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AFTER RECORDING, PLEASE MAIL TO:

Amy Smith
USDA Natural Resources Conservation Service
Rock Pointe Tower II, Suite 450
316 W. Boone Avenue
Spokane, WA 99201-2348

KATHY HILL SKAGIT COUNTY AUDITOR

99 MAY 20 P3:34

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HECORDED___FILED___

DOCUMENT TITLE: Warranty Easement Deed

ISLAND TITLE CO. 53-11059

GRANTOR:

GRANTEE:

Verdoes Dairy Co., Inc. Abraham J. Verdoes, President 577 Driver St. Anacortes, WA 98221

39423
SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax

MAY 2 0 1999

Natural Resources Conservation Service Attn: Ralph Scott, Contract Specialist Rock Pointe Tower II, Suite 450 316 W. Boone Avenue Spokane, WA 99201-2348

ABBREVIATED LEGAL DESCRIPTION AS FOLLOWS:

Portions of Lot 2, Skagit County Short Plat Number 65-38, approved March 11, 1991, recorded July 25, 1991 in Volume 9 of Short Plats, Page 389, records of Skagit County, and of the East 1/2 of the Southwest 1/4, and of the Southeast 1/4 of Section 11, Township 34 North, Range 4 East, Williamette Meridian, being more particularly described on EXHIBIT A which is appended to and made a part of this easement deed.

ASSESSOR'S PROPERTY TAX PARCEL OF ACCOUNT NUMBER:

P24507, P24534, P24543, P24544, P24520 REFERENCE NUMBERS OF DOCUMENTS ASSIGNED OR RELEASED: N/A

EK 1993 PG U 201

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U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION

CCC - 1255 10 - 96 OMB No. 0578-0013

WARRANTY EASEMENT DEED

Tsland Title SB-11059
Escrow bE-2949

WETLANDS RESERVE PROGRAM AGREEMENT NO.66-0546-7-09

THIS WARRANTY EASEMENT DEED is made by and between Verdoes Dairy Company, Inc., a Washington corporation, of 577 Driver St., Anacortes, WA 98221 (hereafter referred to as the "Landowner"), Grantor(s), and the UNITED STATES OF AMERICA, by and through the Commodity Credit Corporation (hereafter referred to as the "United States"), Grantee. The Landowner and the United States are jointly referred to as the "Parties".

Witnesseth:

<u>Purposes and Intent</u>. The purpose of this easement is to restore, protect, manage, maintain, and enhance the functional values of wetlands and other lands, and for the conservation of natural values including fish and wildlife habitat, water quality improvement, flood water retention, groundwater recharge, open space, aesthetic values, and environmental education. It is the intent of CCC to give the Landowner the opportunity to participate in the restoration and management activities on the easement area.

Authority. This easement deed acquisition is authorized by Title XII of the Food Security Act of 1985, as amended (16 U.S.C. §3837), for the Wetlands Reserve Program.

NOW THEREFORE, for and in consideration of the sum of EIGHTY-TWO THOUSAND and FIVE HUNDRED DOLLARS (\$82,500.00), the Grantor(s), hereby grants and conveys with general warranty of title to the UNITED STATES OF AMERICA and its assigns, the Grantee, forever, all rights, title and interest in the lands comprising the easement area described in Part I and appurtenant rights of access to the easement area, but reserving to the Landowner only those rights, title, and interest expressly enumerated in Part II. It is the intention of the Landowner to convey and relinquish any and all other property rights not so reserved. This easement shall constitute a servitude upon the land so encumbered; shall run with the land in perpetuity; and shall bind the Landowner, (the Grantor(s)), their heirs, successors, assigns, lessees, and any other person claiming under them.

SUBJECT, however, to all valid rights of record, if any.

PART I. Description of the Easement Area. The lands encumbered by this easement deed, referred to hereafter as the easement area, are described Exhibit A which is appended to and made a part of this easement deed.

The acquiring agency is the Natural Resources Conservation Service.

