

WHEN RECORDED RETURN TO:

BRADLEY W. ANDERSEN
SCHWABE, WILLIAMSON & WYATT, P.C.
700 WASHINGTON STREET, SUITE 701
VANCOUVER, WA 98660

CCT 00118902 CAM

DOCUMENT TITLE(S):

RESTRICTIVE COVENANT AGREEMENT

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTOR:

1. CHINIDERE, LLC
- 2.

GRANTEE:

1. REGAL-A-LAND ACQUISITION & DEVELOPMENT, LLC
- 2.

TRUSTEE:

ABBREVIATED LEGAL DESCRIPTION:

Lot 1 AND 2, Feliz Short Plat

Full Legal Description located on Page

Exhibit A + B

TAX PARCEL NUMBER(S):

03-75-36-3-0-0500/00 AND 03-75-36-3-0-1200/00

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:

Bradley Andersen
Schwabe Williamson & Wyatt
700 Washington Street, Suite 701
Vancouver, WA 98660

RESTRICTIVE COVENANT AGREEMENT

DATED: May 30, 2008

BETWEEN: CHINIDERE, LLC ("Seller" or "Chinidere")

AND: REGAL- A LAND ACQUISITION & DEVELOPMENT LLC
("Purchaser" or "Regal")

LEGAL DESCRIPTION:

(Full legals attached as Exhibits A, B and C)

TAX PARCEL ID NOS.:

RECITALS:

- May 27, 2008*
- A. Whereas, Chinidere, LLC ("Chinidere" or "Seller") and Regal-A Land Acquisition & Development LLC ("Regal" or "Purchaser"), entered into a Purchase and Sale Agreement ("Agreement") dated April 3, 2008 for the sale of Chinidere Mountain Estates Subdivision ("Subdivision") located in Stevenson, Skamania County, Washington except for those portions of the property located within Phase IV, and Lots 39, 40, and 41 in Phase II of the Subdivision, which Lots were to be retained by Seller;
- B. Whereas, the Purchaser and Seller executed the Agreement with the mutual understanding that the City of Stevenson ("City") would allow the property contained in Phase IV, and Lots 39, 40, and 41 of Phase II, to be segregated from the entire Subdivision Parcel by means of a boundary line adjustment;

- C. Whereas, after the Agreement was executed, the City announced that it could not approve a boundary line adjustment to separate out Phase IV, and Lots 39, 40, and 41 of Phase II, from the entire Subdivision Parcel;
- D. Whereas, on or about April 30, 2008, the Seller filed a short plat application ("Short Plat") to create two separate parcels for the purpose of implementing the Agreement;
- E. Whereas, on or about May 19, 2008 the parties executed the First Addendum to the Agreement, which obligates Purchaser to convey what will become Lots 39, 40 and 41 in Phase II back to Seller upon final plat approval for Phase II of the Subdivision and upon the approval of such conveyance by any lenders.
- F. Whereas, in a Third Addendum executed by the parties on or about May 27, 2008, the parties agreed that, at closing, Seller will convey Lot 1 of the Feliz Short Plat (also known as Phases I-III of the Subdivision), which property is more particularly described in **Exhibit "A"** attached hereto and incorporated herein by this reference. Seller will retain Lot 2 of the Feliz Short Plat (also known as Phase IV of the Subdivision), which property is more particularly described in **Exhibit "B"** attached here to and incorporated herein by this reference.
- G. Whereas, to ensure that third parties have notice of the terms and conditions set forth in the First Addendum and Third Addendum, the parties wish to execute and record this Restrictive Covenant Agreement setting forth the terms and conditions of the conveyance of the Subdivision property.

NOW THEREFORE, as a material part of the consideration for Chinidere to sell Lot 1 of the Feliz Short Plat to Regal at closing and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties have agreed to the following conditions which are intended to run with the land, continue in perpetuity and be binding upon all parties having or acquiring any right, title or interest in the Subdivision property:

AGREEMENT:

1. **NO SALE OF LOTS 39, 40 AND 41 IN PHASE II.** Regal shall not sell, assign or convey (other than to Chinidere) the real property that will become Lots 39, 40, and 41 in Phase II, which property shall be more particularly described in **Exhibit "C"** attached hereto, which the parties authorize the Escrow Holder to attach hereto and which shall be incorporated herein by this reference.
2. **CONVEYANCE OF LOTS 39, 40 AND 41 IN PHASE II BACK TO SELLER.** Within seven (7) days of the final plat approval of Phase II of the Subdivision and the approval of any lenders of the conveyance of Lots 39, 40 and 41, Purchaser (or any of

