any evidence of water piping through dam or berm via rodent holes.	Rodents destroyed and dam or berm repaired. (Coordinate with local health department and Ecology Dam Safety Office if pone exceeds 10 acre feet)
	Beaver Dams	Dam results in change or function of the facility.	Facility is returned to design function. (Coordinate trapping of beavers and removal of dams with appropriate permitting agencies)
	Insects	When insects such as wasps and hornets interfere with maintenance activities.	Insects destroyed or removed from site. Apply insecticides in compliance with adopted IPM policies.

	Tree Growth and Hazard Trees	Tree growth does not allow maintenance access or interferes with maintenance activity (i.e., slope mowing, silt removal, vactoring, or equipment movements). If trees are not interfering with access or maintenance, do not remove	Trees do not hinder maintenance activities. Harvested trees should be recycled into mulch or other beneficial uses (e.g., alders for firewood). Remove hazard trees
		If dead, diseased, or dying trees are identified	(Use a certified Arborist to determine health of tree or removal requirements)

Maintenance Requirements for Detention Ponds

Side Slopes of Pond	Erosion	Eroded damage over 2 inches deep where cause of damage is still present or where there is potential for continued erosion. Any erosion observed on a compacted berm embankment.	Slopes should be stabilized using appropriate erosion control measure(s); e.g., rock reinforcement, planting of grass, compaction. If erosion is occurring on compacted berms a licensed civil engineer should be consulted to resolve source of erosion.
Storage Area	Sediment	Accumulated sediment that exceeds 10% of the designed pond depth unless otherwise specified or affects inletting or outletting condition of the facility.	Sediment cleaned out to designed pond shape and depth; pond reseeded if necessary to control erosion.
Pond Berms (Dikes)	Settlements	Any part of berm which has settled 4 inches lower than the design elevation. If settlement is apparent measure berm to determine amount of settlement. Settling can be an indication of more severe problems with the berm or outlet works. A licensed civil engineer should be consulted to determine the source of the settlement.	Dike is built back to the design elevation.
	Piping	Discernable water flow through pond berm. Ongoing erosion with potential for erosion to continue. (Recommend a Geotechnical engineer be called in to inspect and evaluate condition and recommend repair of condition.	Piping eliminated. Erosion potential resolved.

Maintenance Requirements for Detention Ponds

<p>Emergency Overflow/Spill way and Berms over 4 feet in height</p>	<p>Tree Growth</p>	<p>Tree growth on emergency spillways create blockage problems and may cause failure of the berm due to uncontrolled overtopping. Tree growth on berms over 4 feet in height may lead to piping through the berm which could lead to failure of the berm.</p>	<p>Trees should be removed. If root system is small (base less than 4 inches) the root system may be left in place. Otherwise the roots should be removed and the berm restored. A licensed civil engineer should be consulted for proper berm/spillway restoration.</p>
	<p>Piping</p>	<p>Discernible water flow through pond berm. Ongoing erosion with potential for erosion to continue. (Recommend a Geotechnical engineer be called in to inspect and evaluate condition and recommend repair of condition.)</p>	<p>Piping eliminated. Erosion potential resolved.</p>
<p>Emergency Overflow/Spill way</p>	<p>Emergency Overflow/ Spillway</p>	<p>Only one layer of rock exists above native soil in area five square feet or larger, or any exposure of native soil at the top of out flow path of spillway. (Rip-rap on inside slopes need not be replaced.)</p>	<p>Rocks and pad depth are restored to design standards.</p>
	<p>Erosion</p>	<p>See "Side slopes of Pond"</p>	