

BY: D. Joseph Roberts



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Jefferson County, WA JEFFERSON TITLE CO I

WHEN RECORDED, RETURN TO:

Marco de Sa e Silva, Esq.
DAVIS WRIGHT TREMAINE LLP
2600 Century Square
1501 Fourth Avenue
Seattle, Washington 98101-1688

UNOFFICIAL COPY

EASEMENTS OVER ADJOINING LANDS

Grantor: Pope Resources, a Delaware limited partnership

Grantees: Port Ludlow Associates LLC, a Washington limited liability company
Olympic Water and Sewer, Inc., a Washington corporation

Abbreviated Legal Description:

Portions of Sections 15, 17, 18, 19, 20, 21, 22, 27, 28 and 29 in
Township 28 North, Range 1 East, Jefferson County, Washington.

Complete legal description is at pages 7 through 9 hereto.

Assessor's Property Tax Parcel Account Numbers:

821181001	821191001	821291002	821281001
821181011	821203001	821281003	821214004
821181002	821192002	821281002	821272002
821271003	821222003	821222001	821222003
821221001	821152001		

Reference to Related Document: None



EASEMENTS OVER ADJOINING LANDS

THESE EASEMENTS OVER ADJOINING LANDS (these "Easements") are made as of the date set forth below by POPE RESOURCES, a Delaware limited partnership ("Grantor"), OLYMPIC WATER AND SEWER, INC., a Washington corporation ("OWSI"), and PORT LUDLOW ASSOCIATES LLC, a Washington limited liability company ("PLA").

RECITALS

- A. Grantor owns certain real property legally described on Exhibit A attached hereto (the "Property"). The Property is shown generally on the drawing attached hereto as Exhibit B.
- B. Grantor desires to establish certain easements upon the Property as described herein for the benefit of OWSI and PLA.
- C. This Declaration is made to give effect to the desires of Grantor, OWSI, and PLA.

AGREEMENT

NOW, THEREFORE, for good and valuable consideration but no monetary consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. **Creation of Utilities Easement.** Grantor hereby creates, declares, and impresses across, over, under, upon, and through the Property, subject to matters of record, a perpetual nonexclusive easement (the "Utilities Easement") for access and maintenance, construction, installation, repair, replacement, and use of underground electric, sewer, telephone, water, and other utility lines and appurtenant facilities, including without limitation access roads, wells, water storage tanks, and pumps, but excluding septic tanks, septic system drainfields, sewage treatment facilities, and other sewage facilities except sewer pipelines (collectively, the "Utility Facilities"), for the benefit of OWSI, together with its successors and assigns. Notwithstanding the foregoing, it is understood that the following Utility Facilities may be either above ground or underground: wells, water storage tanks, and any Utility Facilities that cannot practically be located underground without unreasonable cost to OWSI.

2. **Creation of Trail Easement.** Grantor hereby creates, declares, and impresses across, over, under, upon, and through the Property, subject to matters of record, a perpetual nonexclusive easement (the "Trail Easement") for access and maintenance, construction, installation, repair, replacement, and use of a paved or unpaved recreational bicycle and pedestrian trail for non-motorized use only (the "Trail Facilities"), for the benefit of PLA, together with its successors and assigns. The Utilities Easement and Trail Easement are referred to collectively herein as the "Easements." The Utility Facilities and Trail Facilities are referred to collectively herein as the "Facilities."



3. **Limitations.**

a. The Easement Area shall not include any portions thereof upon which are located any buildings, structures, utility facilities (except those owned or operated by OWSI), or other improvements as of the date hereof. The portions of the Easement Area used for or in connection with the Utility Facilities shall not exceed a total of 500,000 square feet in the aggregate, which limitation shall not apply to portions located within public rights-of-way, other public lands, and designated common areas now existing or hereafter declared or dedicated. The portions of the Easement Area upon which are located the Trail Facilities shall not exceed a total of 250,000 square feet in the aggregate, which limitation shall not apply to portions located within public rights-of-way, other public lands, and designated common areas now existing or hereafter declared or dedicated. OWSI and PLA shall not construct or install any Facilities within thirty (30) feet of any buildings or other structures, nor within any platted commercial or residential lots located within the Easement Area as of the date of commencement of such Facilities construction or installation, without the consent of the owner of any such building, other structure, or lot.

b. The Easements shall be released as to any portion of the Easement Area not actually used for access and maintenance, construction, installation, repair, replacement, and use of the Facilities within twenty (20) years after the date hereof. A portion is "actually used" if any Facility or the means of access appurtenant to any Facility is located within such portion.

c. The Easements shall not be used by OWSI, PLA, or their respective successors and assigns, to benefit any real property located outside the Port Ludlow Master Planned Resort as it is designated by Jefferson County, Washington, as of the date hereof or as it may be expanded hereafter by such governmental authority.

d. Facilities shall be located within the Easement Area so as not to damage or unreasonably interfere with any buildings, other structures, roads, or other improvements located within the Easement Area prior to the date of commencement of such Facilities construction or installation, but once any Facilities are established within the Easement Area, Grantor shall not unreasonably interfere with such Facilities (subject to Grantor's relocation rights under Section 7 hereof).

