

When recorded return to:

Skagit Land Trust
P. O. Box 1017
Mt. Vernon, WA 98273

9512290145

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

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27
DEC 29 1995

Amount Paid \$ 0-
By: Skagit County Treasurer Deputy

GRANT DEED OF CONSERVATION EASEMENT

THIS GRANT DEED OF CONSERVATION EASEMENT is made this 27th day of December, 1995 by Eugene B. Kahn, a single man, having an address at 719 Metcalf, Sedro Woolley, Washington, and Roc Fleishman, a single man, having an address at 320 Market Street, Venice, California, and Sarah Ross Forster and Thomas Forster, husband and wife, having an address at Post Office Box 128, Olga, Washington (collectively "Grantor"), in favor of the Skagit Land Trust, a Washington nonprofit corporation qualified to do business in Washington, having an address at P. O. Box 1017, Mt. Vernon, WA 98273 ("Grantee").

I. RECITALS

A. Grantor is the owner in fee simple of that certain real property, inclusive of all standing and down timber (hereinafter the "Protected Property") situated on the north side of S.R. Highway 20, approximately three miles east of Rockport and approximately five miles west of Marblemount, in Skagit County, Washington, more particularly described in Exhibit "A" (legal description) and shown on Exhibit "B" (site plan), which are attached hereto and incorporated herein by this reference.

B. The Protected Property possesses natural, forested, scenic, open space, educational, and recreational values (collectively, "Conservation Values") of great importance to Grantor, the people of Skagit County and the people of the State of Washington. The Protected Property enhances the forested, open space and rural character of Skagit County and provides a natural wooded mountain side that can be enjoyed from nearby State Route 20. The Protected Property also provides important perching and roosting areas for the many wintering Bald Eagles that feed along the nearby Skagit River in the winter time. The Protected Property is close in proximity and is directly across S.R. Highway 20 from the Skagit River Bald Eagle Natural Area. The Skagit River Bald Eagle Natural Area consists of approximately 5,000 acres along the Skagit River that is managed for the protection of Bald Eagle habitat and for public educational purposes. Part of the Bald Eagle Area was donated by Gene Kahn, one of the Grantors.

C. The Protected Property consists of approximately 28.5 acres of mostly steep forested hillside. The forest is composed of Douglas fir, western hemlock, and western red cedar which are approximately 110 years old. The surrounding forested and agricultural area is relatively intact and the majority of it remains undeveloped. There are two seasonal creeks on the Protected Property.

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D. The Protected Property is very near the designated boundary of, and is in the same watershed as, the Skagit National Wild and Scenic River. Congress had declared that these rivers, together with their immediate environments "...possess outstanding remarkable scenic, recreational, geologic, fish and wildlife, historic, cultural, or other similar values, shall be preserved in free flowing condition, and that they and their immediate environments shall be protected for the benefit and enjoyment of present and future generations." 16 U.S.C. 1271 et seq. Restrictions on uses of the Protected Property would benefit the river because of decreased erosion and siltation due to the exclusion of logging.

E. The Protected Property provides habitat for the Bald Eagle, a threatened species protected under the Endangered Species Act. Congress has found that encouraging conservation programs "...is a key to meeting the Nation's international commitments and to better safeguarding, for the benefit of all citizens, the Nation's heritage of fish, wildlife, and plants." The United States Forest Service is active in the upper Skagit River watershed in protecting Bald Eagle habitat.

F. The Protected Property is very near and is in the watershed of the Skagit River, the largest river draining into Puget Sound. The Washington State legislature in RCW 90.70.001 has recognized "that Puget Sound and related inland marine waterways of Washington state represent a unique and unparalleled resource. A rich and varied range of marine organisms, composing an interdependent, sensitive communal ecosystem reside in these sheltered waters." The legislature has further recognized that residents of this region enjoy a way of life centered around the waters of Puget Sound which depends upon a clean and healthy marine resource. Restrictions on the uses of the Protected Property would benefit the Skagit River and Puget Sound because of decreased erosion and siltation due to the exclusion of logging.

G. The legislatively declared policies of the State of Washington in the Washington State Open Space Tax Act, Chapter 84.34 RCW, provide "...that it is in the best interest of the state to maintain, preserve, conserve, and otherwise continue in existence adequate open space lands for the production of food, fiber and forest crop, and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well being of the state and its citizens." Under the Open Space Act, lands eligible for preferential real property tax treatment include lands such as the subject Protected Property where the preservation in its present use would conserve and enhance natural and scenic resources, preserve visual quality along a public highway and river and promote conservation of wildlife, including the threatened Bald Eagle.

