

When recorded return to:

Skagit County
Planning and Permit Center
200 West Washington Street
Mount Vernon, WA 98273



200005020101

Kathy Hill, Skagit County Auditor
5/2/2000 Page 1 of 51 2:23:20PM

004848

TERM DEED OF NATURAL RESOURCE LAND EASEMENT

Grantor: Darlene Krangnes

Grantee: Skagit County
Planning and Permit Center
200 West Washington Street
Mount Vernon, WA 98273

Legal Description (abbreviated):

Portion of the North Half of the South Half of Section 7, Township 33 North, Range 4 East, W.M.

Tax Parcel #'s:

330407-3-001-0003
330407-4-003-0009

330407-0-003-0007

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

MAY 2 2000

Amount Paid \$ -0-
Skagit County Treasurer
By: *[Signature]* Deputy

When recorded return to:

Skagit County
Planning and Permit Center
200 West Washington Street
Mount Vernon, WA 98273

TERM DEED OF NATURAL RESOURCE LAND EASEMENT
004848

THIS TERM DEED OF NATURAL RESOURCE LAND EASEMENT ("Easement") is granted this 23RD day of MARCH, 2000, by DARLENE KRANGNES, having an address at 19635 DIKE ROAD, MT. VERNON, ("Grantor"), to Skagit County, a political subdivision of the State of Washington, by and through Skagit County's Natural Resource Lands Easement (NRL-E) provision of the Conservation and Reserve Development (CaRD) program, through the Skagit County Planning and Permit Center having an address at 200 West Washington Street, Mount Vernon, Washington, 98273 ("Grantee").

I. RECITALS

A. Owner. Grantor is the sole owner in fee simple, subject to certain outstanding rights as described in Exhibit D attached to and made a part of this Easement by this reference ("Permitted Title Exceptions"), of that certain real property in Skagit County, Washington legally described in Exhibit A attached to and made a part of this Easement by this reference (the "Land"). The Land is approximately $\frac{1.12}{(114)}$ acres in size.

B. Conservation and Reserve Development Open Space. On 12/10/1999, Grantor applied to Skagit County to place the Land in the NRL-E established under 1997 Skagit County Comprehensive Plan Policies 1.1 - 1.8 (pp. 4-35 to 4-40) and the Skagit County Interim Short CaRD Ordinance, SCC 14.08.115 - .118 (as now adopted or hereafter amended and codified). This program provides property owners with property located in an area designated Rural Resource-Natural Resource Lands (RRc-NRL) to obtain additional development rights on their property in exchange for dedicating the remaining portion of the property as open space (the open space area) or for property owners with property located in an area designated Ag-NRL, IF-NRL or SF-NRL to participate in the CaRD process thereby reserving resource land in an open space designation (see Exhibit B, attached to and made a part of this Easement by this reference). Under the Short CaRD Ordinance, dedication of the open space area must occur at the time Skagit County approves the NRL-E



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application. Under this program, dedication of the open space area to Open Space Natural Resource Lands (OS-NRL) may only be extinguished upon a declaration in a court of competent jurisdiction finding that it is no longer possible to commercially use the property for the production of food, ag products, timber or extraction of minerals.

C. Density. Through submittal of a CaRD application, residential lots up to an acre in size and subject to the density restriction of the particular zoning district may be created on the original parcel, and the balance of the acreage not included or reserved for residential use on the lots shall be placed in open space (the "Open Space Area"). The Residential Lot Area and Open Space Area are described and shown in Exhibit C attached to and made a part of this Easement by this reference. The Residential Lot Area is approximately 2.00 acres in size. The Open Space Area is approximately 111.8 acres in size.

D. Staff Review. Skagit County staff reviewed the application and determined that Grantor's application met the criteria and other requirements under the Skagit County NRL-E Program Policies.

E. Open Space Functions. Grantor and Grantee intend that the Open Space Functions of the Open Space Area be preserved and maintained by the continuation of land use patterns existing at the time of this grant that do not significantly impair or interfere with the Open Space Functions. For the purposes of this Easement, "Open Space Functions" refers to uses allowed either outright or by special use permit under each specific zoning district (the "Zoning District", SCC 14.04, as now adopted or hereafter recodified) pertaining to the subject property; provided, however, that for properties designated Rural Reserve or Rural Resource such permitted uses shall not include any development rights in addition to those allowed by the CaRD which might otherwise be allowed in that District; and further provided that if the use requires a Special Use Permit, the Special Use Permit shall first be obtained pursuant to SCC 14.04 (as now adopted or hereafter amended or codified).

F. Conveyance. Grantor further intends, as owner of the Land, to convey to Skagit County the right to enforce preservation and protection of the Open Space Functions of the Open Space Area unless and until such time as this Easement is terminated as provided for herein.

G. Acceptance. Skagit County agrees, by accepting this grant, to honor the intentions of Grantor and to preserve and protect the Open Space Functions of the Open Space Area as stated in this Easement during the term of this Easement for current and future generations to appreciate and enjoy.



II. CONVEYANCE AND CONSIDERATION

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A. Terms and Conditions. For the reasons stated above, and in consideration of obtaining land division approval and the mutual covenants, terms, conditions, and restrictions contained in this Easement, Grantor hereby voluntarily grants and quit claims to Skagit County, and Skagit County accepts, a Natural Resource Lands easement over the Open Space Area of the Land as defined in this Easement. This Easement is granted on the terms and conditions herein described and is subject to the reservation of rights contained herein, all of which rights, restrictions, reservations and obligations shall operate as covenants running with the Land. This grant is also subject to those items (Permitted Title Exceptions) as described in Exhibit D.

B. Conveyance of Real Property. This conveyance is a conveyance of an interest in real property under the provisions of RCW 64.04.130.

C. Recitals. The foregoing recitals are incorporated into this Easement by reference.

III. PURPOSE

The purpose of this Easement is to assure that the Open Space Area will be retained as provided for in 1.E above until such time as this Easement is terminated as provided for herein, and to prevent any use of, or activity in, the Open Space Area that will significantly impair or interfere with the Open Space Functions of the Open Space Area ("Purpose"). Grantor and Grantee intend that this Easement will confine the use of, or activity in, the Open Space Area to those uses and activities consistent with this Purpose. No general public access to any portion of the Open Space Area is conveyed by this Easement.

IV. RIGHTS CONVEYED TO SKAGIT COUNTY

To accomplish the Purpose of this Easement, the following rights are conveyed to Skagit County by this Easement:

A. Identification and Protection. To identify, preserve and protect the Open Space Functions of the Open Space Area during the term of this Easement.

B. Access.

1. To enter the Open Space Area 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.



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2. To enter the Open Space Area at such other times as are necessary if there is reason to believe that a violation of the Easement is occurring, for the purpose of enforcing the provisions of this Easement.

C. Injunction and Restoration. To enjoin any use of, or activity in, the Open Space Area that is inconsistent with the Purpose of this Easement, and undertake or cause to be undertaken the restoration of such portions or features of the Open Space Area as may be damaged by uses or activities contrary to the provisions of this Easement, consistent with Section IX.

D. Enforcement. To enforce the terms of this Easement, consistent with Section IX.

V. PROHIBITED AND PERMITTED USES AND ACTIVITIES

Any use of, or activity in, the Open Space Area inconsistent with the Purpose of this 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 this section, the following uses of, or activities in, the Open Space Area, though not an exhaustive list, are inconsistent with the Purpose of this Easement and shall be prohibited:

A. Subdivision and Development Rights. The legal subdivision of the Open Space Area for the purposes of development of the Open Space Area; the exercise of Grantor's development rights in the Open Space Area; the transfer of such development rights to any other portion of the Land as it now or hereafter may be bounded or described; and the use of such development rights for the purpose of calculating permissible lot yield of the Open Space Area or any other property; provided, however, that this Easement shall not be construed to preclude boundary line adjustments to revise lot lines on the Land and contiguous lands owned by the Grantor, with the written approval of the Grantee; and provided further that if full development rights allowed under the CaRD for that specific zoning district have not been exhausted, those rights may be allowed based on the original parcel's acreage.

B. Title Matters. The burdening of the Open Space Area during the term of this Easement by liens, leases, encumbrances, easements, restrictions, conditions, covenants, rights, rights-of-way and other matters affecting title to and use of the Open Space Area; except as determined to be consistent with the Purpose of this Easement. Grantor must first notify the Director of the Skagit County Planning and Permit Center and receive his or her approval, as provided for in Section VII, before any such burdens are placed on the Open Space Area.



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C. Construction. The placement or construction of any residential buildings, or other residential improvements of any kind except as expressly permitted in the pertinent Zoning District; and in accordance with I.E of this easement, the placement or construction of any commercial or industrial buildings, structures, or other improvements of any kind except as permitted in the pertinent Zoning District and consistent with the terms of this Easement.

D. Impervious surface. The total area covered by structures of any kind and impervious surfaces such as asphalt, concrete or gravel shall be limited to 5% of the area of the Open Space Area.

E. Recreation. The following forms of recreation on the Open Space Area: golf courses; commercial use of motorized or mechanized recreational vehicles such as motorcycles, snowmobiles and dune buggies, and athletic fields. Recreational uses may only be permitted insofar as they are consistent with the Purpose and terms of this Easement.

F. Erosion or Water Pollution. Any use or activity, not permitted by applicable local, state, or federal law, that causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters.

G. Waste Disposal. The disposal or storage of rubbish, garbage, debris, vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Open Space Area.

H. Commercial Signs. The placement of commercial signs, billboards, or other advertising material on the Open Space Area; except in connection with the on-site sale of agricultural products, sale or lease of the Open Space Area, or to state the conditions of access to the Open Space Area.

I. Mining. (This provision is only applicable on properties not located in a Mineral Resource Overlay.) The exploration for, or development and extraction of, minerals and hydrocarbons on or below the surface of the Open Space Area. The extraction of rock, dirt, sand, and gravel shall be permitted only if removal of such material is necessary to carry out other permitted activities on the Open Space Area and will not interfere with the Conservation Values of the Open Space Area.



VI. RESERVED RIGHTS

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Grantor reserves for itself and its personal representatives, heirs, successors and assigns, any use of, or activity in, the Open Space Area that is not inconsistent with the Purpose of this Easement and that is not prohibited by this Easement.