4. **Benefits and Burdens.** The burdens of the Easements are appurtenant to real property and are intended to attach to and run with the land. The benefits of the Easements are intended to personally benefit OWSI and PLA, their respective successors and assigns, as an easement in gross. Without limiting the right of PLA and OWSI to assign their rights hereunder,



the parties acknowledge that PLA intends to assign the Trail Easement to one or more homeowner associations, and that such assignment is permitted hereunder. Upon the assignment of either Easement hereunder, the assigning party (whether PLA or OWSI) shall be relieved of all rights and obligations under the assigned Easement, including without limitation all obligations of maintenance and repair.

5. **Maintenance.** Unless and until a governmental authority or private or public utility company accepts liability for the maintenance and replacement of the Utility Facilities, the Utility Facilities shall be maintained by OWSI. Unless and until a governmental authority, homeowner association or other nonprofit corporation accepts liability for the maintenance and replacement of the Trail Facilities, the Trail Facilities shall be maintained by PLA.

6. **Reservation of Rights.** Within the Easement Area, Grantor reserves the right of access and maintenance, construction, installation, repair, replacement, and use of any and all manner of buildings, structures, landscaping, and other improvements, together with the right to grow, cut, and remove trees, the right to grade and fill, and all other rights to improve the Easement Area allowed by law, provided, however, that Grantor shall not alter or damage or unreasonably interfere with any Utility Facilities or Trail Facilities except upon the prior written consent of OWSI or PLA, respectively, their successors and assigns.

7. **Relocation.** Grantor may relocate the Facilities at any time and from time to time at its sole cost and expense, provided that the relocated Facilities shall maintain physical contiguity with the remainder of the Facilities.

8. **Damage.** By its acceptance of the rights and privileges conveyed within this Declaration, OWSI and PLA agree that if they shall cause any damage to the Property, then they shall promptly restore the same to its condition before such damage at their sole cost and expense, provided, however, that trees reasonably removed in connection with the construction, installation, maintenance, repair, replacement, and use of the Facilities need not be replaced provided that OWSI or PLA shall compensate Grantor in the amount of the fair market timber value of removed trees.

9. **Indemnity.** By its acceptance of the rights and privileges conveyed within this Declaration, OWSI and PLA agree to indemnify and hold Grantor harmless from and against any and all loss, damage, claims, penalties, liability, suits, costs, and expenses (including, without limitation, reasonable attorneys fees and costs) suffered or incurred by Grantor to the extent arising out of or related to OWSI's or PLA's negligence or intentional misconduct in the construction, installation, maintenance, repair, replacement, and use of the Facilities.

10. **Assignment.** OWSI shall not assign or otherwise convey any interest in the Utilities Easement to any person or entity except any governmental entity or public or private utility company without the prior written consent of Grantor. PLA shall not assign or otherwise convey any interest in the Trail Easement to any person or entity except any governmental entity

or homeowner association or other nonprofit corporation without the prior written consent of Grantor.

11. **Miscellaneous.** The headings contained herein shall not be used to interpret the provisions hereof. This Declaration shall be interpreted under and governed by the laws of the State of Washington. Any person's failure to enforce any provision hereof shall not constitute a waiver thereof in any future instance. If any provision hereof is held to be unenforceable, the remaining provisions shall continue in full force and effect.

Dated and effective as of August 8, 2001.

GRANTOR:

POPE RESOURCES, a Delaware limited partnership, by Pope MGP, Inc., a Delaware corporation, its General Partner

By David H. Nunn
Its President

OWSI:

OLYMPIC WATER AND SEWER, INC., a Washington corporation

By Jay Suth
Its Vice President

PLA:

PORT LUDLOW ASSOCIATES LLC, a Washington limited liability company

By [Signature]
Its Chief Financial Officer



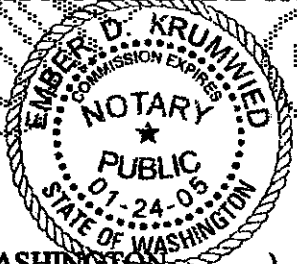
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STATE OF WASHINGTON)
) ss.
COUNTY OF Kitsap)

On this 7th day of August, 2001, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared David L. Nunes, to me known to be the President of Pope MGP, Inc., a Delaware corporation, which is known to me to be the General Partner of POPE RESOURCES, A DELAWARE LIMITED PARTNERSHIP, the partnership that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said partnership, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute the said instrument.