H. Portions of the Protected Property are visible from S.R. 20 and the Skagit River providing scenic values to the people of Washington that use these public areas.

I. The Protected Property would also be extremely desirable property for substantial timber harvesting because of its location and its high quality stand of timber. In the absence of a Grant Deed of Conservation Easement, the Protected Property could be logged in a manner which would destroy the open-space and scenic character of the Protected Property and its ecological value.

J. The specific Conservation Values of the Protected Property are documented in an inventory of relevant features of the Protected Property, dated December 27, 1995 on file at the offices of Grantee and incorporated herein by this reference ("Baseline Documentation"), which consists of reports, maps, photographs, and other documentation that provide, collectively, an accurate representation of the Protected Property at the time of this grant and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this grant. Grantor and Grantee further agree that, within twelve (12) months of the execution hereof, a collection of additional Baseline Documentation may be compiled by Grantee, and incorporated herein by this reference. Failure to timely compile the additional Baseline Documentation shall not affect the enforceability or validity of any other provision hereof.

K. Grantor intends that the Conservation Values of the Protected Property be preserved and maintained by the continuation of land uses on the Protected Property that do not significantly impair or interfere with those Conservation Values. These current uses include the management of the forest land for wildlife, open spaces and scenic quality and are consistent with this Easement.

L. Grantor, owner in fee of the Protected Property, has the right to identify, protect, and preserve in perpetuity the Conservation Values of the Protected Property, and desires to transfer such rights to Grantee.

M. Grantee is a publicly supported, tax-exempt nonprofit organization, qualified under Sections 501(c)(3) and 170(h) of the Internal Revenue Code of 1986, as amended, and also qualified as a nonprofit nature conservancy corporation under RCW 64.04.130 and 84.34.250, whose primary purpose is to preserve open space, wildlife habitat, wetlands, forestland, farmland, shoreline and scenic views.

N. Grantee agrees by accepting this grant to honor the intentions of Grantor stated herein and to preserve and protect in perpetuity the Conservation Values of the Protected Property for the benefit of this generation and the generations to come.

II. CONVEYANCE AND CONSIDERATION

A. For the reasons stated above, and in consideration of the mutual covenants, terms, conditions, and restrictions contained herein, Grantor hereby voluntarily grants, conveys, and warrants ~~quit-claims~~ to Grantee a conservation easement in perpetuity over the Protected Property, consisting of the rights in the Protected Property, hereinafter enumerated, subject only to the restrictions set forth herein ("Easement").

B. This conveyance is a conveyance of an interest in real property under the provisions of RCW 64.04.130, and is made as an absolute, unconditional, unqualified, and completed gift subject only to the mutual covenants and terms, conditions, and restrictions hereinafter set forth, and for no other consideration.

C. Grantor expressly declares that this Easement runs with the land and that this Easement shall be binding upon Grantor's personal representatives, heirs, successors, and assigns.

III. PURPOSE

A. It is the purpose of this Conservation Easement to preserve and protect the scenic, open-space, natural character and ecological value of the Protected Property, and to preserve the natural forest of the Protected Property.

B. Grantor intends that the Protected Property shall not be converted nor directed to any uses other than those provided herein.

C. Preservation of the Protected Property will enhance the general public's visual access to natural, undeveloped environments. Nothing contained herein, however, shall be construed as affording the general public access to any portion of the land subject to this Conservation Easement.

IV. RIGHTS CONVEYED TO GRANTEE

To accomplish the purpose of this Easement the following rights are conveyed to Grantee by this Easement:

A. Identification and Protection. To identify, preserve and protect in perpetuity and to enhance by mutual agreement the Conservation Values of the Protected Property;

B. Access.

1. To enter upon the Protected Property annually, at a mutually agreeable time and upon prior written notice to the Grantor, for the purpose of making a general inspection to assure compliance with this Easement.

2. To enter upon the Protected Property at such other times as are necessary if there is reason to believe that a violation of the Easement is occurring, for the purposes of enforcing the provisions of this Easement.

C. Scientific/Educational Use. For the benefit of the public, to allow persons or groups to enter upon the Protected Property for educational, scientific and biological purposes to observe and study on the Protected Property; provided that any such persons or groups first are approved by the Grantor, make prior arrangements with the Grantor, agree to provide the Grantor with copies of any data or reports resulting from such research, and agree to abide by any restrictions on access set forth by the Grantor.