Purchaser's successors and assigns) shall convey back to Seller Lots 39, 40, and 41 free of any liens, mortgages, deeds of trust, or other encumbrances. Purchaser and Seller will, in good faith, work together to obtain approval by any lender of the conveyance of and a release of any encumbrance on Lots 39, 40 and 41 in Phase II. Notwithstanding the above, Purchaser shall convey back, unencumbered, Lots 39, 40 and 41 to Seller by way of statutory warranty deed no later than the date that 80% of the Lots in Phase II have been sold. The parties will split any administrative cost incurred by the lender(s) to sign any required releases. Purchaser's failure to timely convey back Lots 39, 40 and 41 in Phase II to Seller free of any encumbrances as described in this section shall be a default under the terms of the Note and Deed of Trust and of this Restrictive Covenant Agreement. The parties authorize the Escrow Holder at Clark County Title to insert/correct the legal description for the real property that will become Lots 39, 40 and 41 in Phase II as **Exhibit "C"** to this Restrictive Covenant Agreement. When Purchaser conveys Lots 39, 40 and 41 back to Seller, Seller agrees to grant any easements in favor of Purchaser over Lots 39, 40 and 41 that are necessary to afford Purchaser reasonable access for utilities, ingress, and egress to Lot 1 of the Feliz Short Plat (except for Lots 39, 40 and 41 in Phase II). Similarly, Purchaser agrees to grant easements over Lot 1 of the Feliz Short Plat (except for Lots 39, 40 and 41 in Phase II) so as to provide Seller reasonable access for utilities, ingress, and egress to Lots 39, 40 and 41 in Phase II.

3. FINAL SUBDIVISION AND PLAT APPROVAL. As partial consideration for this Agreement, Purchaser shall assume the obligation to obtain final subdivision approval for Chinidere Mountain Estates Subdivision, except Seller shall assume the obligation to obtain final plat approval of Phase IV in Lot 2 of the Feliz Short Plat. Notwithstanding the above, Purchaser shall, at its own cost and expense and in accordance with the engineering plans for the Subdivision, "stub" the utilities and road for Lot 2 of the Feliz Short Plat by installing the utilities (including, but not limited to, water, sewer, electrical and cable) up to the boundary of Lot 2 of the Feliz Short Plat and by constructing a gravel roadway (Brady Road) that crosses the spring to the edge of Lot 2 of the Feliz Short Plat.

4. COVENANTS RUNNING WITH THE LAND. The parties intend that the benefits and burdens of this Restrictive Covenant Agreement, and the covenants set forth herein, shall run with the land and all portions thereof and be binding in perpetuity. The failure by either party to exercise its rights under this Restrictive Covenant Agreement for any period shall not be deemed an abandonment of such rights.

5. REASONABLENESS OF RESTRICTIONS. Purchaser acknowledges and agrees that the covenants in this Restrictive Covenant Agreement are reasonable in all respects and are of benefit to Seller and to all or any portion of Lot 2 of the Feliz Short Plat (Phase IV of the Subdivision) or Lots 39, 40 and 41 in Phase II, as such property may be used, partitioned, subdivided, or conveyed.

6. MERGER; SEVERABILITY. There are no other verbal or other agreements and no other amendment which modify or affect this Restrictive Covenant Agreement. Invalidity of any provision of this Restrictive Covenant Agreement, by judgment or court

order shall in no way affect other provisions or applications. All subsequent modifications or waivers of any condition of this Restrictive Covenant Agreement shall be in writing and signed by the appropriate parties.

7. COUNTERPARTS. This Restrictive Covenant Agreement may be executed in any number of counterparts and all counterparts shall be deemed to constitute a single agreement. The execution and delivery of one counterpart by either party shall have the same force and effect as if that party had signed all other counterparts. Delivery by facsimile of an executed counterpart shall have the same effect as physical delivery of an original.