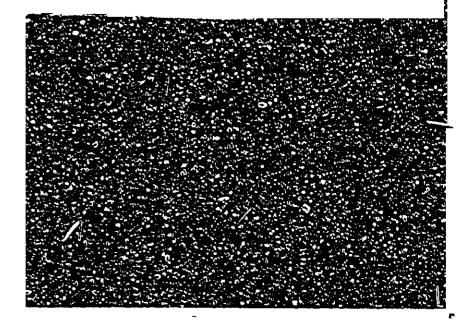
PART II. Reservations in the Landowner on the Easement Area. Subject to the rights, title, and interest conveyed by this easement deed to the United States, the Landowner reserves:

- A. <u>Title</u>. Record title, along with the Landowner's right to convey, transfer, and otherwise alienate title to these reserved rights.
- B. Quiet Enjoyment. The right of quiet enjoyment of the rights reserved on the easement area.

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- C. Control of Access. The right to prevent trespass and control access by the general public.
- D. <u>Recreational Uses</u>. The right to undeveloped recreational uses, including hunting and fishing, and including leasing of such rights for economic gain, pursuant to applicable State and Federal regulations that may be in effect at the time.
- E. <u>Subsurface Resources</u>. The right to oil, gas, minerals, and geothermal resources underlying the easement area, provided that any drilling or mining activities are to be located outside the boundaries of the easement area.

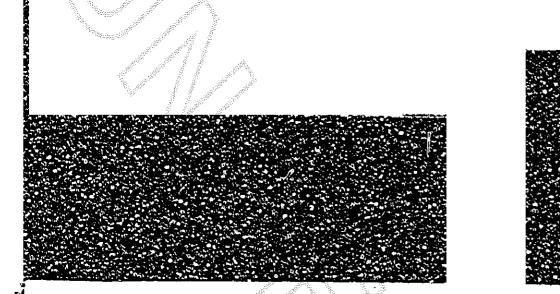
PART III. Obligations of the Landowner. The Landowner shall comply with all terms and conditions of this easement, including the following:

- A. <u>Prohibitions</u>. Unless authorized as a compatible use under Part IV, it is expressly understood that the rights to the following activities and uses have been acquired by the United States and are prohibited of the Landowner on the easement area:
 - 1. haying, mowing, or seed harvesting for any reason;
 - 2. altering of grassland, woodland, wildlife habitat or other natural features by burning, digging, plowing, disking, cutting or otherwise destroying the vegetative cover;
 - 3. dumping refuse, wastes, sewage, or other debris;
 - 4. harvesting wood products;
 - 5. draining, dredging, channeling, filling, leveling, pumping, diking, impounding, or related activities, as well as altering or tampering with water control structures or devices;
 - 6. diverting or causing or permitting the diversion of surface or underground water into, within, or out of the easement area by any means;
 - 7. building or placing buildings or structures on the easement area;
 - 8. planting or harvesting any crop; and
 - 9. grazing or allowing livestock on the easement area.
- B. Noxious Plants and Pests. The Landowner is responsible for noxious weed control and emergency control of pests as required by all Federal, State, and local laws. A plan to control noxious weeds and pests must be approved in writing by CCC prior to implementation by the Landowner.
- C. <u>Fences</u>. Except for establishment cost incurred by the United States and replacement cost not due to the Landowner's negligence or malfeasance, all other costs involved in maintenance of fences and similar facilities to exclude livestock shall be the responsibility of the Landowner.
- D. <u>Taxes</u>. The Landowner shall pay <u>any and all real property and other taxes and assessments</u>, if any, which may be levied against the land.
- E. <u>Reporting</u>. The Landowner shall report to CCC any conditions or events which may adversely affect the wetland, wildlife, and other natural values of the easement area.

PART IV. Allowance of Compatible Uses by the Landowner.

A. General. The United States may authorize, in writing and subject to such terms and conditions CCC may prescribe at its discretion, the use of the easement area for compatible





economic uses, including, but not limited to, managed timber harvest, periodic haying, or grazing.

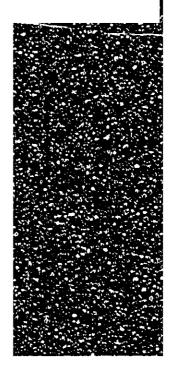
B. <u>Limitations</u>. Compatible use authorizations will only be made if such use is consistent with the long-term protection and enhancement of the wetland and other natural values of the easement area. CCC shall prescribe the amount, method, timing, intensity, and duration of the compatible use.