D. Injunction and Restoration. To enjoin any activity on, or use of, the Protected Property which is inconsistent with this Easement, including trespasses by members of the public, and undertake or cause to be undertaken the restoration of such areas or features of the Protected Property as may be damaged by activities contrary to the provisions hereof, all in accordance with Section IX.

E. Assignment. To assign, convey, or otherwise transfer Grantee's interest in the Protected Property in accordance with Section XIV herein.

V. PROHIBITED USES

A. General. Any use of, or activity on, the Protected Property inconsistent with the purposes of the Easement is prohibited, and Grantor acknowledges and agrees that it will not conduct, engage in or permit any such use or activity. Without limiting the generality of the foregoing, the following uses of, or activities on, the Protected Property, though not an exhaustive list of inconsistent uses or activities, are inconsistent with the purposes of this Easement and shall be prohibited, except as expressly provided in Section VI below:

B. Subdivision. The legal or "de facto" subdivision of the Protected Property, except as permitted in Section VI. B. below.

C. Construction. The placement or construction of any buildings, structures, or other improvements of any kind (including, without limitation, fences, roads, utilities and parking lots), except as permitted in Sections VI. F., G., H., I. and J. below.

D. Alteration of Land. The alteration of the surface of the land, including, without limitation, the excavation or removal of soil, sand, gravel, rock, peat, or sod, except as deemed necessary by Grantee to preserve or protect the Conservation Values of the Protected Property or as is necessary for uses permitted in Sections VI. F., G., H. and I. below.

E. Erosion or Water Pollution. Any use or activity that causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters.

F. Alteration of Water Courses. The draining, filling, dredging, ditching, or diking of wetland areas, the alteration or manipulation of ponds and water courses, or the creation of new wetlands, water impoundments, or water courses, except as necessary to protect public health or safety or property on the Protected Property or adjacent property, or as permitted in Section VI. H. below, or as deemed necessary by Grantee to preserve or protect the Conservation Values of the Protected Property.

G. Removal of Trees and Other Vegetation. The pruning, cutting down, or other destruction or removal of live and dead trees and other vegetation located on the Protected Property, except as deemed necessary by Grantee to preserve or protect the Conservation Values of the Protected Property or to conduct educational or research activities consistent with the

purpose of the Easement or as necessary to carry out the permitted uses in Sections VI. C., D., F., G., H. and I. below, or to remove plants that are listed as noxious plants by the State of Washington Department of Agriculture. This prohibition includes harvesting or cutting of trees for commercial uses.

H. Waste Disposal. The disposal or storage of rubbish, garbage, debris, unregistered vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Protected Property.

I. Construction of Additional Roads and Trails. The construction of any additional roads, trails or paths for vehicular use.

J. Signs. The placement of commercial signs, billboards, or other advertising material on the Protected Property, except as permitted in Section VI. J. below.

K. Mining. The exploration for, or development and extraction of minerals and hydrocarbons on or below the surface of the Protected Property.

L. Wildlife Disturbance. The disturbance of wildlife except as is incidental or necessary to carry out the permitted uses.

M. Domestic Animals. The keeping of domestic animals on the Protected Property.

N. Introduced Vegetation. The introduction of nonnative wetland plants and nonnative invasive species on the Protected Property, except as jointly agreed upon by Grantor and Grantee to enhance the Conservation Values of the Protected Property.

O. Abandoned Structures. Any use, improvement or renovation of any abandoned structures, except as permitted in Section VI. G. below.

P. Off-Road Vehicles and Excessive Noise. The operation of motorcycles, dune buggies, snow mobiles, or other type of off-road motorized recreational vehicles or the operation of other sources of excessive noise pollution, except for normal equipment used for proper maintenance (such as chainsaws, mowers and similar devices) and for wood hauling as permitted in Section VI. D. below.

VI. PERMITTED USES

A. General. Grantor reserves for itself and its heirs, successors, and assigns, any use of, or activity on, the Protected Property which is not inconsistent with the purposes of the Easement and which is not prohibited herein. Without limiting the generality of the foregoing, Grantor specifically reserves for itself and its heirs, successors, and assigns, the following uses and activities:

B. Subdivision. The legal or "de facto" subdivision of the Protected Property into no more than four parcels. The right to subdivide is reserved to allow Grantor(s) to aggregate the Protected Property with adjacent unprotected property to satisfy zoning, planning or open space requirements.