VII. NOTICE AND APPROVAL

A. Notice.

1. **Grantor.** This Easement requires Grantor to notify Skagit County and to receive Skagit County's written approval prior to undertaking certain uses and activities within the Open Space Area (e.g., subsection V.B [title matters]). This includes any activities proposed for the open space land which are not addressed through preliminary plat approval process or development permits, such as alterations to existing features including utilities or roads. The purpose of requiring Grantor to notify Skagit County prior to undertaking these uses and activities is to afford Skagit County an opportunity to ensure that the use or activity in question is designed and carried out in a manner consistent with the Purpose of this Easement. Whenever such notice is required, Grantor shall notify the Director of the Skagit County Planning and Permit Center (or its successor agency) 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 use or activity in sufficient detail to permit Skagit County to make an informed judgment as to its consistency with the Purpose of this Easement.

2. **Skagit County.** The general monitoring provision of this Easement requires Skagit County to give notice to the Grantor prior to undertaking certain activities within the Open Space Area (subsection IV.B.1). Whenever such notice is required, Skagit County shall notify the Grantor in writing not less than thirty (30) days prior to the date Skagit County intends to undertake the use or activity in question, unless otherwise provided for by this Easement.

B. Approval. Where approval by Skagit County is required under this Easement, such approval shall be granted or withheld in writing within thirty (30) days of receipt of a written request for approval, and such approval shall not be unreasonably withheld.



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1. **Grantor.** If Grantor must undertake emergency action to protect public health or safety in the Open Space Area or must act by and subject to compulsion of any governmental agency, Grantor may proceed with such action without Skagit County's approval only if Grantor notifies Skagit County prior to taking such action and Skagit County cannot provide its approval, with or without conditions, within such time as is reasonable under the circumstances.

2. **Skagit County.** Skagit County's approval may be withheld only upon a reasonable determination by Skagit County that the use or activity as proposed would be inconsistent with the Purpose of this Easement. Skagit County's approval may include reasonable conditions that must be satisfied in undertaking the proposed use or activity.

3. **Failure to Approve or Withhold Approval Within the Required Time.** When approval is required under this Easement, and when such approval is not granted or is withheld within the time period and manner set forth in this section, approval of the permitted use or activity in question may be presumed.

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

To Grantor:

DARLENE KRANGNES
19635 DIKE ROAD
MOUNT VERNON, WA 98273

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

To Skagit County:

Skagit County
Planning and Permit Center
200 West Washington Street
Mount Vernon, WA 98273

APR 21 2000

Amount Paid \$ 0.00
Skagit County Treasurer
By: [Signature] Deputy

or to such other address as either party designates by written notice to the other.

VIII. DISPUTE RESOLUTION

If a dispute arises between the parties concerning the consistency of any present or proposed use or activity with the Purpose of this Easement, and the Grantor agrees not to proceed with the proposed use or activity pending resolution of the dispute, the parties shall meet together to discuss the dispute and attempt resolution. Thereafter, either party may refer the dispute to mediation or arbitration by request made in writing to the other. Within thirty (30)



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days of the receipt of such a request, the parties shall select a single mediator or arbitrator to hear the matter. The matter shall be settled in accordance with any Washington State mediation or arbitration statute then in effect, and a mediation or an arbitration award may be entered in any court having jurisdiction. If mediation or arbitration is pursued, the prevailing party shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for all its costs and expenses related to such mediation or arbitration, including, without limitation, the fees and expenses of the mediator or arbitrator and attorney's fees, which shall be determined by the mediator or arbitrator or any court having jurisdiction that may be called upon to enforce or review the award. The parties agree not to proceed with the use or activity pending resolution of the dispute.

IX. REMEDIES

A. Generally. The parties hereto may seek such relief in law or equity as they may deem necessary to enforce the terms of this Easement. Except as provided otherwise in this Easement, in the event of litigation between the parties hereto, declaratory or otherwise, in connection with this Easement, the prevailing party shall recover all costs and attorneys' fees actually incurred, including on appeal.

B. Notice of Failure. If Skagit County determines that the Grantor is in violation of the terms of this Easement or that a violation is threatened, Skagit County shall give written notice to the Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Open Space Area resulting from any use or activity inconsistent with the Purpose of this Easement, to restore the portion of the Open Space Area so injured.

C. Grantor's Failure to Respond. Skagit County may bring an action as provided in Section IX.D or pursue the alternative remedy provided in Section IX.E if Grantor:

1. Fails to cure the violation within thirty (30) days after receipt of a notice of violation from Skagit County; or
2. Under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing the violation within the thirty (30) day period and fails to continue diligently to cure such violation until finally cured.

D. Skagit County's Action. Skagit County may bring an action at law or in equity in a court having jurisdiction to enforce the terms of this Easement:



1. To enjoin the violation, ex parte as necessary, by temporary or permanent injunction;
2. To recover any damages to which it may be entitled for violation of the terms of this Easement or for injury to any Open Space Functions protected by this Easement, including damages for the loss of Open Space Functions; and
3. To require the restoration of the Open Space Area to the condition that existed prior to any such injury.

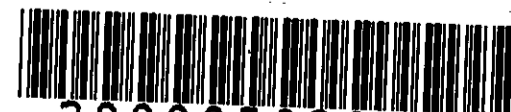
Without limiting Grantor's liability in any way, Skagit County shall first apply any damages recovered to the cost of undertaking corrective or restoration action in the Open Space Area.

E. Supplemental Remedy. In addition to, or as an alternative to bringing a court action to enforce the terms of this Easement as provided in Section IX.D, Skagit County may revoke its CaRD approval for any property in Rural Resource designation and convert the property back to its underlying zoning designation with no density bonus. This revocation shall be subject to an administrative appeal under the appropriate provision for appeal of an administrative interpretation in Title 14 SCC.

F. Immediate Action Required. If Skagit County, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Open Space Functions of the Open Space Area, Skagit County may pursue its remedies under this section without prior notice to Grantor or without waiting for the period provided for cure to expire.

G. Nature of Remedy. Skagit County's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Easement. Skagit County shall be entitled to the injunctive relief described in this section in addition to such other relief to which Skagit County may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Skagit County's remedies described in this section shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

H. Costs of Restoration. In the event Skagit County must enforce the terms of this Easement, the costs of restoration necessitated by acts of Grantor, its agents, employees, contractors, family members, invitees or licensees in violation of the terms of this Easement shall be borne by Grantor or those of its personal representatives, heirs, successors, or assigns, against



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

I. Skagit County's Discretion. Skagit County acknowledges its commitment to protect the Purpose of this Easement. Enforcement of the terms of this Easement shall be at the discretion of Skagit County, and any forbearance by Skagit County 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 Skagit County of such term or of any right under this Easement. No delay or omission by Skagit County in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver.

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

K. Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Skagit County to bring any action against Grantor to abate, correct, or restore any condition in the Open Space Area or to recover damages for any injury to or changes in the Open Space Area resulting from causes beyond Grantor's control, including, without limitation, natural changes, fire, flood, storm, or earth movement, or from acts of trespassers, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Open Space Area resulting from such causes.

X. COSTS AND LIABILITIES

Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to its ownership and use of the Land and Open Space Area, including the payment of all taxes levied against the Land by government authority as they become due. Skagit County agrees to bear all costs and liabilities of any kind related to its rights in the Open Space Area. Grantor and Skagit County agree to indemnify and hold each other harmless from all liability,



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including liability resulting from releases of hazardous substances or wastes under federal, state or local laws, arising out of their respective rights in and use of the Open Space Area of the Land. This indemnity shall extend to liability arising out of use by agents, contractors, subcontractors and employees of the indemnifying party. Any forbearance by Skagit County to exercise its rights under this Easement in the event of any breach of any terms of this Easement by Grantor, or any knowledge by Skagit County of such breach, shall not be deemed or construed to extinguish or diminish Grantor's obligation to indemnify and hold Skagit County harmless under this paragraph.

XI. RECORDATION

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

XII. SUCCESSORS

The covenants, terms 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 with the Protected Property. Any subsequent transfer of interest in the Protected Property shall be subject to the terms and conditions set out in this easement.

XIII. ASSIGNMENT

Skagit County agrees not to assign, transfer or encumber its interest in the Open Space Area granted herein nor delegate its duties under this Easement.

XIV. MODIFICATION

The parties may modify this Easement by mutual agreement; provided that the modification is consistent with the Purpose of this Easement. Any such modification shall be in writing, signed by both parties and recorded in the official records of Skagit County, Washington.

XV. DURATION AND TERMINATION

A. Easement Duration. This Easement shall extend in perpetuity from the date of its grant to Skagit County unless it is terminated as provided in subsection B below.



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B. Easement Termination. This Easement will terminate if the land designation of the property is changed on the Comprehensive Plan Map to a non-NRL land classification. Upon termination, Skagit County shall grant a release returning the Easement back to Grantor. Skagit County shall record this release in a timely fashion in the official records of Skagit County, Washington.

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 Grantor to effect the Purpose of this Easement and the policy and purposes of RCW 64.04.130, Chapter 84.34 RCW, and the Skagit County Comprehensive Plan, as may be amended from time to time. 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 its application 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.

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 a modification that complies with Section XIV of this Easement.

E. "Grantor" - "Skagit County". The terms "Grantor" and "Skagit County," wherever used in this Easement, and any pronouns used in their place, shall be held to mean and include, respectively, the above-named Grantor, and its personal representatives, heirs, successors, and assigns, and the above-named Skagit County, and its successors.

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



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G. 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.

XVII. SCHEDULE OF EXHIBITS

- A. Legal Description of the Land.
- B. Skagit County CaRD Ordinance and NRL Zoning District Code Sections.
- C. Present Conditions Report
- D. Permitted Title Exceptions.

TO HAVE AND TO HOLD unto Skagit County and its successors.

IN WITNESS WHEREOF, the undersigned GRANTOR has executed this instrument this 23RD day of MARCH, 2000.