WITNESS MY HAND AND OFFICIAL SEAL hereto affixed the day and year first above written.

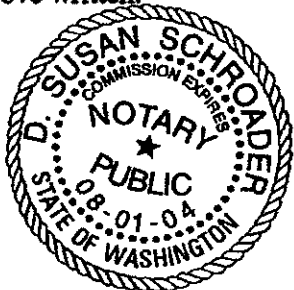


Ember D. Krumwied
NOTARY PUBLIC in and for the State of
Washington, residing at Bremerton
My commission expires 01-24-2005
Print Name Ember D. Krumwied

STATE OF WASHINGTON)
) ss.
COUNTY OF Jefferson)

On this 7th day of August, 2001, before me, a Notary Public in and for the State of Washington, personally appeared Larry Smith, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the vice president of OLYMPIC WATER AND SEWER, INC., to be the free and voluntary act and deed of said corporation for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



Susan Schroeder
NOTARY PUBLIC in and for the State of
Washington, residing at Port Ludlow
My appointment expires 8-1-04
Print Name Susan Schroeder



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STATE OF Washington)
COUNTY OF King) ss.

On this 7th day of August, 2001, before me, a Notary Public in and for the State of Washington, personally appeared Troy Crosby, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the Chief Financial Officer of WEST COAST NORTHWEST PACIFIC PARTNERS LLC, a Washington limited liability company, the manager of PORT LUDLOW ASSOCIATES LLC, a Washington limited liability company, to be the free and voluntary act and deed of said limited liability company for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

SHERRI L. PELLETIER
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES 4-01-05

Sherril Pelletier
NOTARY PUBLIC in and for the State of Washington, residing at Blattle
My appointment expires 4/01/05
Print Name Sherril L. Pelletier

EXHIBITS:

- A - Description of Property
- B - Drawing

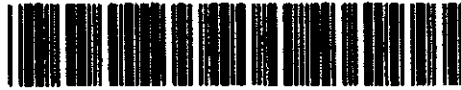


EXHIBIT A

Description of Property

PARCEL "AA"

REVISED PARCEL 'A' OF THAT BOUNDARY LINE ADJUSTMENT RECORDED UNDER AUDITOR'S FILE NO. 427234, RECORDS OF JEFFERSON COUNTY WASHINGTON.

PARCEL "BB"

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 18, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON

PARCEL "CC"

REVISED PARCEL 'B' OF THAT BOUNDARY LINE ADJUSTMENT RECORDED UNDER AUDITOR'S FILE NO. 428912, RECORDS OF JEFFERSON COUNTY WASHINGTON.

PARCEL "DD"

REVISED PARCEL 'C' OF THAT BOUNDARY LINE ADJUSTMENT RECORDED UNDER AUDITOR'S FILE NO. 428912, RECORDS OF JEFFERSON COUNTY WASHINGTON.

PARCEL "EE"

REVISED PARCEL 'E' OF THAT BOUNDARY LINE ADJUSTMENT RECORDED UNDER AUDITOR'S FILE NO. 428912, RECORDS OF JEFFERSON COUNTY WASHINGTON.

PARCEL "FF"

THE SOUTHEAST QUARTER OF SECTION 19, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON.



PARCEL "GG"

THE NORTHWEST QUARTER AND THE WEST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 29, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON.

PARCEL "HH"

THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER AND THE SOUTH ONE QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON; EXCEPT TEAL LAKE ROAD.

PARCEL "II"

THE EAST HALF OF THE NORTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON.

PARCEL "JJ"

THE EAST HALF OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON; EXCEPT THE SOUTH ONE QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SAID SECTION 28; EXCEPT TEAL LAKE ROAD; EXCEPT ANDY COOPER ROAD.

PARCEL "KK"

REVISED PARCEL 'B' OF THAT BOUNDARY LINE ADJUSTMENT RECORDED UNDER AUDITOR'S FILE NO. 428911, RECORDS OF JEFFERSON COUNTY WASHINGTON.

PARCEL "LL"

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON.



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PARCEL "MM"

THE NORTH HALF OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON; EXCEPT ANDY COOPER ROAD.

PARCEL "NN"

THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON; EXCEPT TEAL LAKE ROAD.

PARCEL "OO"

THE EAST HALF OF THE NORTHWEST QUARTER AND THE NORTH HALF OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON; EXCEPT PARADISE BAY ROAD; EXCEPT WATSON ROAD; EXCEPT TAX 1; EXCEPT TAX 2.

PARCEL "PP"

THE SOUTHWEST QUARTER OF THE NORTHWEST QUARTER AND THE SOUTH ONE QUARTER OF THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON; EXCEPT WATSON ROAD.