PART V. Rights of the United States. The rights of the United States include:

- A. <u>Management activities</u>. The United States shall have the right to enter unto the easement area to undertake, at its own expense or on a cost-share basis with the Landowner or other entity, any activities to restore, protect, manage, maintain, enhance, and monifor the wetland and other natural values of the easement area. The United States, at its own cost, may apply to or impound additional waters on the easement area in order to maintain or improve wetland and other natural values.
- B. Access. The United States has a right of reasonable ingress and egress to the easement area over the Landowner's property, whether or not the property is adjacent or appurtenant to the easement area, for the exercise of any of the rights of the United States under this easement deed. The authorized representatives of the United States may utilize vehicles and other reasonable modes of transportation for access purposes.
- C. <u>Easement Management</u>. The Secretary of Agriculture, by and through CCC may delegate all or part of the management, monitoring or enforcement responsibilities under this easement to any entity authorized by law that CCC determines to have the appropriate authority, expertise and resources necessary to carry out such delegated responsibilities. State or federal agencies may utilize their general statutory authorities in the administration of any delegated management, monitoring or enforcement responsibilities for this easement. The authority to modify or terminate this easement (16 U.S.C. §3837e(b)) is reserved to CCC in accordance with applicable law.
- D. <u>Violations and Remedies Enforcement</u>. The Parties agree that this easement deed may be introduced in any enforcement proceeding as the stipulation of the Parties hereto. If there is any failure of the Landowner to comply with any of the provisions of this easement deed, the United States or other delegated authority shall have any legal or equitable remedy provided by law and the right:
 - 1. To enter upon the easement area to perform necessary work for prevention of or remediation of damage to wetland or other natural values; and,
 - 2. To assess all expenses incurred by the United States (including any legal fees or attorney fees) against the Landowner, to be owed immediately to the United States.

PART VI. General Provisions.

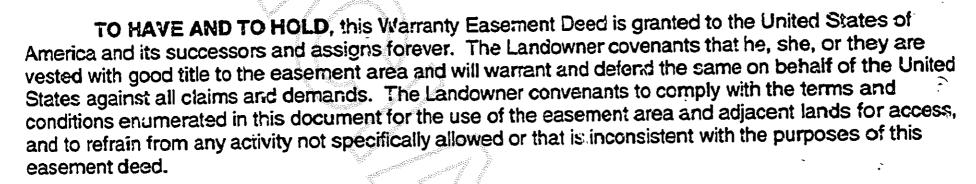
A. <u>Successors in Interest</u>. The rights granted to the United States shall accrue to any of its agents, successors, or assigns. All obligations of the Landowner under this easement deed shall also bind the Landowner's heirs, successors, agents, assigns, lessees, and any other person claiming under them. All the Landowners who are parties to this easement deed shall be jointly and severally liable for compliance with its terms.



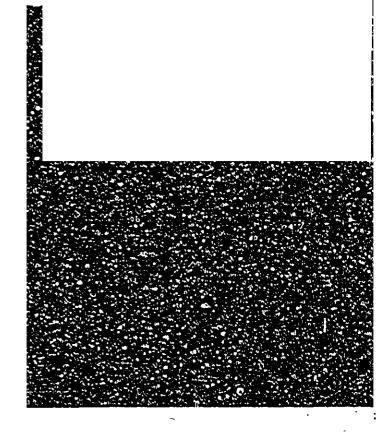
B. Rules of Construction and Special Provisions. All rights in the easement area not reserved by the Landowner shall be deemed acquired by the United States. Any ambiguities in this easement deed shall be construed in favor of the United States to effect the wetland and conservation purposes for which this easement deed is being acquired. The property rights of the United States acquired under this easement shall be unaffected by any subsequent amendments or repeal of the Wetlands Reserve Program. If the Landowner receives the consideration for this easement in installments, the Parties agree that the conveyance of this easement shall be totally effective upon the payment of the first installment.

PART VII. Special Provisions (if any).

None.