GRANTOR:

Darlene Krangnes

By: *Allyn A Skoff*

Title: PROFESSIONAL LAND SURVEYOR

Attest: *Peter D. Harvati*
Title: PROFESSIONAL LAND SURVEYOR



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Kathy Hill, Skagit County Auditor
5/2/2000 Page 14 of 51 2:23:20PM

ACKNOWLEDGEMENTS

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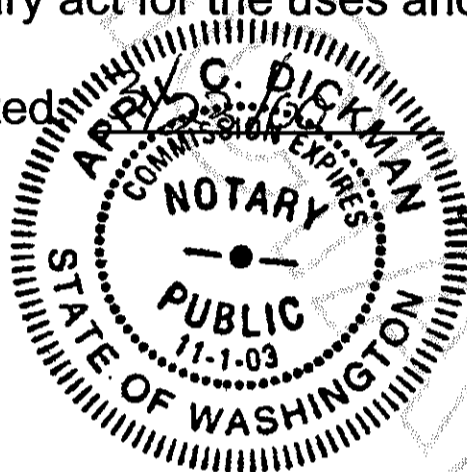
For an acknowledgment in an individual capacity:

State of Washington)
) ss.
County of Skagit)

Darlene Kragness

I certify that I know or have satisfactory evidence that (name of person) is the person who appeared before me, and said person acknowledged that (he/she/they) signed this instrument and acknowledged it to be (his/her/their) free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: _____



[Signature]
(Signature)
Notary Public
(Title)
My appointment expires 11-1-03

For an acknowledgment in a representative capacity:

State of Washington)
) ss.
County of Skagit)

I certify that I know or have satisfactory evidence that (name of person) is the person who appeared before me, and said person acknowledged that (he/she/they) signed this instrument, on oath stated that (he/she/they) was/were authorized to execute the instrument and acknowledged it as the (type of authority, e.g., officer, trustee, etc.) of (name of party on behalf of whom instrument was executed) to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: _____

(Signature)

(Title)
My appointment expires _____

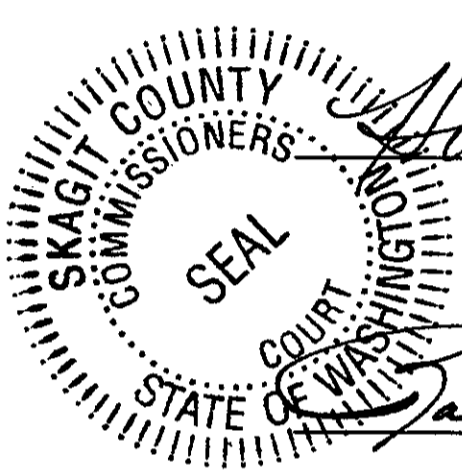


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SKAGIT COUNTY, by and through the SKAGIT COUNTY PLANNING AND PERMIT CENTER does hereby accept the above Deed of Natural Resource Lands Easement.

Dated: April 4, 2000

SKAGIT COUNTY BOARD OF COMMISSIONERS
SKAGIT COUNTY, WASHINGTON



Harvey Wolden
Harvey Wolden, Chairman

Robert Hart
Robert Hart, Commissioner

Ted W Anderson 4-4-2000
Ted W. Anderson, Commissioner

ATTEST:

Patti J. Chambers
Patti J. Chambers, Clerk
Skagit County Board of Commissioners

Approved as to Form:

John Moffat
John Moffat
Prosecuting Attorney
Chief Civil Deputy



200005020101
Kathy Hill, Skagit County Auditor
5/2/2000 Page 16 of 51 2:23:20PM

004848

Vince Clay
Vince Clay, Risk Manager

Alicia Huschka
Alicia Huschka, Budget Director

Tom
Department Head/Elected Official

State of Washington)

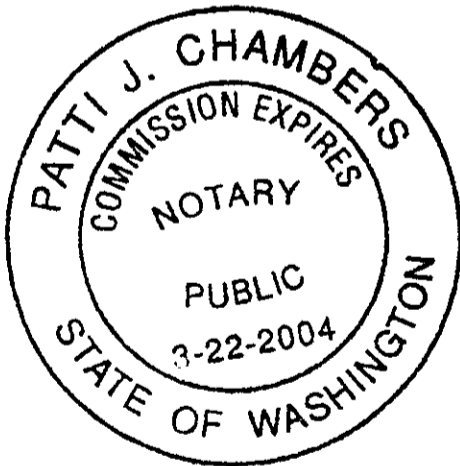
) ss.

County of Skagit)

I certify that I know or have satisfactory evidence that ~~(name of person)~~ ^{are} is the persons who appeared before me, and said persons acknowledged that ~~they (he/she)~~ ^{they} signed this instrument, on oath stated that ~~(he/she)~~ ^{they} ~~was~~ ^{were} authorized to execute the instrument and acknowledged it as the ~~(type of authority, e.g., officer, trustee, etc.)~~ ^{Legislative Authority} of the Skagit County Planning and Permit Center to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: April 4, 2000

Ted W. Anderson
Harvey Wolden
Robert Hart



Patti J. Chambers
(Signature)

Notary Public
(Title)

My appointment expires 3/22/2004



200005020101

Kathy Hill, Skagit County Auditor

**EXHIBIT A
LEGAL DESCRIPTION**

004848

UNOFFICIAL DOCUMENT



200005020101

Kathy Hill, Skagit County Auditor

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Schedule "A-1"

S-90549

Description:

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PARCEL "A":

Government Lot 3 and the Northwest Quarter of the Southwest Quarter of Section 7, Township 33 North, Range 4 East, W.M., EXCEPT road and dike right of way.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the North Half of the Southeast Quarter, Section 7, Township 33 North, Range 4 East, W.M., lying Westerly of the Great Northern Railroad right-of-way.

Situate in the County of Skagit, State of Washington.



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EXHIBIT B
SKAGIT COUNTY CaRD COMPREHENSIVE PLAN POLICIES

Skagit County CaRD Ordinance and NRL Zoning District Code Sections

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ORDINANCE NO. _____

AN INTERIM ORDINANCE EXTENDING THE PROVISIONS OF ORDINANCE NO.17494, AN INTERIM SHORT CaRD (CONSERVATION AND RESERVE DEVELOPMENT) SUBDIVISION, AMENDING PORTIONS OF THE SHORT SUBDIVISION ORDINANCE (SCC 14.08)

WHEREAS, on June 1, 1997 Skagit County adopted Ordinance No. #16550 the 1997 Comprehensive Plan, including Chapter 4 (Land Use Element); and

WHEREAS, Chapter 4 of the Land Use Element includes a Land Division Section which encourages innovative techniques for land divisions as an alternative to traditional and conventional planning and land division regulations through the use of Conservation and Reserve Developments (CaRD) pp. 4-35 to 4-40; and

WHEREAS, Conservation and Reserve Developments (CaRD) provides future land use options, such as for future development and housing diversity, and protects and conserves natural resource lands, rural lifestyles, critical areas and open space; and

WHEREAS, the Board of County Commissioners established a Citizen Advisory Committee (CAC) in January 1998 to review and create a Land Division Chapter with a CaRD section and the CAC set rules of order and took back before the BCC concepts and criteria for developing a CaRD Ordinance; and

WHEREAS, RCW 36.70A.390 specifically authorizes adoption of an interim ordinance where deemed appropriate to further the goals of GMA; and

WHEREAS, the BCC instructed staff to draft an Interim Short CaRD Ordinance based on the criteria brought forth from the CAC, the Comprehensive Plan and utilize the Short Subdivision (Short Plat) process; and

WHEREAS, the Interim Short CaRD Ordinance #17494 expires on December 29, 1999 and Skagit County wishes to extend the Interim Ordinance for a six month period of time; and

WHEREAS, pursuant to SCC 14.01, on May 23, 1999 a Determination of Non-Significance and a Notice of Availability of the proposed Interim Short CaRD Ordinance were issued in a paper of general circulation and a Notice of Public Hearing was issued on November 18, 1999 and November 25, 1999 in a paper of general circulation with a public comment period ending December 3, 1999; and

WHEREAS, a Public Hearing was held on December 6 and upon consideration of the public comments and testimony the Board of County Commissioners took action.



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cc: Planning, J. Moffat

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NOW, THEREFORE, BE IT ORDAINED, that the provisions in Interim Ordinance No. 17494 is hereby being extended for an additional six months commencing on December 29, 1999;

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NOW, THEREFORE BE IT FURTHER ORDAINED THAT THE SKAGIT COUNTY BOARD OF COUNTY COMMISSIONERS adopts Exhibit A (attached hereto and incorporated by reference) as an Interim Ordinance relating to the Short CaRD.

DATE: December 6, 1999



BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

Ted W. Anderson
Ted W. Anderson, Chairman

Patti J. Chambers

Patti Chambers, Clerk of the Board

Robert Hart
Robert Hart, Commissioner

APPROVED AS TO CONTENT:

Harvey Wolden
Harvey Wolden, Commissioner

Kendra Smith
Kendra Smith, Assistant Planning Director

APPROVED AS TO FORM:

John Moffat
John Moffat, Chief Civil Deputy
Skagit County Prosecuting Attorney



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ORDINANCE No. _____

AN INTERIM ORDINANCE AMENDING PORTIONS OF THE SHORT SUBDIVISION ORDINANCE (SCC 14.08) RELATING TO INTERIM SHORT CARD (CONSERVATION AND RESERVE DEVELOPMENT) SUBDIVISION

An interim ordinance amending Skagit County Code (SCC) Chapter 14.08 (Short Subdivisions) to provide for greater flexibility in meeting the goals, objectives, and policies of the Comprehensive Plan, Chapter 4 Land Use Element, by offering an alternative to the Short Subdivision requirements and allowing for conservation and reserve developments now hereby referred to as a Short CaRD Subdivision.

SCC 14.08.115 Short CaRD (Conservation and Reserve Development) Applicability, Provisions, Procedures and Requirements.

An alternative to the Short Subdivision requirements to provide for greater flexibility in meeting the goals, objectives and policies of the Comprehensive Plan, by allowing for conservation and reserve developments.

SCC 14.08.116 Definitions.

Used in this section, the following word shall have the following meanings:

- (1) Attachment Easement - An easement granted to allow an adjacent property owner to erect or construct a building attached to a building on the grantor's property line where such building has one wall at the common property line.
- (2) Best Management Practices - Best Management practices then prescribed or recommended by Federal Law or regulations, Washington State Law or regulations or Skagit County Ordinance.
- (3) Exterior Setbacks - Setbacks associated with existing property lines prior to any proposed Short CaRD platting.
- (4) Interior Setbacks - Setbacks associated with interior property lines generated by the platting of the Short CaRD Subdivision.
- (5) Short CaRD Subdivision - A short subdivision that allows up to four lots requiring one of the four lots to be held in open space pursuant to SCC 14.08.118(4) and 14.08.118 (9), or designating one of the four lots to contain the open space requirement protected by NRLE, a Use Covenant or plat restriction prescribed in SCC 14.08.118 (9) with further restrictions on the acreage used for building purposes pursuant to SCC 14.08.118 (4)(b).
- (6) Natural Resource Lands Easement (NRLE) - A legal agreement a property owner makes with Skagit County or a qualified conservation organization as defined by RCW 84.34.250, to restrict the type and amount of development on the open space portion of land. The interests conveyed shall run with the land. Protection in the form of an NRLE is mandatory for lands designated in the Comprehensive



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Plan AG-NRL, IF-NRL, SF-NRL, and Rural Resource-NRL, provided that land designated Rural Resource-NRL may be placed in Open Space Future Development (OP-FD) if it complies with provisions in 14.08.118(9)(a)(iii).