8. SUCCESSIONS AND ASSIGNS. This Restrictive Covenant Agreement shall bind and inure to the benefit of Seller and Purchaser, and their respective successors and assigns, and any party hereafter claiming any interest in all or any portion of the Subdivision property.

9. REMEDIES. Purchaser acknowledges and agrees that (a) any breach by Purchaser of these covenants, directly or indirectly, will cause Seller irreparable injury for which there is no adequate remedy at law and (b) Purchaser's agreement to these covenants is material consideration for Seller's agreement to convey the entire Subdivision parcel to Regal. Accordingly, Regal expressly agrees that, in the event of any such breach or threatened breach of these covenants, Chinidere shall be entitled, in addition to any and all other remedies available to Chinidere, to seek and obtain injunctive relief and/or other equitable relief to require specific performance of or prevent a breach of these covenants, without being required to post bond or show inadequacy of damages as a remedy. Time and strict performance are of the essence of this Restrictive Covenant Agreement.

10. ATTORNEY'S FEES. If any suit or action is brought by Seller arising out of or relating to this Restrictive Covenant Agreement, the prevailing party shall be entitled to recover its costs and fees (including, but not limited to, reasonable attorney's fees and costs) incurred by such party, including those on appeal or review.

PURCHASER:

REGAL- A LAND ACQUISITION AND
DEVELOPMENT LLC

By: 

Print Name: RIK LENOIR

Its: Member

Dated: 5/30/08

By: 

Print Name: Rick Lenoir

SELLER:

CHINIDERE, LLC

By: 

John Felix, Managing Member

Dated: May 27 2008

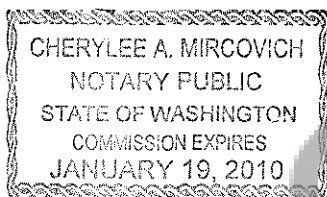
Its: MemberDated: 5/20/08ACKNOWLEDGMENT

STATE OF WASHINGTON)

:SS

County of Clark)

I certify that I know or have satisfactory evidence that Rick Leavitt is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Member of REGAL- A LAND ACQUISITION & DEVELOPMENT LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 20th day of May, 2008.

Notary Public

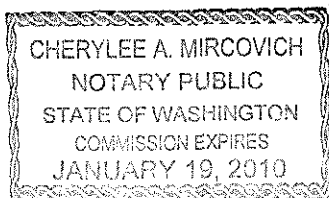
Printed Name: Cherylee A. MirconichResiding at: VancouverMy Appointment Expires: 1/19/2010ACKNOWLEDGMENT

STATE OF WASHINGTON)

:SS

County of Clark)

I certify that I know or have satisfactory evidence that Gary Albers is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Member of REGAL- A LAND ACQUISITION & DEVELOPMENT to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 20th day of May, 2008.

Notary Public

Printed Name: Cherylee A. MirconichResiding at: VancouverMy Appointment Expires: 1/19/2010

ACKNOWLEDGMENT

STATE OF WASHINGTON)

:SS

County of Clark

I certify that I know or have satisfactory evidence that John Feliz is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the managing member of CHINIDERE, LLC to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 27 day of May, 2008.

Theron A. Jordan

Notary Public

Printed Name: Theresa A. Gordon

Residing at: Vancouver, WA

My Appointment Expires: 10-26-2011

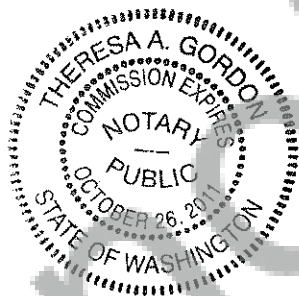


EXHIBIT A

Legal Description of Lot 1 of the Feliz Short Plat
(also known as Phases I-III of the Subdivision)

Lot 1 of FELIZ SHORT PLAT, recorded under Auditor's File NO.
2008170028, records of Skamania County, Washington.

EXHIBIT B

Legal Description of Lot 2 of the Feliz Short Plat
(Also known as Phase IV of the Subdivision)

Lot 2 of FELIZ SHORT PLAT, recorded under Auditor's File No.

2008170088, records of Skamania County, Washington.

Unofficial
Copy

EXHIBIT C

Legal Description of Lots 39, 40 and 41 in Phase II of Subdivision

Legal Description does not exist at this time. Document will be re-recorded once Legal Description becomes available.

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