Dated this 50	aay of
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Landowner(s):	Verdoes Dairy Company, Inc., a Washington corporation
Attest:	Abraham Johannes Verdoes, President
, w. 65 ti	Joan T. Verdoes, Secretary Verdoes Dairy Company, Inc., a Washington corporation
ACKNOWLEDGMENT	
STATE OF WASHING	TON _
COUNTY OF SKAGIT	
On this 540 day of 1999 before me, the undersigned, a Notary Public in and for said State personally appeared Abraham Johannes Verdoes and Joan T. Verdoes, known or proved to me to be the persons whose names are subscribed to the within instrument, and who, being by me duly sworn, did say that they are the President and Secretary, respectively, of Verdoes Dairy Company, Inc., a Washington corporation, that the instrument was signed on behalf of said corporation, and acknowledged that the execution and attestation of the instrument was their voluntary act and deed and the voluntary act and deed of Verdoes Dairy Company, Inc., by it voluntarily executed.	
N WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written. Marcia J. Jenning S	
	Motary Public for the State of Washington Residing at Servic Woodley My Commission Expires 10-5-2000



This instrument was drafted by the Office of the General Counsel, U.S. Department of Agriculture, Washington, D.C. 20250-1400.

OMB DISCLOSURE STATEMENT

Public reporting burden for this collection of information is approximately sixty (60) minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Department of Agriculture Clearance Office (OIRM), Room 404-W, Washington, D.C. 20250; and to the Office of Management and Budget, Paperwork Reduction Project (OMB No. 057-0013), Washington, D.C. 20503.

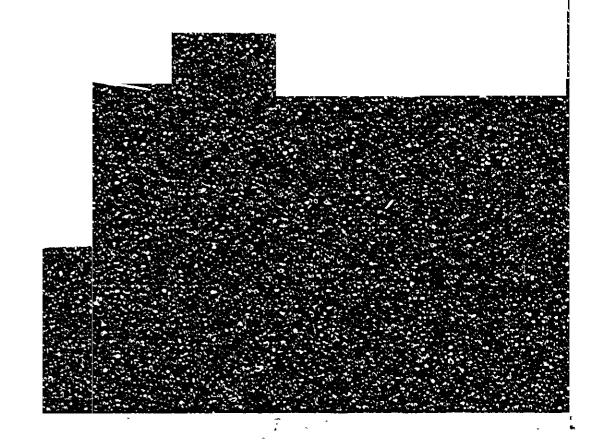


EXHIBIT "A"

A Wetland Reserve Program (WRP) Conservation Easement, over, under and across those portions of Lot 2, SKAGIT COUNTY SHORT PLAT NO. 65-88, approved March 11, 1991, recorded July 25, 1991 in Volume 9 of Short Plats, page 389, under Auditor's File No. 9107250026, records of Skagit County, Washington, and of the East Half of the Southwest Quarter, and of the Southeast Quarter of Section 11, Township 34 North, Range 4 East of the Willamette Meridian, being more particularly described as follows:

Commencing at the Southeast corner of said East Half of the Southwest Quarter (South Quarter corner) of Section 11; thence North 01°34′02" East a distance of 358′.32 feet along the East line of said Southwest Quarter to the Northerly margin of the Burlington Northern Railway right-of-way and the true point of beginning; thence continue North 01°34′02" East a distance of 60.00 feet along said East line; thence North %3°25′58" West a distance of 29.03 feet to the left bank (line of vegetation as the same existed September 1998) of Nookachamps Creek; thence downstream along said left bank as follows:

thence South 42°37'49" West a distance of 112.15 feet; thence South 77°54'04" West a distance of 69.71 feet; thence North 71°29'06" West a distance of 44.92 feet; thence North 78°30'13" East a distance of 101.01 feet; thence South 77°39'12" West a distance of 58.60 feet; thence South 41°13'09" West a distance of 104.42 feet; thence South 83°59'53" West a distance of 70,53 feet; thence South 78°48'13" West a distance of 55.34 feet; thence North 40°44'41" West a distance of 51.67 feet; thence North 56°31'41" West a distance of 197.04 feet; thence South 88°47'04" West a distance of 150.06 feet; thence South 87°44'46" West a distance of 65.44 feet; thence North 67°31'02" West a distance of 155.06 feet; thence North 84°38'37" West a distance of 40.35 feet; thence South 34°41'36" West a distance of 64.81 feet; thence South 58°05'21" West a distance of 61.30 feet thence South 75°39'14" West a distance of 85.27 feet to the West line of said East Half of the Southwest Quarter;