- (7) Use Covenant – A legal agreement that a property owner makes with Skagit County or with a qualified conservation organization as defined by RCW 84.34.250 to restrict the type and amount of development on open space, whether such open space be a separate parcel or a portion of a parcel.

SCC 14.08.117 Applicability/Exemptions. A new paragraph is added to read:

In the event of conflict between the provisions of this ordinance and SCC 14.04 (Zoning Ordinance) and other requirements in SCC 14.08, this ordinance shall take precedence; provided, however, that no recreational uses shall be permitted under SCC 14.08.118 unless the uses are explicitly permitted by the underlying zones and the substantive and procedural requirements of SCC 14.04 have been met. In the case of conflict between this ordinance and any other Skagit County ordinance, the most restrictive shall prevail, unless explicitly provided in this ordinance.

SCC 14.08.118 General Provisions.

- (1) Density. The maximum residential gross densities may not exceed those set forth on the Land Use Element of the Comprehensive Plan. The maximum density as allowed for by Chapter 4 of the Comprehensive Plan may not necessarily be granted if critical areas are adversely impacted pursuant to SCC 14.06.300.
- (2) All short subdivisions shall conform to the underlying zoning district's minimum lot size and setback requirements except as provided in 14.08.118 (6) and (7) and (8).
- (3) Applications for a Short CaRD Subdivision shall be completed on forms provided by the Skagit County Planning and Permit Center.
- (4) All Short CaRD Subdivisions shall contain lands set aside for Open Space, see 14.08.118 (6)(d). Open space may consist of:
 - (a) a separate tract, lot or parcel within the Short CaRD plat; or
 - (b) land within one of the parcels of the Short CaRD plat which shall be protected in accordance with SCC 14.08.118 (9).
- (5) The Short CaRD Subdivision application shall be required for short plats on all Rural Reserve and/or Rural Resource-NRL designations within one (1) mile of a UGA scaled on a map, except for salt water islands separated from the UGA by an unbridged water way. If any portion is within one (1) mile of a UGA, the entire parcel shall be included in the Short CaRD. The Short CaRD is optional outside



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one (1) mile of a UGA, but density bonus will not be granted if the CaRD alternative is not followed.

(6) Dimensional requirements for lots utilizing a Short CaRD Subdivision:

- (a) Short CaRD Subdivisions in Agriculture - Natural Resource Lands (AG-NRL) and Industrial Forest - Natural Resource Lands (IF-NRL) shall be limited to parcels eighty (80) acres or greater. Secondary Forest and Rural Resource-NRL shall be limited to parcels twenty (20) acres or greater.**
- (b) Minimum lot size. There is no prescribed minimum lot size or shape, however all lots must demonstrate compliance with water supply, sewage system, and setback requirements.**
- (c) Maximum lot size. One (1) acre unless a larger lot is needed for one or more of the following reasons, in which that lot shall be no larger than necessary to accomplish the purpose of the exception, and provided that the exception shall then be recorded on the face of the plat map:
 - (i) To satisfy individual water system supply (SCC 12.48) and/or on-site sewage system requirements (SCC 12.05); or**
 - (ii) To contain both an existing residential building and existing accessory building(s); or**
 - (iii) To contain both an existing residential building and proposed buildings accessory to a natural resource land open space designation (OS-NRL) or**
 - (iv) To meet setbacks and buffer requirements adjacent to designated natural resource lands and critical areas; or**
 - (v) To contain the open space land which shall be protected under SCC 14.08.118 (9).****
- (d) Open Space size. Open space shall be established which is equal in area to the overall area of the original parcel minus the actual area of the building lots.**

Only one (1) parcel within each Short CaRD Subdivision may be greater than one (1) acre, and then only for the sole purpose of containing open space, unless a larger lot is allowed under 14.08.118(6)(c). Furthermore, only one (1) acre of the larger parcel may be used for buildings (including a residential unit), unless a larger lot is allowed under 14.08.118(6)(c)(ii) or (iii), with the remainder of the parcel placed in a protected open space



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designation. Recreational buildings in Os-RA and Os-NRL (except Ag-NRL) may be permitted as provided in 14.08.118(9)(c)(ii)(A).

(7) Building lot placement.

(a) Within a Short CaRD Subdivision, clustering of buildable lots shall be the preferred placement of parcels. Any other placement shall require an Administrative decision that clustering is unreasonable which shall be based on consideration of Best Management Practices and showing that special conditions, circumstances and topography exist which are peculiar to the land, buildings or structures; that the special conditions and circumstances are not a result of the actions or omissions of the applicant; and that such placement will not confer onto the applicant any special privilege that is denied by this section to other lands, buildings and structures in the same designation.

(b) Building lots may not be substantially aligned along a public road. Building lots without an existing residence should be limited to a single shared private access to a public road. Any other placement shall require an Administrative decision that the required placement is unreasonable which shall be based on consideration of Best Management Practices and showing that special conditions, circumstances and topography exist which are peculiar to the land, buildings or structures; that the special conditions and circumstances are not a result of the applicant; and that such placement will not confer onto the applicant any special privilege that is denied by this section to other lands, buildings and structures in the same designation.

(c) Within the Natural Resource Lands, building lots shall be placed to minimize potential impacts to natural resource land production on both the subject property and adjacent Resource Lands. Building lot clustering or alignment shall not be designed to complicate access, normal field operations or harvesting. Building lots on non-Natural Resource Lands shall be placed to minimize potential impacts to natural resource land production on adjacent Resource Lands as provided in SCC 14.04.190(6).

(8) Building setback requirements.

(a) Interior setbacks within the development - No minimum setbacks are required, provided that the following requirements are met and the setback is not adjacent to an open space designation pursuant to 14.08.118 (9):

(i) If the distance from the exterior wall to the property line is less than five feet, the applicant must show evidence of a maintenance agreement granted by adjacent property owners.



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- (ii) The structure may be built on the property line provided the owner shall grant an attachment easement to the adjacent property owner(s). Or enter into a zero lot line agreement.
- (b) Exterior Setbacks - Setbacks shall comply with the underlying zoning except when development through the Short CaRD subdivision process demonstrates that a lesser setback is necessary in considering Best Management Practices, to avoid interference with Critical Areas, protect historic sites/features, or to accommodate special geographic conditions. Provided further, the following additional setback restrictions shall apply:
- (i) Where applicable, compliance with setbacks listed in SCC 14.04.190(6), SCC 14.06 and Skagit County Shoreline Master Program.
- (ii) Setback reduction from public roads shall require approval by the Skagit County Public Works Engineer for purposes of traffic safety.
- (iii) Setbacks shall comply with the Uniform Building Codes.
- (9) "Open Space". For the purposes of this Chapter, open space shall include one or more of the following: critical area protection, open space preservation for future development, resource management/conservation, historic preservation, recreational purposes, community facilities and green belts and shall be placed in one of the designations listed 14.08.118 (9)(a)(i-iv). The open space shall be designated on the Short CaRD map with retraceable boundaries. Open space may be used for utilities and, except in the Agriculture Natural Resource Lands (AG-NRL), recreational facilities as described in 14.08.118(9)(c)(ii)(A).
- (a) All lands within the Short CaRD Subdivision, other than those divided for buildable lots, including the remaining portion of the land outside the buildable area of any lot retaining the open space as defined in 14.08.118(6)(d) shall be placed in one or more of the following open space designations based on the Comprehensive Plan policies:
- (i) Open Space Natural Resource Lands (Os-NRL) - All Ag-NRL, IF-NRL, SF-NRL, and Rural Resource-NRL, provided, that Rural Resource-NRL located within one (1) mile of a UGA may be placed in OS-FD as provided in subsection (iii) below; or
- (ii) Open Space Preservation Areas (Os-PA) – All critical areas as defined in SCC 14.06 and historic sites and features shall be placed in this designation; or



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- (iii) Open Space Future Development (Os-FD) – Only for lands designated Rural Village, Rural Intermediate, Rural Reserve and Rural Resource-NRL and then only for future buildable lots under the existing designation for the reservation of future development and shall be required on Rural Reserve and Rural Resource-NRL lands within one (1) mile of a UGA; or
- (iv) Open Space Recreational/Amenities (Os-RA) – Only for lands designated Rural Village, Rural Intermediate, and Rural Reserve, to be used for recreation purposes, community facilities and/or greenbelts.
- (b) The following restrictions shall be placed on the designated open space, as defined by 14.08.118(6)(d) and indicated on the plat map:
- (i) Os-NRL – To be placed in a NRLE which restricts the grantor and its heirs, successors and assigns from exercising rights to use and subdivide the land for any and all residential, recreational, commercial and industrial purposes and activities which are not incidental to the purpose of the NRLE until such time as the land no longer has long term commercial significance for the production of food, agriculture products, timber or extraction of minerals, except those in 14.08.118(6)(d). Property is restricted to natural resource production as defined in the NRLE; provided, however, that limited recreational facilities are permitted consistent with subsection (c)(ii)(A) below, SCC Chapter 14.04 and the Comprehensive Plan. In the case of Agriculture and Industrial Forest lands, restrictions defined in the NRLE may only be extinguished upon a declaration in a court of competent jurisdiction finding that it is no longer possible to commercially use the property for the production of food, agriculture products, timber or extraction of minerals.
- (ii) Os-PA –
- Critical Areas- To follow the parameters set forth in 14.06 for conservation and maintenance.
 - Historic sites and features- To be placed in a Use Covenant with CCRs and noted on the face of the plat map. The duration shall be noted in the CCRs.
- (iii) Os-FD – The duration of the CaRD designation shall continue until the balance of the property is needed for future urban growth as determined through the Comprehensive Plan amendment process. Maintenance shall be through plat restriction and/or CCRs.