C. Trees. The removal of trees deemed dangerous to the hydro plant and its associated structures and its operation or the trails on the Protected Property or people using the trails.

D. Firewood. To cut and remove firewood from windfall trees for personal use by Grantor(s), provided that the removal and hauling does not adversely impact the Conservation Values of the Protected Property.

E. Recreational. To conduct recreational activities such as hiking, bird watching, cross country skiing and hunting on the Protected Property, provided that such activities are conducted in a manner and intensity that does not adversely impact plant and wildlife habitat on the Protected Property. No motorized recreational vehicles or other activities that could disrupt the wildlife or destroy essential habitat are allowed.

F. Trails. To maintain, renovate, expand, or replace existing or to construct new trails on the Protected Property. The design and location of any new construction or renovation, expansion, or replacement of trails shall be subject to the prior written approval of the Grantee and construction and maintenance of the trails may not adversely impact the Conservation Values of the Protected Property.

G. Hydro Plant. To maintain, renovate, repair, enlarge or replace the existing hydro plant structures. This includes, but is not limited to, maintaining, repairing, enlarging or replacing any intake or outflow pipes, pumps, turbines, or lines. The hydro plant consists of a generator house located south of the Protected Property (as shown on site map - Exhibit B) and associated structures (including, but not limited to, pipes and supports, ditches, etc.) on the Protected Property. Reactivation of the hydro plant at any time will be permitted.

H. Spring. To develop springs on the Protected Property to collect water for domestic use and irrigation on the adjacent property. This development shall be limited to a catch basin and pipes to direct the water to residences and appurtenant areas on property that is owned by Grantor(s). The design, location and placement of any such catch basin and pipes shall be subject to the prior written approval of the Grantee and construction and maintenance of these structures shall not adversely impact the Conservation Values of the Protected Property.

I. Fences. To construct, repair or replace fences on the Protected Property to preserve or protect the Conservation Values of the Protected Property or to protect springs or hydro plant structures.

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J. Signage. To place signs on the Protected Property to declare that a Conservation Easement has been placed on the property or to post notice of a wildlife area such as a designated Bald eagle roosting area or to state the conditions of access to the Protected Property, provided that such signs are built and located to protect and preserve Conservation Values of the Protected Property.

K. Abandoned Structures. To remove any abandoned structures on the Protected Property.

L. Emergencies. To undertake other activities necessary to protect public health or safety on the Protected Property or adjacent property. This easement shall not prevent compliance with laws, regulations, ordinances or orders applied by and subject to compulsion of any governmental agency with authority to require such activity, provided that any such activity shall be conducted so that interference with the Conservation Values of the Protected Property is mitigated or avoided if practical alternatives are available.

VII. NOTICE AND APPROVAL

A. Notice. Grantor shall notify Grantee and receive Grantee's written approval prior to undertaking certain permitted activities provided in Sections VI. ~~F.~~ F. and H. The purpose of requiring Grantor to notify Grantee prior to undertaking certain permitted uses and activities is to afford Grantee an opportunity to ensure that the use or activity in question is designed and carried out in a manner consistent with the purposes of this Easement. Whenever notice is required, Grantor shall notify Grantee in writing not less than thirty (30) days prior to the date Grantor intends to undertake the use or activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantee to make an informed judgment as to its consistency with the purpose of this Easement.

B. Approval. Where Grantee's approval is required, Grantee shall grant or withhold its approval in writing within thirty (30) days of receipt of Grantor's written request for approval. Grantee's approval may be withheld only upon a reasonable determination by Grantee that the action as proposed would be inconsistent with the purposes of this Easement. Grantee's approval may include reasonable conditions which must be satisfied in undertaking the proposed use or activity. If Grantor must undertake emergency action to protect health or safety on the Property or must act by and subject to compulsion of any governmental agency, Grantor may proceed with such action without Grantee's approval only if Grantor notifies Grantee prior to taking such action and Grantee cannot provide its approval, with or without conditions, within such time as is reasonable under the circumstances.

C. Grantee's Failure to Approve Within the Required Time. Where Grantee's approval is required, and if Grantee does not grant or withhold its approval in the time period and manner set forth herein, Grantor may assume Grantee's approval of the permitted use or activity in question.

