

Return Address:

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2 **SECOND AMENDMENT TO
AMENDED AND RESTATED PROTECTIVE COVENANTS**

3 **Grantors/Grantees (Declarants):** Beebe Ranch, LLC, a Colorado limited liability company, as to
4 the ("Beebe Ranch") parcels; L.H. Piro-Beebe, LLC, a Washington limited liability company;
5 Petersen and Hildahl, L.L.C., a Washington limited liability company; Corral Creek, LLC, a
6 Washington limited liability company; David Zuluaga and Nancy A. Zuluaga, Co-Trustees of the
7 Zuluaga Charitable Unitrust, dated October 31, 2001, as to the ("Corral Creek") parcels.

8 **Legal Description (abbreviated):** Plat of Beebe Orchards Tracts, Plat of the Beach at Corral
9 Creek, and Ptns. Secs. 16 & 21, T. 27 N., R. 23, E.W.M., Douglas County, Washington.
10 Additional legal on pages 14 through 18.

11 **Assessor's Tax Parcel ID#:** 457-001-001-00 through 457-001-016-00, 457-004-001-00,
12 457-005-001-00, 457-003-001-00 through 457-003-008-00, 457-002-001-00 through
13 457-002-081-00, 272-310-300-03 through 272-310-300-09, 272-309-400-01, and
14 272-309-300-02

15 **Reference Number of Covenants Amended:** 3050942, 3093154, 3119700 and 3121922

16
17 **Parties**

18 1.1 Grantors/Grantees (Declarants). BEEBE RANCH, LLC, a Colorado limited
19 liability company; all other individual lot owners, as to the ("Beebe Ranch") parcels; L.H. PIRO-
20 BEEBE, LLC, a Washington limited liability company; PETERSEN AND HILDAHL, L.L.C., a
Washington limited liability company; CORRAL CREEK, LLC, a Washington limited liability
company; DAVID ZULUAGA and NANCY A. ZULUAGA, Co-Trustees of the Zuluaga Charitable
Unitrust, dated October 31, 2001, as to the ("Corral Creek Group").

17 **Prior Agreements**

18 2.1 Protective Covenants. The Protective Covenants, dated August 2, 2002, and
19 recorded August 7, 2002 under Douglas County Auditor's No. 3050942.
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1 2.2 Amended and Restated Covenants. The Amended and Restated Protective
2 Covenants, executed December 20, 2005, and recorded December 23, 2005 under Douglas County
3 Auditor's No. 3093154.

4 2.3 First Amendment to Amended and Restated Protective Covenants. That
5 First Amendment to the Amended and Restated Protective Covenants, dated January 9, 2007, and
6 recorded January 15, 2008 under Auditor's No. 3119700 and a duplicate set dated January 15,
7 2008, and recorded March 27, 2008 under Auditor's No. 3121922.

8
9 The documents referenced in paragraphs 2.1, 2.2 and 2.3 above, as amended herein, shall be
10 collectively referred to as the "Covenants" and/or the "Agreement."

11 Property Description

12 3.1 Property Description. That real property situated in the County of Douglas,
13 Washington, described on the attached Exhibits "A", "B" and "C".

14 Agreement

15 4.1 Agreement. The parties agree to amend the Covenants upon the terms
16 and conditions set forth below.

17 4.1.1 Section 3, *Administrative Covenants*, Paragraph 3.2, *Amendment*,
18 is hereby deleted in its entirety and replaced with the following:

19 Amendment.

20 a. EXCEPT as provided under subparagraph d, below, the
21 Owners of the Corral Creek Group properties described under
22 Exhibit "B" of the Amended and Restated Covenants (the "Corral
23 Creek Group Properties") may amend or waive these Covenants
24 and the Plat as to the Corral Creek Group Properties upon (i) the
25 affirmative vote of the majority of the Owners of all Residential
26 Lots and Residential Units of the Corral Creek Group Properties,
with one vote per Residential Lot and one vote per Residential
Unit, and (ii) the affirmative vote of the Owners of a majority of
the acreage of the Corral Creek Group Properties not divided into
Residential Lots or Residential Units. Amendments shall be in
writing and recorded in the same manner as these Covenants.
No amendment or waiver of these Covenants or the Plat as to
the Corral Creek Group Properties under this subsection shall

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constitute an amendment or waiver of the Plats or Covenants as to the Beebe Ranch properties described under Exhibit "A" of the Amended and Restated Covenants (the "Beebe Ranch Properties") or the "Other Lands" as defined in Exhibit "C" of the Amended and Restated Covenants (the "Other Lands").