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- (iv) OS-RA - The duration of the CaRD designation shall continue until the balance of the property is needed for future urban growth as determined through the Comprehensive Plan amendment process unless a Use Covenant is placed on the land which is more restrictive. Maintenance shall be through plat restrictions and/or CCRs.
- (c) Open Space within a Short CaRD subdivision must comply with the following:
- (i) Lots set aside as open space shall be designated and protected as Open Space Tract(s) or through NRLE, Use Covenants and/or plat restrictions referenced on the face of the Short CaRD plat map and shall be maintained pursuant to 14.08.118 (8) (b).
- (ii) Additional notes on the Short CaRD plat map shall indicate that:
- (A) Open Space within tracts, or restricted under NRLE, Use Covenants and/or plat restrictions shall remain essentially unimproved with no building, or other development allowed except that:
- (I) recreational buildings in Os-RA and Os-NRL (except Ag-NRL) may be permitted only through a Special Use Permit if the Special Use application demonstrates their close association to the specific type of recreation proposed and such proposal is consistent with the policies of the Comprehensive Plan and SCC 14.04; and
- (II) in natural resource zoning districts, non-residential buildings accessory to natural resource production are permitted according to the terms of the plat note. And further-provided that within Ag-NRL no more than five percent (5%), or as indicated in the NRLE, of the land described in the NRLE shall be covered by structures and/or non-tillable structures.
- (B) Only a portion of the land in open space designation shall be used for future density computations, and only then by utilizing the Long Subdivision Ordinance, SCC 14.12, or the provisions of RCW 58.17.060 and furthermore, only after retaining the following percentages of open space from the original parcel (the land prior to any Short CaRD division);



- (I) fifty percent(50%) in rural areas not served by public water an/or sewer; and
- (II) ten percent (10%) if the open space is designated Os-FD within one (1) mile of a UGA; and
- (III) seventy-five percent (75%) in areas served by public sewer and water; and
- (IV) ninety percent (90%) in areas designated Agriculture, Industrial Forest, Secondary Forest, Rural Resource-NRL and Mineral Resource lands in the County Comprehensive Plan.
- (C) No further subdivisions can allow density credits on any newly created parcel in excess of that allowed by the Comprehensive Plan on the original parcel.
- (10) CaRDs shall not be permitted within Urban Growth Areas. PUDs pursuant to SCC 14.04.140 shall be allowed within UGAs.
- (11) Residential gross densities for lands that are designated as Mineral Resource Areas (MRAs) or are within ¼ mile of designated MRAs, shall be no greater than one residential dwelling unit per ten acres provided that if the underlying land use designation density of land within ¼ mile of MRA lands is greater than one dwelling unit per ten acres, the development rights associated with that density may be transferred to and clustered on that portion of the property located outside of ¼ mile from the MRA lands, consistent with the CaRD policies in the Land Use Element of the Comprehensive Plan.
- (12) In order to provide flexibility and minimize land lost by development, the County Public Works Engineer is authorized to deviate from the County Road Standards provided a CaRD process has been followed, traffic safety has been satisfied, and the County Fire Marshal has confirmed compliance with the current edition of the Uniform Fire Code. Deviation shall be through an Administrative decision which shall be based on the criteria set forth in the Comprehensive Plan, Public Safety and consideration of Best Management Practices.
- (13) The Short CaRD development shall not require extension of urban services.



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(3) Accessory Uses.

(a) Any accessory use permitted in the Agriculture-NRL zone pursuant to SCC 14.04.112(3).

(b) Any accessory use permitted in the Secondary Forest-NRL zone pursuant to SCC 14.04.125(3).

(4) **Special Uses.** All special uses permitted under 14.04.150 in the Agriculture-NRL and Secondary Forest-NRL zones are permitted in the same manner and to the same extent in the Rural Resource-NRL zone. In addition, campgrounds are a Hearing Examiner Special Use in the Rural Resource-NRL zone.

(5) Dimensional Requirements.

(a) **Minimum lot size:** 1/16 of a section or larger or 40 acres (gross acres) or larger if the land is not capable of description as a fraction of a section. A maximum residential gross density of 1 dwelling unit per 10 acres or 1/64 of a section for a conservation and reserve development (CaRD) land division. Lot aggregation pursuant to 14.04.190(5) is not required for substandard sized lots acquired after September 11, 1996 in the Rural Resource-NRL zone.

(b) **Minimum lot width:** 400 feet at the building line.

(c) **Minimum building setback (all sides):** 100 feet.

(d) **Maximum height:** Shall conform to the Building Code of Skagit County (Ord. 12654 (part), 1990).

(6) **Resource Land Conservation.** Reserved. a maximum of two single-family residential dwelling units may be permitted on 20 acres subject to satisfaction of the provisions of a resource lands conservation development regulations as further described in Section 14.04.110. The second residential dwelling unit allowed by this section shall not be approved until after the new resource lands conservation ordinance has been adopted and shall be subject to the provisions of that ordinance. (Ord. 16640, 1997; Ord. 16291 § 5, 1996)

14.04.112 Agriculture Natural Resource Land (A-NRL).

(1) **Purpose.** The purpose of the Agricultural District is to establish and preserve land set aside for production of crops, livestock, or agricultural products requiring large areas of land. Agricultural land is recognized as a valuable resource. The intent of this district is to restrict residential and commercial development on land suited for agriculture, to preserve the open space character of the agriculture land, and to minimize damage from flooding in agricultural districts.

(2) Permitted Uses.

(a) Agriculture; farming; dairying; pasturage; apiculture; horticulture; floriculture; animal and poultry husbandry; cultivation, management and harvest of any forest crop.

(b) On-site hazardous waste treatment and storage facilities as an accessory use to a permitted or Special Use (Section 14.04.150) provided such facilities comply with the State Hazardous Waste Siting Standards and County and State Environmental Policy Act requirements.

(c) **Temporary Roadside Stands** not exceeding 300 square feet dedicated exclusively to the sale of agricultural products produced in the agricultural area in which the Roadside Stand is located and at least a portion of the agricultural products sold must be grown onsite.

(3) Accessory Uses.

(a) Single-family dwellings.

(b) Accessory buildings, including barns, storage buildings for crops and feed and equipment sheds or other structures accessory to any permitted use.

(c) Day care facilities.

(4) **Special Uses.** See Section 14.04.150.

(5) Dimensional Requirements.

(a) **Minimum lot size:** 1/16 of a section of land or larger, or 40 acres (gross area) or larger if the land is not capable of description as a fraction of a section of land. (Lot aggregation pursuant to Section 14.04.190(5) shall not be required for substandard size lots acquired after September 11, 1996 in the Agriculture-NRL zone.)

(b) **Minimum lot width:** Must be at least 1/5 lot length as required by section 14.04.190(8).

(c) Setbacks:

(i) **Nonresidential:** Front: 35 feet

Side: 15 feet

Rear: 35 feet

(ii) **Residential:** Front: 35 feet

Side: 15 feet

Rear: maximum of 200 feet from front property line.

(d) Siting Criteria:

(i) Siting of all residential development in the Agricultural District shall minimize potential impacts on agricultural activities. Agricultural buildings should, when possible, utilize siting criteria.

(ii) When structures exist on adjacent properties, siting of new structures shall comply with the following prioritized techniques:

[a] Locate new structure(s) adjacent to an existing compatible structure(s), sharing a common access road. (A compatible structure, for purposes of this provision, shall be any structure which does not adversely affect the intended use of another structure);

[b] Where the provisions of subsection (d)(ii)[a] are not practical, locate adjacent to an existing structure and minimize the length of access from the nearest existing public road;



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[c] Where the provisions of subsection (d)(ii)(a) or [b] are not practical, site to achieve minimum distance between structures, and minimize the length of access from the nearest existing public road.

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- Temporary mobile homes for elderly or disabled parents
- (h) Rural Intermediate and Rural Zoning Districts ^{RRV}
Special Uses - Hearing Examiner
 - Animal Clinics (Rural District only) ✓
 - Aircraft landing fields
 - Animal preserves or zoo ✓
 - Bed and Breakfast Operations
 - Commercial radio and communication towers (Rural District only)
 - Golf courses (except with Planned Unit Development)
 - Gun Clubs (Rural District only)
 - Home occupations
 - Impoundment dams
 - Kennels
 - Migrant and multiple farm worker housing and related facilities
 - Nursery schools
 - Riding clubs or stables
 - ✓ - Travel trailer parks, campgrounds and resorts
 - Retail and Wholesale Nurseries/Greenhouses
 - Manure Lagoons (Rural District only)
 - Water Ski Ponds
- Special Uses - Administrative
 - Adult day care
 - Temporary mobile homes for elderly or disabled parents
- (i) Agricultural Reserve and Agricultural.
Special Uses - Hearing Examiner
 - Bed and breakfast operations
 - Home occupations
 - Migrant and multiple farm worker housing and related facilities
 - Riding clubs or stables (Agricultural Reserve only)
 - Impoundment dams
 - Water ski ponds (Ag Reserve district only)
 - Retriever/field trial dog training facility
- Special Uses - Administrative
 - Animal clinics
 - Single unit farm work housing (temporary)
 - Temporary structures for seasonal sales of unprocessed produce and flower items grown on agricultural land
 - Retail Nurseries/greenhouses
 - Adult day care
- (j) Forestry Zoning District.
Special Uses - Hearing Examiner
 - Day care facilities
 - Campgrounds, hunting and fishing camps, game preserves, gun clubs
- Explosive storage for commercial purposes
- If located within a designated mineral resource overlay, extracting and processing mineral resources except as outlined in Section 14.04.120(3)(b)
- Gun club/rifle range
- Log dumps
- Commercial radio and communication towers
- Riding clubs and stables
- Travel trailer parks, resorts
- Water diversion structures, impoundment dams
- Home occupations
- (k) Public Use Zoning District
Special Uses - Hearing Examiner
 - Correctional, therapeutic or rehabilitation center
 - Solid waste disposal sites
- Special Uses - Administrative
- (l) All Zoning Districts
Special Uses - Hearing Examiner
 - Cemetery, mortuary
 - Storage of processed and unprocessed natural materials, waste materials or other similar materials generally described as follows:
 - storage of materials in quantities greater than 500 cubic yards that do not have a potential health hazard from runoff.
 - storage of materials in quantities greater than 50 cubic yards that may have a potential health hazard from runoff.
 - Exception: Materials shall not include agricultural products in an agricultural, agricultural reserve or rural zoning district; or when otherwise permitted in a specific zoning district or in conjunction with a properly issued special use permit.
 - Major utility developments
 - Power generation facilities
 - Storage of unlicensed and/or inoperable vehicles
 - Treated municipal wastes
 - Fire stations (except in Public Use Districts) ✓
- Special Uses - Administrative
 - Minor utility developments
- (m) Agriculture-NRL.
Special Uses - Hearing Examiner
 - Bed and breakfast operations
 - Home occupations
 - Migrant and multiple farm worker housing and related facilities
 - Impoundment dams
 - Retriever/field trial dog training facility
 - Farm based businesses for on-farm enterprises



- Roadside stands in excess of 300 square feet selling primarily local goods provided that at least a portion of the products sold must be produced onsite.