D. Addresses for Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing either served personally or sent by first class mail, postage prepaid, addressed to as follows:

To Grantors: Eugene B. Kahn
719 Metcalf Street
Sedro Woolley, WA 98284

To Grantee: Skagit Land Trust
P. O. Box 1017
Mt. Vernon, WA 98273

or to such other address as either party from time to time shall designate by written notices to the other.

VIII. DISPUTE RESOLUTION

If a dispute arises between the parties concerning the consistency of any proposed use or activity with the purpose of this Easement, the parties shall meet together to discuss the dispute and attempt resolution. Thereafter, either party may refer the dispute to arbitration by request made in writing upon the other. Within thirty (30) days of the receipt of such a request, the parties shall select a single arbitrator to hear the matter. The matter shall be determined in accordance with Chapter 7.04 RCW as amended or the Washington State arbitration statute then in effect, and an arbitration award may be entered in any court having jurisdiction thereof. If the arbitration is pursued, the prevailing party shall be entitled, in addition to such other relief as may be granted, a reasonable sum for all its costs and expenses related to such arbitration, including, without limitation, the fees and expenses of the arbitrator and attorney's fees, which shall be determined by the arbitrator or any court of competent jurisdiction that may be called upon to enforce or review the award. The parties agree not to proceed with the proposed use or activity pending resolution of the dispute.

IX. GRANTEE'S REMEDIES

A. Notice of Failure. If Grantee determines that the Grantor is in violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Protected Property resulting from any use or activity prohibited by this Easement, to restore the portion of the Protected Property so injured.

B. Grantor's Failure to Respond. If Grantor:

1. Fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee; or

2. Fails to begin curing such violation within the thirty (30) day period under circumstances where the violation cannot reasonably be cured within the thirty (30) day period; or
3. Fails to continue diligently to respond to such violation until finally cured;

Grantee may bring an action as provided in subsection C.

C. Grantee's Action. Grantee may bring action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, ex parte as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any Conservation Values protected by this Easement, including damages for the loss of the Conservation Values; and to require the restoration of the Protected Property to the condition that existed prior to any such injury. Without limiting Grantor's liability therefore, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Protected Property.

D. Immediate Action Required. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Protected Property, Grantee may pursue its remedies under this section without prior notice to Grantor or without waiting for the period provided for cure to expire.

E. Nature of Remedy. Grantee's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Easement, and Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of providing either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

F. Costs of Enforcement. In the event Grantee must enforce the terms of this Easement, the costs of restoration and Grantee's reasonable enforcement expenses, including attorney's fees, shall be borne by Grantor or those of its heirs, successors, or assigns, against whom a judgment is entered. In the event that Grantee secures redress for an Easement violation without initiating or completing a judicial proceeding, the costs of such restoration and Grantee's reasonable expenses shall be borne by Grantor and those of its heirs, successors, or assigns who are otherwise determined to be responsible for the unauthorized activity or use. If Grantor prevails in any judicial proceeding initiated by Grantee to enforce the terms of the Easement, Grantor's cost of suit, including attorney's fees, shall be borne by Grantee.

G. Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of the Grantee, and any forbearance by the Grantee to exercise its rights under this easement in the event of any breach of any terms of this Easement by Grantor shall not be deemed

or construed to be a waiver by Grantee of such term of any Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantors shall impair such right or remedy or be construed as a waiver.

H. Waiver of Certain Defenses. Grantor acknowledges that it has carefully reviewed this Grant Deed of Conservation Easement and has consulted with and been advised by counsel of its terms and requirements. In full knowledge of the provisions of this Grant Deed of Conservation Easement, Grantor hereby waives any claim or defense it may have against Grantee or its successors in interest under or pertaining to this Grant Deed of Conservation Easement based upon waiver, laches, estoppel or prescription.

I. Acts Beyond Grantors Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor to abate, correct, or restore any condition on the Protected Property or to recover damages for any injury to or change in the Protected Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property or adjacent property resulting from such causes.

J. Estoppel Certificates. Upon request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance or lack thereof with any obligation of Grantor contained in this Easement and otherwise evidences the status of this Easement as requested by Grantor.

X. ACCESS BY PUBLIC

Nothing contained herein, shall be construed as affording the general public access to any portion of the land subject to this Conservation Easement.

XI. COSTS, LIABILITIES, TAXES, AND INDEMNIFICATION

A. Liabilities and Insurance. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Protected Property, including the maintenance of adequate comprehensive general liability insurance coverage. Such insurance shall include Grantee's interest and name Grantee as an additional insured and provide for at least thirty (30) days notice to Grantee before cancellation and that the act or omission of one insured will not invalidate the policy as to the other insured party.