b. EXCEPT as provided under subparagraph d, below, the owners of the Beebe Ranch Properties may amend or waive these Covenants and the Plat as to the Beebe Ranch Properties upon (i) the affirmative vote of the majority of the Owners of all Residential Lots and Residential Units of the Beebe Ranch Properties, with one vote per Residential Lot and one vote per Residential Unit, and (ii) the affirmative vote of the Owners of a majority of the acreage of the Beebe Ranch Properties not divided into Residential Lots or Residential Units. Amendments shall be in writing and recorded in the same manner as these Covenants. No amendment or waiver of these Covenants or the Plat as to the Beebe Ranch Properties under this subsection shall constitute an amendment or waiver of the Plats or the Covenants as to the Corral Creek Group Properties or the Other Lands.

c. EXCEPT as provided under subparagraph d, below, the owners of the Other Lands may amend or waive these Covenants and the Plat as to the Other Lands upon (i) the affirmative vote of a majority of the Owners of all Residential Lots and Residential Units of the Other Lands, with one vote per Residential Lot and one vote per Residential Unit, and (ii) the affirmative vote of the Owners of a majority of the acreage of the Other Lands not divided into Residential Lots or Residential Units. Amendments shall be in writing and recorded in the same manner as these Covenants. No amendment or waiver of these Covenants or the Plat as to the Other Lands under this subsection shall constitute an amendment or waiver of the Covenants or the Plats as to the Beebe Ranch Properties or Corral Creek Group Properties.

d. Amendment or waiver of paragraphs 2.15, 2.16, 2.43, 2.44, 2.47, 2.50, 3.5-3.9, 3.11-3.17 and 4.1-4.12 of these Covenants, and the portions of the Plats related thereto, shall only be made by (i) the affirmative vote of the majority of the Owners of all Residential Lots and Residential Units contained in the Beebe Ranch Properties, Corral Creek Group Properties and Other Lands, with one vote per Residential Lot and one vote per Residential Unit, and (ii) the affirmative vote of the Owners of a majority of the acreage of the Property contained in the Beebe Ranch Properties, Corral Creek Group Properties and Other Lands and not divided into Residential Lots or Residential Units. Amendments shall be in writing and recorded in the same manner as these Covenants.

1 4.1.2 Section 3, Administrative Covenants, Paragraph 3.6,

2 Administration, is hereby deleted in its entirety and replaced with the following:

3 Administration. The Covenants shall be administered by an
4 Administrator (the "Administrator"). The Administrator shall be in
5 charge of calling meetings, paying bills, collecting Assessments,
6 arranging for maintenance and repairs and enforcing these
7 Covenants. Subject to the limitations set forth below, (i) the
8 Owners of the Corral Creek Group Properties shall have the rights
9 to appoint their own Administrator as to the Covenants as to the
10 Corral Creek Group Properties, (ii) the Owners of the Beebe Ranch
11 Properties shall have the rights to appoint their own Administrator
12 as to this Agreement and the Covenants as to the Beebe Ranch
13 Properties, and (iii) the Owners of the Other Lands shall have the
14 rights to appoint their own Administrator as to this Agreement and
15 the Covenants as to the Other Lands. Beebe Ranch, LLC, shall
16 serve as the initial Administrator for the (i) Corral Creek Group
17 Properties (ii) Beebe Ranch Properties and (iii) the Other Lands,
18 until its resignation, expiration of the Development Period, or
19 appointment of its successor by the Owners of the Corral Creek
20 Group Properties, Beebe Ranch Properties and/or Other Lands, as
21 the case may be for such property(ies). Notwithstanding the
22 above, the provisions of the Covenants under paragraphs 2.15,
23 2.16, 2.43, 2.44, 2.47, 2.50, 3.5-3.9, 3.11-3.17 and 4.1-4.12 shall
24 be jointly administered by the majority vote of the Administrators for
25 the Corral Creek Group Properties, Beebe Ranch Properties and
26 Other Lands.

4.2 Definitions. Unless otherwise set forth herein, capitalized terms shall
have the definitions set forth in the Covenants.

4.3 Counterparts. This Second Amendment to Amended and Restated
Protective Covenants may be executed in multiple counterparts, which together shall constitute
one instrument. Any signatures delivered by facsimile shall be considered to be an original
thereof.

No Other Changes

5.1 No Other Changes. Except as otherwise amended herein, the parties hereby
ratify the terms and conditions of the Covenants.