- If located within a designated mineral resource overlay, extracting and processing mineral resources.

Special Uses - Administration

- Animal clinics
- Single unit farm worker housing (temporary)
- (1) - Temporary structures for seasonal sales of unprocessed produce and flower items grown on agricultural land
- 5 - Retail nurseries/greenhouses
- 2 - Adult day care
- (n) Industrial Forest - NRL and Secondary Forest - NRL.

Special Uses - Hearing Examiner

- Day care facilities
- Primitive campgrounds, hunting and fishing camps, game preserves, gun clubs, (that purpose any improvements beyond minor clearing or that propose construction of any structures, provided in no event shall construction of year-round structures or other combustible improvements that could divert firefighting resources in the event of a forest fire be permitted.)
- Explosive storage for commercial purposes
- If located within a designated mineral resource overlay, extracting and processing mineral resources except as outlined in Section 14.04.122(3)(b).
- Commercial radio and communication towers
- Riding clubs and stables
- Water diversion structures, impoundment dams
- Home occupations

Special Uses - Administrative

- Primitive campgrounds that do not propose any improvements other than minor clearing.

(3) Application for Unclassified Special Use.

(a) Application shall be made on application forms provided by the Planning Agency.

(b) The burden of proof shall be on the applicant to bring forth evidence in support of the application and to provide sufficient information on which any decision has to be made on the application.

(c) The Approving Authority may refer applications to the Hearing Examiner or Planning Commission if for any reason he/she believes that the public interest would be better served by a public hearing before that body and final decision by the Board of County Commissioners.

(d) The criteria of approval or denial shall include the following elements:

(i) Conformity to the Comprehensive Plan in respect to the compatibility with existing and future land use and circulation;

(ii) The zoning of subject property and surrounding properties and the conformance of the application with the zoning ordinance;

(iii) Automobile or truck traffic and parking and its effect on surrounding community;

(iv) Noise, odors, heat, vibration, air and water pollution potential of the proposed use;

(v) Intrusion of privacy;

(vi) Design of site and structures as to possible effects on the neighborhood;

(vii) In addition to possible effects on the neighborhood in which the use is to be located, the potential effects on the region shall be considered;

(viii) Potential effects regarding the general public health, safety, and general welfare.

(e) The Approving Authority's decision may be to grant or deny an application, or the Approving Authority may require of the applicant such conditions, modifications and/or restrictions as the Approving Authority finds necessary to make the application compatible with its environment and carry out the objectives and goals of the comprehensive plan, the zoning ordinance, the subdivision ordinance, the other plans, codes and ordinances of Skagit County.

(f) The Hearing Examiner shall have authority to order that a Special Use Permit be revoked, suspended or modified, based on a finding that the conditions have not been satisfied by the applicant. The Administrative Official or any property owner may request a review by the Hearing Examiner on a Special Use Permit. The Hearing Examiner shall set a public hearing for review in the same manner as provided in Section 14.04.150(4). At the close of the public hearing, the Hearing Examiner shall enter findings of fact. The Special Use permit shall then be revoked, suspended, modified or continued by order of the Hearing Examiner, unless an appeal is filed in accordance with Section 14.04.240 (16) of the Skagit County Code and the order is modified by the Board of County Commissioners.

(4) Special Uses - Hearing Examiner.

(a) Special uses listed as Hearing Examiner Special Uses shall be heard, considered and decided by the Hearing Examiner in accordance with Section 14.04.240 of the Skagit County Code, subject to the provisions of subsection 3(c) of this section.

(b) Upon assignment of a time and place for public hearing on applications or such matters requiring a public



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**EXHIBIT C
EXISTING CONDITIONS**

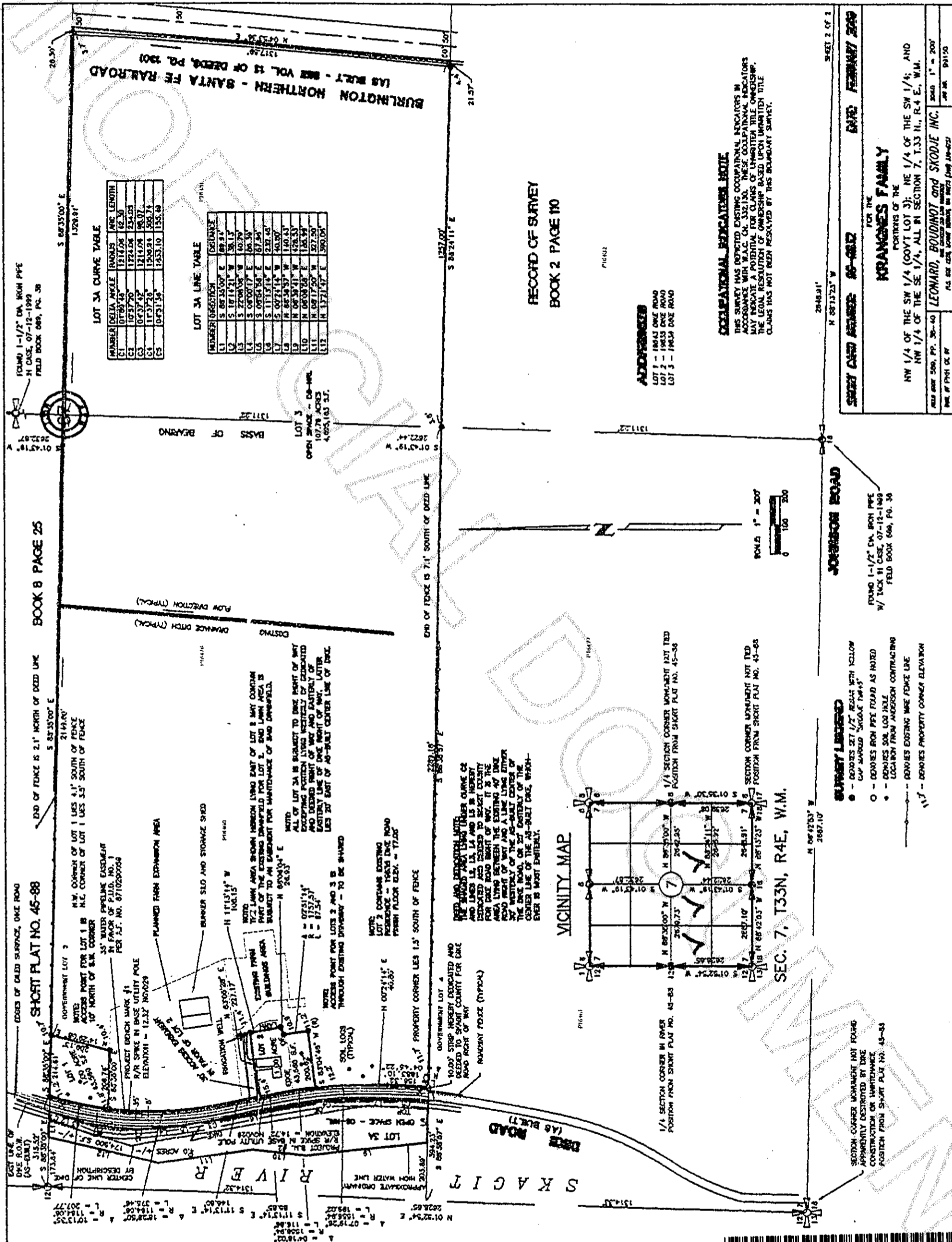
(Map with aerial photo and outline of urban and rural)



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Kathy Hill, Skagit County Auditor

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FOUND 1-1/2" DIA. IRON PIPE
IN CASE, 07-12-1999
FIELD BOOK 089, PG. 38

BOOK 8 PAGE 25

SHORT PLAT NO. 45-88

EDGES OF CALLED SURFACE, DUNE ROAD

END OF FENCE IS 2.1' NORTH OF DEED LINE
S 82°35'00" E
21.94' 00"

END OF FENCE IS 7.1' SOUTH OF DEED LINE
S 01°47'19" W
2622.44'

1/4 SECTION CORNER IN RIVER
POSITION FROM SHORT PLAT NO. 45-88
13°18' N 88°42'03" W 18' N 28°13'23" W 12'12"

SECTION CORNER MONUMENT NOT FOUND
APPARENTLY DESTROYED BY DUNE
CONSTRUCTION OR INTERFERENCE
POSITION FROM SHORT PLAT NO. 45-88

W.W. CORNER OF LOT 1 USES 4.1' SOUTH OF FENCE
N.E. CORNER OF LOT 1 USES 3.5' SOUTH OF FENCE
ACCESS POINT FOR LOT 1 IS
107' NORTH OF S.W. CORNER
IN FAVOR OF PLD. NO. 1
PER S.F. NO. 8710280966

WATER PIPELINE EASEMENT
IN FAVOR OF PLD. NO. 1
PER S.F. NO. 8710280966

100' STRIP HEREBY DEDICATED AND
DEDICATED TO SKAGIT COUNTY FOR DUNE
ROAD RIGHT OF WAY

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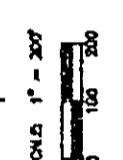
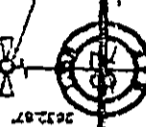
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VICINITY MAP

SEC. 7, T33N, R4E, W.M.



SURVEY CARD NUMBER 86-082 END FEBRUARY 2000

FOR THE
KRANONES FAMILY

PORTIONS OF THE
NW 1/4 OF THE SW 1/4 (COVT LOT 3); NE 1/4 OF THE SW 1/4; AND
NW 1/4 OF THE SE 1/4, ALL IN SECTION 7, T.33 N., R.4 E., W.M.

LEONARD, BOUNDARY and SKODJE INC.
PLS SEE 2000 SURVEY RECORD IN NOTES (PAGE 44-52)

SCALE 1" = 200'
DATE 05/01/00

OCCUPATIONAL REPLEASER NOTE

THIS SURVEY HAS DELETED EXISTING OCCUPATIONAL INDICATORS IN ACCORDANCE WITH M.A.C. 04.332.130. THESE OCCUPATIONAL INDICATORS MAY INDICATE A POTENTIAL FOR CLAIMS OF UNWRITTEN TITLE OWNERSHIP. THE LEGAL RESOLUTION OF OWNERSHIP BASED UPON UNWRITTEN TITLE CLAIMS HAS NOT BEEN RESOLVED BY THIS BOUNDARY SURVEY.