continued

EXHIBIT "A" Page 2

thence North 00°56'57" East a distance of 192.50 feet along said West line: thence North 81°56'08" East a distance of 244.79 feet; thence North 87°08'53" East a distance of 173.75 feet; thence South 88°50'21" East a distance of 142.96 feet; thence South 75°41'19" East a distance of 213.35 feet; thence North 86°33'17" East a distance of 128.25 feet; thence North 65°26'08" East a distance of 149.38 feet; thence North 39°00'32" East a distance of 168.06 feet; thence North 04°27'28" West a distance of 176.10 feet; thence North 22°44'14" West a distance of 179.25 feet; thence North 11°02'44" West a distance of 101.36 feet; thence North 21°19'04" East a distance of 138.38 feet; thence North 20°11'36" East a distance of 163.32 feet; thence North 23°56'44" East a distance of 95.40 feet; thence North 42°27'35" East a distance of 223.53 feet; thence North 04°50'58" East a distance of 156.73 feet; thence North 28°12'59" East a distance of 16.02 feet; thence North 59°49'38" East a distance of 41.10 feet to the Southerly right-of-way margin of Babcock Road; thence along said Southerly margin of Babcock Road (being 30 feet from the road centerline) South 74°16'18" East a distance of 297.11 feet to a point of curvature; thence along the arc of said curve to the right having a radius of 1,115.92 feet, a central angle of 08°52'00", an arc distance of 172.69 feet to a point of tangency; thence South 65°24'18" East a distance of 85.80 feet to a point of curvature; thence along the arc of said curve to the left having a radius of 1,939.86 feet, a central angle of 05°52'30", an arc distance of 198.91 feet to a point of tangency; thence South 71°16'48" East a distance of 230.00 feet to a point of curvature; thence along the arc of said curve to the left having a radius of 848.15 feet, a central angle of 14°53'00", an arc distance of 220.41 feet to a point of tangency; thence South 86°09'48" East a distance of 96.80 feet to a point of curvature;

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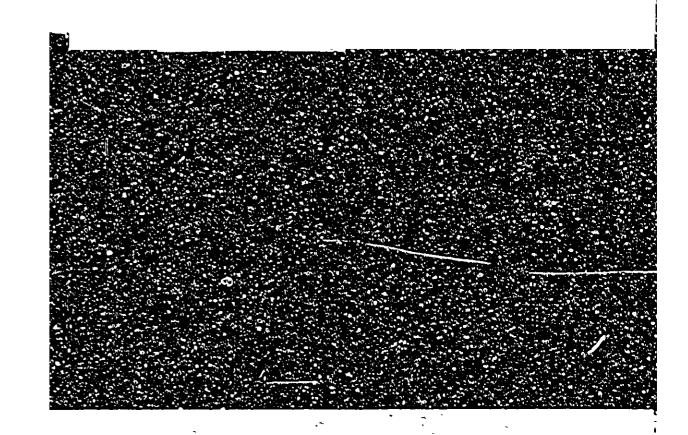


EXHIBIT "A"
Page 3

thence along the arc of said curve to the right having a radius of 230.44 feet, a central angle of 20°05'44", an arc distance of 80.82 feet to the East line of the West Half of said Southeast Quarter of Section 11;

thence South 01°24'08" West a distance of 202.94 feet along said East line to the Northerly margin of said Burlington Northern Railway right-of-way (being 50 feet from the railroad centerline);

thence along the arc of a curve concave to the Southeast, along said Northerly margin having an initial tangent bearing of North 83°03'21" West, a radius of 984.62 feet, a central angle of 54°04'18", an arc distance of 929.21 feet to a point of compound curvature of a transition spiral curve (railroad station PCC 70+72);

thence along the transition spiral, the centerline of which has six 28 foot chords with delta angle of 03°30' to the point of spiral (railroad station P.S. 69+04.5);

thence South 39°22'21" West a distance of 675.29 feet to the true point of beginning.

Situated in Skagit County, Washington

- END OF EXHIBIT "A"