B. Taxes. Grantor shall pay before delinquency all taxes, assessments, fees, charges of whatever description levied on or assessed against the Protected Property by competent authority (collectively "taxes"), including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. Grantee

is authorized, in the absence of any formal protest from the Grantor as to the validity of such taxes, but in no event obligated to make or advance any payment of taxes, upon three (3) days prior written notice to Grantor, in accordance with any bill, statement, or estimate procured from the appropriate authority, without inquiry into the validity of the taxes or the accuracy of the bill, statement, or estimate, and the obligation created by such payment shall bear interest until paid by the Grantor at the maximum rate allowed by law.

C. Environmental Representations and Warranties. Grantor represents and warrants that to the best of Grantor's knowledge:

1. There are no apparent or latent defects in or on the Protected Property;
2. There has been no release, dumping, burying or abandonment on the Protected Property of any substances, materials, or wastes which are hazardous, toxic, harmful or dangerous, or are designated as, or contain components which are, or are designated as, hazardous, toxic, dangerous, or harmful and/or which are subject to regulation as hazardous or toxic, dangerous, or harmful and/or which are subject to regulation as hazardous or toxic, dangerous or as a pollutant by any federal, state or local law, regulation, statute, or ordinance;
3. Neither Grantor nor Grantor's predecessors in interest have disposed of any hazardous substances off-site, nor have they disposed of substances at sites designated or proposed to be designated as federal or state Superfund sites; and
4. There is no pending or threatened litigation affecting the Protected Property or any portion thereof which will materially impair the value or usefulness of the Protected Property or any portion thereof to the Grantee. No civil or criminal proceedings have been instigated or are pending against the Grantor or its predecessors by government agencies or third parties arising out of alleged violations of environmental laws, and neither Grantor nor its predecessors in interest have received any notices of violation, penalties, claims, demand letters, or other notifications relating to a breach of environmental laws.

D. Indemnification. Grantor shall hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorney's fees, arising from or in any way connected with:

1. Injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, unless due solely to the negligence of any of the Indemnified Parties;
2. The obligations specified in subsections A and B of this section;
3. The breach of the environmental representation and warranties specified in subsection C of this section; or
4. The existence or administration of this Easement.

XII. SUBSEQUENT TRANSFER OR EXTINGUISHMENT

A. Extinguishment. If circumstances arise in the future that render the purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction, and the amount of the proceeds to which Grantee shall be entitled, after the satisfaction of prior claims, from any sale, exchange, or involuntary conversion of all or any portion of the Protected Property subsequent to such termination or extinguishment, shall be determined, unless otherwise provided by Washington law at the time, in accordance with subsection B herein. Grantee shall use all such proceeds in a manner consistent with the conservation purposes of this grant.

B. Valuation. This Easement constitutes a real property interest immediately vested in Grantee, which, for the purpose of subsection A herein, the parties stipulate to have a fair market value determined by multiplying the fair market value of the Protected Property unencumbered by the Easement (minus any increase in the value after the date of this grant attributable to improvements) by the ratio of the value of the Easement at the time of this grant to the value of the Protected Property, without deduction for the value of the Easement, at the time of this grant. The values at the time of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reasons of this grant, pursuant to section 170(h) of the Internal Revenue Code of 1986, as amended. For the purposes of this paragraph, the ratio of the value of the Easement to the value of the Protected Property unencumbered by the Easement shall remain constant.

C. Condemnation. If the Easement is taken, in the whole or in the part, by the exercise of the power of eminent domain, Grantee shall be entitled to compensation in accordance with applicable law.

D. Subsequent Transfers. Grantor agrees (1) to disclose and reference this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including without limitation, an executory contract, trustee's deed, inheritance, gift or leasehold interest, and (2) to describe this Easement in and append it to, any executory contract for the transfer of any interest in the Protected Property, and (3) to obtain a certificate from the purchaser, leaseholder or other party gaining an interest in all or part of the Protected Property and any financier, acknowledging their awareness of this Easement and their intent to comply with it. Such certificate shall be appended to and recorded with any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Protected Property. Grantor further agrees to give written notice to the Grantee of the transfer of any interest of at least thirty (30) days prior to the date of such transfer. Such notice to Grantee shall include the name, address, and telephone number of the prospective transferee or his or her representative. The failure of the Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

XIII. AMENDMENT

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If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee are free to jointly amend this Easement; provided that no amendment shall be allowed that would disqualify the grant from recognition as a "qualified conservation contribution" under IRC 170(h) or change the status of the Protected Property or the Grantee under any applicable laws, including RCW 64.04.130, Chapter 84.34 RCW, or Section 170(h) of the Internal Revenue Code, as amended. Any amendment shall be consistent with the purpose of this Easement, and shall not affect its perpetual duration. Any such amendment shall be recorded in the official records of Skagit County, Washington, and any other jurisdiction in which such recording is required.