ADDRESSES

LOT 1 - 18043 ONE ROAD
LOT 2 - 18033 ONE ROAD
LOT 3 - 18034 ONE ROAD

RECORD OF SURVEY
BOOK 2 PAGE 110

LOT 3A CURVE TABLE

LOT 3A LINE TABLE

LOT 3A CURVE TABLE

LOT 3A LINE TABLE

OPEN SPACE - 10.77 ACRES
4,692.63 S.F.

JOHNSON ROAD

SURVEY LINES

- - DENOTES SET 1/2" BEARS WITH YELLOW CAP MARKED "SCALE 1/4" = 1"
- - DENOTES IRON PIPES FOUND AS NOTED
- - DENOTES SOIL LOG HOLE LOCATED FROM ANDERSON CONTRACTING
- DENOTES EXISTING WIRE FENCE LINE
- || - DENOTES PROPERTY CORNER ELEVATION

SECTION CORNER MONUMENT NOT FOUND
APPARENTLY DESTROYED BY DUNE
CONSTRUCTION OR INTERFERENCE
POSITION FROM SHORT PLAT NO. 45-88

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SHEET 2 OF 2

2848.01' W
N 87°13'23" W

2848.01' W
N 87°13'23" W

2848.01' W
N 87°13'23" W

2848.01' W
N 87°13'23" W

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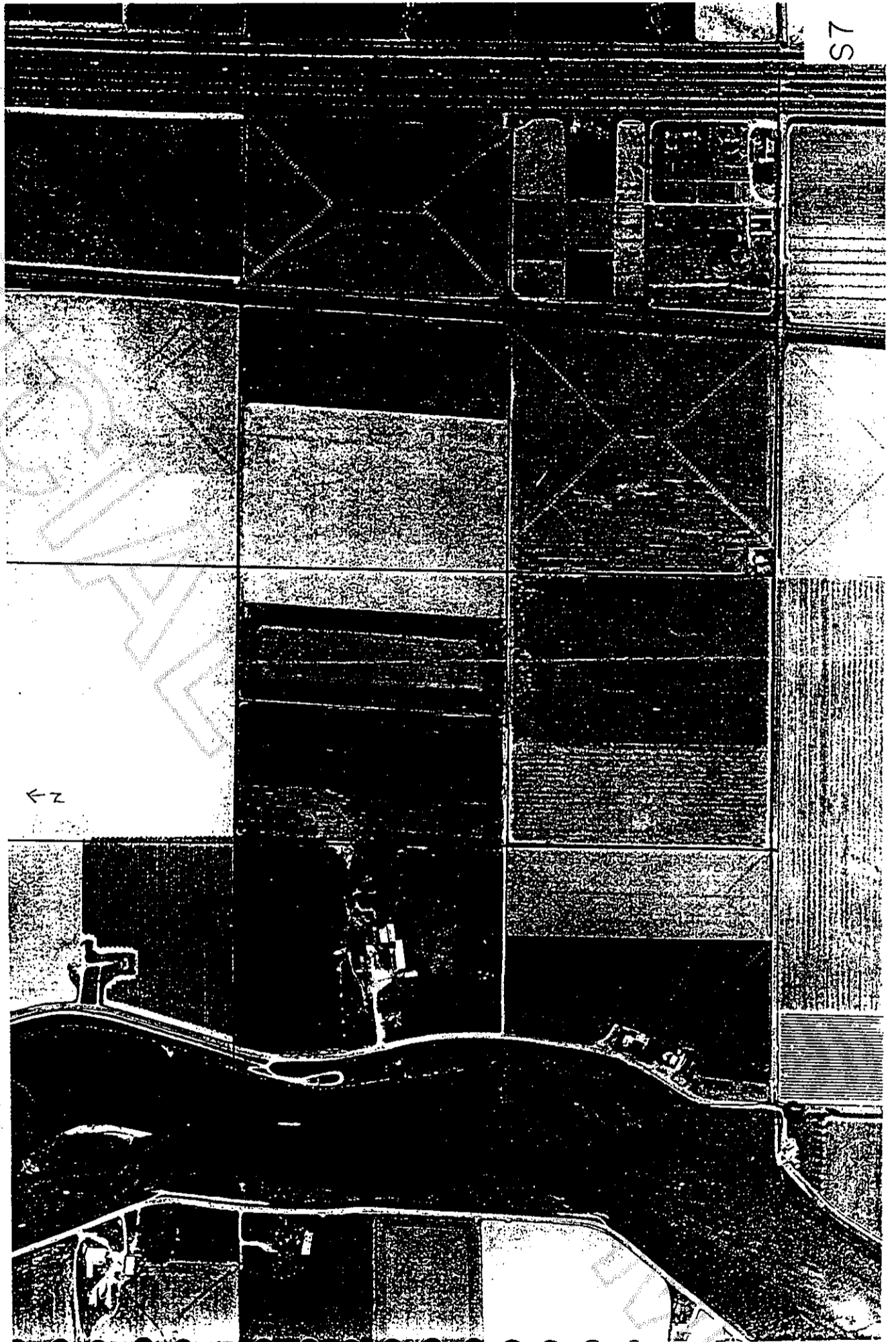
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UNOFFICIAL



004848



200005020101

UNOFFICIAL

004848

**EXHIBIT D
PERMITTED TITLE EXCEPTIONS**

UNOFFICIAL DOCUMENT



200005020101

Kathy Hill, Skagit County Auditor

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S-90549

GUARANTEE

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE LIMITS OF LIABILITY AND OTHER PROVISIONS OF THE CONDITIONS AND STIPULATIONS HERETO ANNEXED AND MADE A PART OF THIS GUARANTEE, AND SUBJECT TO THE FURTHER EXCLUSION AND LIMITATION THAT NO GUARANTEE IS GIVEN NOR LIABILITY ASSUMED WITH RESPECT TO THE IDENTITY OF ANY PARTY NAMED OR REFERRED TO IN SCHEDULE A OR WITH RESPECT TO THE VALIDITY, LEGAL EFFECT OR PRIORITY OF ANY MATTER SHOWN THEREIN,

STEWART TITLE 004848
GUARANTY COMPANY

a corporation, herein called the Company,

GUARANTEES

the Assured named in Schedule A against actual monetary loss or damage not exceeding the liability amount stated in Schedule A which the Assured shall sustain by reason of any incorrectness in the assurances set forth in Schedule A

Dated: 7/22/99 at 8:00 A.M.

STEWART TITLE
GUARANTY COMPANY

Stewart Davis Jr.
Chairman of the Board

William S. Morris
President

Countersigned by:
Robert Kan
Authorized Signatory



Land Title Company

P.O. Box 445 / 111 E. George Hopper Rd.
Burlington, WA 98233
(360) 707-2158 / 1 (800) 869-7121

Please note carefully the liability exclusions and limitations and the specific assurances afforded by this guarantee. If you wish additional liability, or assurances other than as contained herein, please contact the company for further information as to the availability and cost.

Page 1 of
Guarantee
Serial No. **G 1578- 33451**

In writing the Company please address it at P.O. Box 2029, Houston, Texas 77252, and refer to the printed Serial Number



200005020101

Kathy Hill, Skagit County Auditor

5/2/2000 Page 39 of 51 2:23:20PM

GUARANTEE CONDITIONS AND STIPULATIONS

004848

1. Definition of Terms - The following terms when used in the Guarantee mean:

- (a) "the Assured": the party or parties named as the Assured in this Guarantee, or on a supplemental writing executed by the Company.
- (b) "land": the land described or referred to in Schedule (A)(C) or in Part 2, and improvements affixed thereto which by law constitute real property. The term "land" does not include any property beyond the lines of the area described or referred to in Schedule (A)(C) or in Part 2, nor any right, title, interest, estate or easement in abutting streets, roads, avenues, alleys, lanes, ways or waterways.
- (c) "mortgage": mortgage, deed of trust, trust deed, or other security instrument.
- (d) "public records": records established under state statutes at Date of Guarantee for the purpose of imparting constructive notice of matters relating to real property to purchasers for value and without knowledge.
- (e) "date": the effective date.

2. Exclusions from Coverage of this Guarantee - The Company assumes no liability for loss or damage by reason of the following:

- (a) Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
- (b) (1) Unpatented mining claims; (2) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (3) water rights, claims or title to water: whether or not the matters excluded by (1), (2) or (3) are shown by the public records.
- (c) Assurances to title to any property beyond the lines of the land expressly described in the description set forth in Schedule (A)(C) or in part 2 of this Guarantee, or title to streets, roads, avenues, lanes, ways or waterways on which such land abuts, or the right to maintain therein vaults, tunnels, ramps or any other structure or improvement; or any rights or easements therein unless such property, rights or easements are expressly and specifically set forth in said description.
- (d) (1) Defects, liens, encumbrances or adverse claims against the title, if assurances are provided as to such title, and as limited by such assurances.
(2) Defects, liens, encumbrances, adverse claims or other matters (a) whether or not shown by the public records, and which are created, suffered, assumed or agreed to by one or more of the Assureds; (b) which result in no loss to the Assured; or (c) which do not result in the invalidity or potential invalidity of any judicial or non-judicial proceeding which is within the scope and purpose of assurances provided.

3. Notice of Claim to be Given by Assured Claimant - An Assured shall notify the Company promptly in writing in case knowledge shall come to an Assured hereunder of any claim of title or interest which is adverse to the title to the estate or interest, as stated herein, and which might cause loss or damage for which the Company may be liable by virtue of this Guarantee. If prompt notice shall not be given to the Company, then all liability of the Company shall terminate with regard to the matter or matters for which prompt notice is required; provided, however, that failure to notify the Company shall in no case prejudice the rights of any Assured under this Guarantee unless the Company shall be prejudiced by the failure and then only to the extent of the prejudice.

4. No Duty to Defend or Prosecute - The Company shall have no duty to defend or prosecute any action or proceeding to which the Assured is a party, notwithstanding the nature of any allegation in such action or proceeding.