PARCEL "QQ"

THE NORTHWEST QUARTER OF THE NORTHWEST QUARTER OF SECTION 22, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON; EXCEPT THE SOUTH ONE QUARTER THEREOF; EXCEPT WATSON ROAD.

PARCEL "RR"

THE WEST HALF OF THE SOUTHWEST QUARTER AND GOVERNMENT LOTS 1 AND 2 AND THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 15, TOWNSHIP 28 NORTH, RANGE 1 EAST, W.M., JEFFERSON COUNTY, WASHINGTON; EXCEPT ROADS; EXCEPT TAX 2, TAX 3, TAX 4 AND TAX 5; EXCEPT ANY PORTION LYING WITHIN THE PLAT OF LUDLOW BEACH TRACTS NO. 2.

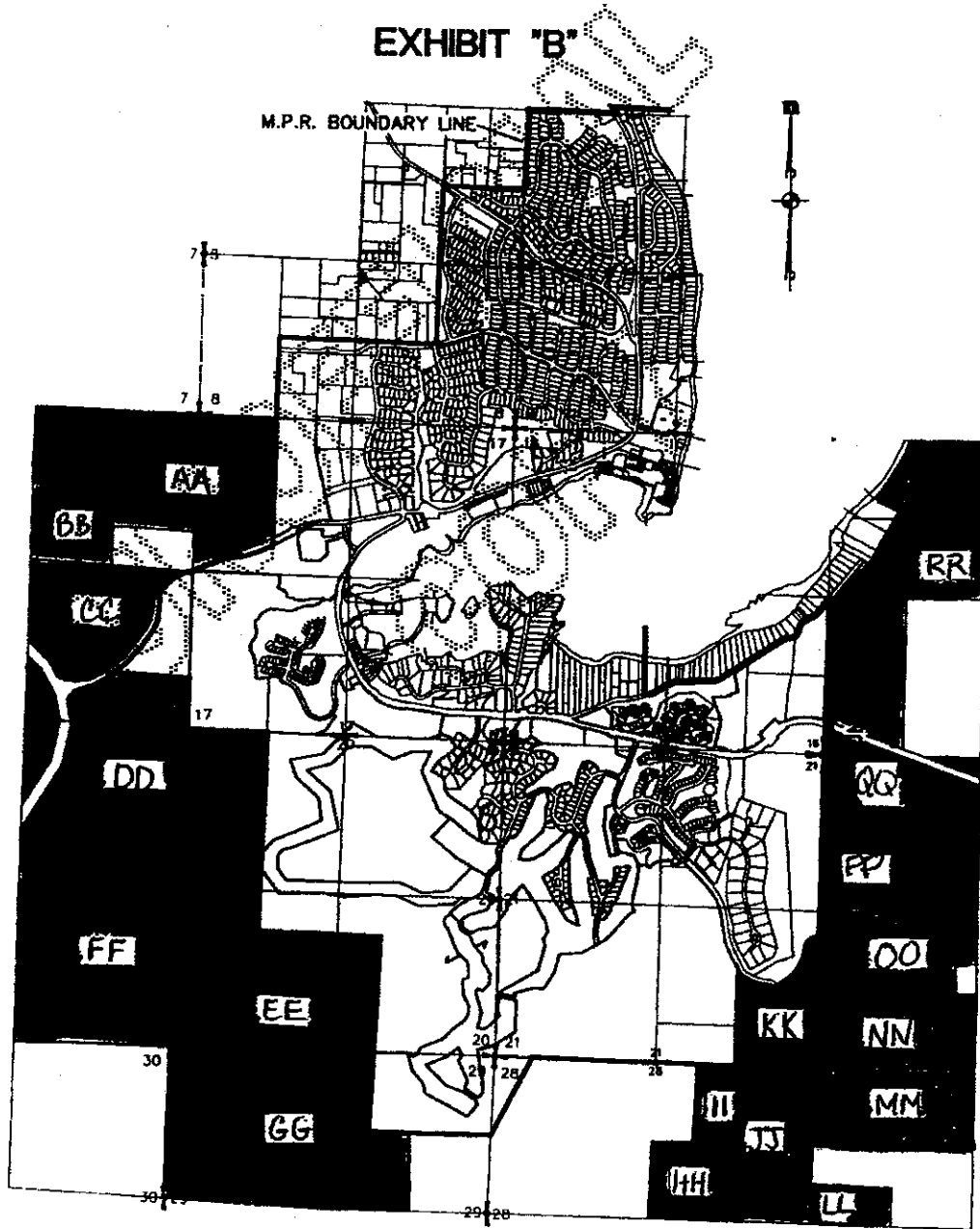


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EXHIBIT "B"



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