XIV. ASSIGNMENTS

A. Assignment. This Easement is transferable, but Grantee may assign its rights and obligations under this easement only to an organization that is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable), and the applicable regulations promulgated thereunder, and authorized to acquire and hold conservation easements under RCW 64.04.130 or RCW 84.34.250 (or any successor provision then applicable). As a condition of such transfer, Grantee shall require that the Conservation Purposes that this Easement is intended to advance continue to be carried out by the transferee. Grantee shall notify Grantor in writing, at Grantor's last known address, in advance of such assignment.

B. Succession. If at any time it becomes impossible for Grantee to ensure compliance with the covenants contained herein and Grantee has not named a successor organization, or the Grantee shall cease to exist, then its rights and duties hereunder shall become vested and fall upon the following named entities to the extent that they shall accept this Easement, in the following order:

1. San Juan Preservation Trust
P.O. Box 327
Lopez Island, WA 98261
2. Such other entity, with purposes similar to the Skagit Land Trust, constituting a "qualified organization" within the meaning of the Internal Revenue Code of 1986 (or corresponding provision of any future statute); provided that if such vesting in the entities named above is deemed to be void under the Rule Against Perpetuities, the rights and obligations under this Easement shall vest in such organization as a court of competent jurisdiction shall direct, pursuant to the applicable Washington law and the Internal Revenue Code (or corresponding provision of any future statute) and with due regard to the purposes of this Easement.

XV. RECORDATION

9512290145

Grantee shall record this instrument in a timely fashion in the official records of Skagit County, Washington, and in any other appropriate jurisdictions, and may re-record it at any time as may be required to preserve its rights in this Easement.

XVI. GENERAL PROVISIONS

A. Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of Washington.

B. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of this Easement and the policy and purpose of RCW 64.04.130 and Chapter 84.34.RCW. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

C. Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

D. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Section XIII herein.

E. No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

F. "Grantor" - "Grantee". The term "Grantor" and "Grantee," wherever used herein, and any pronouns used in the place thereof, shall be held to mean and include, respectively the above-named Grantor, and its personal representatives, heirs, successors, and assigns, and the above-named Grantee, its successors and assigns.

G. Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns, and shall continue as a servitude running in perpetuity with the Protected Property.

H. Termination of Rights and Obligations. A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Protected Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

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I. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

J. Counterparts. The parties may execute this instrument in two or more counterparts, which shall, in the aggregate, be signed by both parties; each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

XVII. SCHEDULE OF EXHIBITS

A. Legal Description of Property Subject to Easement.

B. Site Map.

TO HAVE AND TO HOLD unto Grantee, its successors, and assigns forever.

IN WITNESS WHEREOF, the undersigned Grantor has executed this instrument this 26 day of Dec, 1995

Sarah Ross Foster

Thomas B. Foster

Eugene B. Malm

Grantor(s)

State of Washington
County of San Juan

)
) ss.

On this day personally appeared before me Sarah Ross Foster & Thomas B Foster 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 26 day of December, 1995.

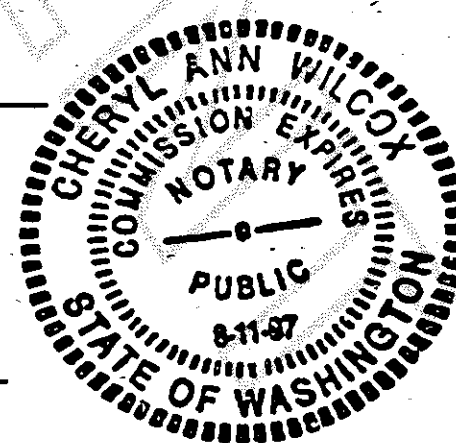
Cheryl Ann Wilcox
Notary Public in and for said State of Washington

Cheryl Ann Wilcox
Printed Name

Residing at

Eastbound
Washington

My commission expires: 8-11-97



State of Washington
County of Skagit

) ss.

On this day personally appeared before me Roc Fleischman also known as Roc Viricent
to me known to be the individual described in and who executed the within and foregoing Fleishman
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 27th day of December, 19 95.

Beverly J. Miller
Notary Public in and for said State of Washington

Beverly J. Miller
Printed Name

Residing at

La Brea

My commission expires: 7/30/98

State of Washington
County of Skagit

) ss.

On this day personally appeared before me Eugene B. Kahn
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 27th day of December, 19 95.

Beverly J. Miller
Notary Public in and for said State of Washington

Beverly J. Miller
Printed Name

Residing at

My commission expires: 7/10/98

State of Washington
County of Skagit

) ss.

On this day personally appeared before me _____
to me known to be the individual described in and who executed the within and foregoing _____

9512290145

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 _____ day of _____, 19_____.

Notary Public in and for said State of Washington

Printed Name

Residing at

My commission expires: _____

THE SKAGIT LAND TRUST does hereby accept the above Grant Deed of Conservation Easement.

Dated: December 28, 1995

Keith Wigger Pres, dent
Grantee

By _____

Its _____

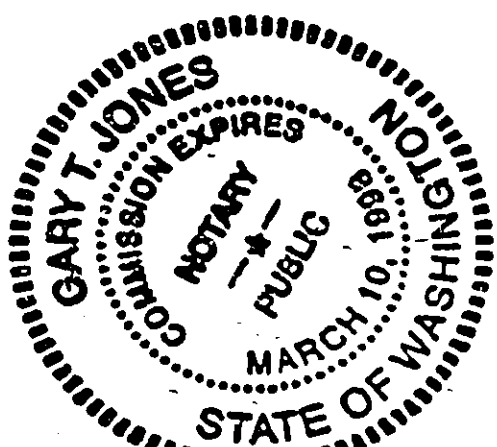
State of Washington)
County of Skagit) ss.

I certify that I know or have satisfactory evidence that Keith Wigger 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 President of the Skagit Land Trust to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: December 28, 1995

Gary T. Jones
Notary Public

GARY T. JONES
Printed Name
My appointment expires 3/10/98



9512290145



Surveyors & Engineers

806 Metcalf St., Sedro-Woolley, WA 98284 (360)855-2121 FAX (360)855-1658

LEGAL DESCRIPTION
FOR
EUGENE B. KAHN
OF
CONSERVATION EASEMENT PARCEL

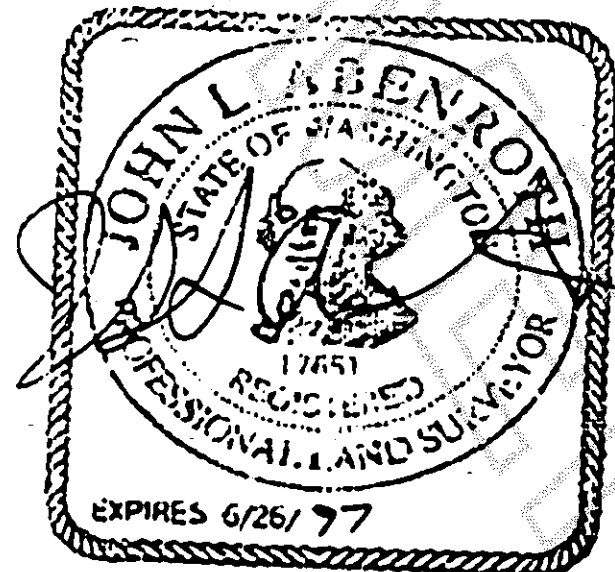
December 21, 1995

That portion of the northeast quarter of the southeast quarter and the east 363 feet of the northwest quarter of the southeast quarter of Section 20, Township 35 North, Range 10 East, W.M. lying north-erly of the following described line:

Commencing at the east quarter corner of said Section 10; thence S 01°48'26"W along the east line thereof, a distance of 443.94 feet to the point of beginning of this line de-scription; thence S 73°05'58"W, a distance of 1242.84 feet; thence S 55°30'39"W, a distance of 634.10 feet to the west line of the east 363 feet of said northwest quarter of the southeast quarter and end of this line description, which point is 100.00 feet north of the southwest corner of said east 363 feet.

Situated in Skagit County, Washington.

Containing 28.57 acres.



12/21/95

9512290145

EXHIBIT

A