5. Company's Option to Defend or Prosecute Actions; Duty of Assured Claimant to Cooperate. - Even though the Company has no duty to defend or prosecute as set forth in Paragraph 4 above:

- (a) The Company shall have the right, at its sole option and cost, to institute and prosecute any action or proceeding, interpose a defense, as limited in (b), or to do any other act which in its opinion may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured, or to prevent or reduce loss or damage to the Assured. The Company

the name of the Assured any claim which could result in loss to the Assured within the coverage of this Guarantee, or to pay the full amount of this Guarantee or, if this Guarantee is issued for the benefit of a holder of a mortgage or a lienholder, the Company shall have the option to purchase the indebtedness secured by said mortgage or said lien for the amount owing thereon, together with any costs, reasonable attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of purchase.

Such purchase, payment or tender of payment of the full amount of the Guarantee shall terminate all liability of the Company hereunder. In the event after notice of claim has been given to the Company by the Assured the Company offers to purchase said indebtedness, the owner of such indebtedness shall transfer and assign said indebtedness, together with any collateral security, to the Company upon payment of the purchase price.

Upon the exercise by the Company of the option provided for in Paragraph (a) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 5, and the Guarantee shall be surrendered to the Company for cancellation.

(b) To Pay or Otherwise Settle With Parties Other Than the Assured or With the Assured Claimant.

To pay or otherwise settle with other parties for or in the name of an Assured claimant any claim assured against under this Guarantee, together with any costs, attorneys' fees and expenses incurred by the Assured claimant which were authorized by the Company up to the time of payment and which the Company is obligated to pay.

Upon the exercise by the Company of the option provided for in Paragraph (b) the Company's obligation to the Assured under this Guarantee for the claimed loss or damage, other than to make the payment required in that paragraph, shall terminate, including any obligation to continue the defense or prosecution of any litigation for which the Company has exercised its options under Paragraph 5.

8. Determination and Extent of Liability - This Guarantee is a contract of indemnity against actual monetary loss or damage sustained or incurred by the Assured claimant who has suffered loss or damage by reason of reliance upon the assurances set forth in this Guarantee and only to the extent herein described, and subject to the exclusions stated in Paragraph 2.

The liability of the Company under this Guarantee to the Assured shall not exceed the least of:

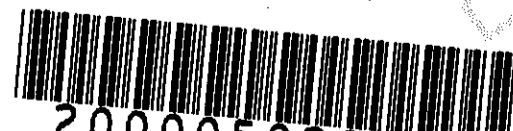
- (a) the amount of liability stated in Schedule A;
- (b) the amount of the unpaid principal indebtedness secured by the mortgage of an Assured mortgagee, as limited or provided under Section 7 of these Conditions and Stipulations or as reduced under Section 10 of these Conditions and Stipulations, at the time the loss or damage assured against by this Guarantee occurs, together with interest thereon; or
- (c) the difference between the value of the estate or interest covered hereby as stated herein and the value of the estate or interest subject to any defect, lien or encumbrance assured against by this Guarantee.

9. Limitation of Liability

(a) If the Company establishes the title, or removes the alleged defect, lien or encumbrance, or cures any other matter assured against by this Guarantee in a reasonably diligent manner by any method, including litigation and the completion of any appeals therefrom, it shall have fully performed its obligations with respect to that matter and shall not be liable for any loss or damage caused thereby.

(b) In the event of any litigation by the Company or with the Company's consent, the Company shall have no liability for loss or damage until there has been a final determination by a court of competent jurisdiction, and disposition of all appeals therefrom, adverse to the title, as stated herein.

(c) The Company shall not be liable for loss or damage to any Assured for liability voluntarily assumed by the Assured in setting any claim or suit without the prior written consent of the Company.



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Kathy Hill, Skagit County Auditor

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SUBDIVISION GUARANTEE

SCHEDULE A

004848

Liability: \$ 10,000.00

Policy No.: G 1578-33451

Dated: July 16, 1999 at 8:00 A.M.

Order No.: S-90549

Fee: \$250.00

Name of Assured:

SKAGIT COUNTY, a Washington municipal corporation

The assurances referred to on the face page are:

That, according to those public records which, under the recording laws, impart constructive notice of matters relative to the following described real property:

(See Schedule "A-1", attached.)

Title to said real property is vested in:

JOHN V. KRANGNES, as his separate property, as to an undivided 6/10th interest and in JOHN V. KRANGNES, as Trustee under the Will of Sigvard Krangnes, deceased, for Karl H. Krangnes, John L. Krangnes, Mark K. Krangnes and Eric D. Krangnes, as to an undivided 1/10th interest each, each as their separate property.

subject to the matters shown below under Exceptions, which Exceptions are not necessarily shown in the order of their priority.

EXCEPTIONS:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Unpatented mining claims; reservations or exceptions in the United States Patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
3. Title to any property beyond the lines of the real property expressly described herein, or title to streets, roads, avenues, lanes, ways or waterways on which such real property abuts, or the right to maintain therein vaults, tunnels, ramps, or any other structure or improvement; or any rights or easements therein unless such property, rights or easements are expressly and specifically set forth in said description.



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Kathy Hill, Skagit County Auditor

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- Continued -

SUBDIVISION GUARANTEE

Schedule A

004848

Order No.: S-90549

EXCEPTIONS CONTINUED:

4. The lands described herein have been classified as farm and agricultural as disclosed by notice recorded June 9, 1972 and April 23, 1979, under Auditor's File Nos. 769398 and 7904230002, respectively, and are subject to the provisions of RCW 84.34 which include the requirement of a continuation of restricted use in order to continue the present assessment rate. A change in use can cause an increased assessment rate for present and past years. Any sale or transfer of all or a portion of said property requires execution of a notice of compliance form attached to the excise tax affidavit.

The Auditor's File No. 769398 above is a re-recording of instrument recorded under Auditor's File No. 763280.

5. MORTGAGE AND THE TERMS AND CONDITIONS THEREOF:

Mortgagor:

John V. Krangnes, with vesting as: John V. Krangnes, as his separate property, as to an undivided 6/10th interest and in John V. Krangnes, as Trustee under the Will of Sigvard Krangnes, deceased, for Karl H. Krangnes, John L. Krangnes, Mark K. Krangnes and Eric D. Krangnes, as to an undivided 1/10th interest each, each as their separate property

Mortgagee:

West One Bank, Washington

Amount:

\$210,000.00

Dated:

March 21, 1996

Recorded:

March 28, 1996

Auditor's No.:

9603280080

(Affects Parcel "A")

6. For easements, restrictions, and other exceptions, see Schedule "B-1", attached.

NOTE #1: EFFECTIVE JANUARY 1, 1997, AND PURSUANT TO AMENDMENT OF WASHINGTON STATE STATUTES RELATING TO STANDARDIZATION OF RECORDED DOCUMENTS, THE FOLLOWING FORMAT AND CONTENT REQUIREMENTS MUST BE MET. FAILURE TO COMPLY MAY RESULT IN REJECTION OF THE DOCUMENTS BY THE RECORDER.

Margins to be 3" on top of first page and 1" on sides and bottom, 1" on top, sides and bottom of each succeeding page. Font size of 8 points or larger, paper size of no more than 8 1/2" by 14". No attachments on pages such as stapled or taped notary seals, pressure seals must be smudged.

- Continued -

Subdivision Guarantee



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Kathy Hill, Skagit County Auditor

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SUBDIVISION GUARANTEE

Schedule A

004848

Order No.: S-90549

EXCEPTIONS CONTINUED:

4. The lands described herein have been classified as farm and agricultural as disclosed by notice recorded June 9, 1972 and April 23, 1979, under Auditor's File Nos. 769398 and 7904230002, respectively, and are subject to the provisions of RCW 84.34 which include the requirement of a continuation of restricted use in order to continue the present assessment rate. A change in use can cause an increased assessment rate for present and past years. Any sale or transfer of all or a portion of said property requires execution of a notice of compliance form attached to the excise tax affidavit.

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Mortgagee:

West One Bank, Washington

Amount:

\$210,000.00

Dated:

March 21, 1996

Recorded:

March 28, 1996

Auditor's No.:

9603280080

(Affects Parcel "A")

6. For easements, restrictions, and other exceptions, see Schedule "B-1", attached.

NOTE #1: EFFECTIVE JANUARY 1, 1997, AND PURSUANT TO AMENDMENT OF WASHINGTON STATE STATUTES RELATING TO STANDARDIZATION OF RECORDED DOCUMENTS, THE FOLLOWING FORMAT AND CONTENT REQUIREMENTS MUST BE MET. FAILURE TO COMPLY MAY RESULT IN REJECTION OF THE DOCUMENTS BY THE RECORDER.

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- Continued -



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SUBDIVISION GUARANTEE

004848

Schedule A

EXCEPTIONS CONTINUED:

Order No.: S-90549

NOTE #1 Continued:

INFORMATION WHICH MUST APPEAR ON THE FIRST PAGE

- a.) Title or titles of documents. If assignment or reconveyance, reference to auditor's file number of subject deed of trust must be included.
- b.) Names of grantor(s) and grantee(s) with reference to additional names on following pages, if any.
- c.) Abbreviated legal description (lot, block, volume/page of plat or section/township/range and quarter section or government lot for unplatted).
- d.) Assessor's tax parcel number(s).
- e.) Return address which may appear in the upper left hand 3" top margin.

Pursuant to item c.) above, the abbreviated legal description for the subject property is as follows:

Gov. Lot 3, NE $\frac{1}{4}$ of SW $\frac{1}{4}$ & ptn of N $\frac{1}{2}$ of SE $\frac{1}{4}$, 7-33-4 E W.M.



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Schedule "A-1"

S-90549

DESCRIPTION:

004848

PARCEL "A":

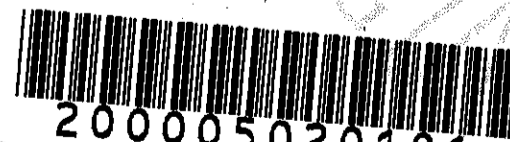
Government Lot 3 and the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 7, Township 33 North, Range 4 East, W.M., EXCEPT road and dike right of way.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$, Section 7, Township 33 North, Range 4 East, W.M., lying Westerly of the Great Northern Railroad right of way.

Situate in the County of Skagit, State of Washington.



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Schedule "B-1"

S-90549

EXCEPTIONS:

004848

A. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee: Public Utility District No. 1 of Skagit
County, Washington
Purpose: Water pipe line, together with right of
ingress and egress
Dated: October 12, 1987
Recorded: October 29, 1987
Auditor's No.: 8710290059

B. Any change in the boundary or legal description of the real property, or title to the estate insured, that may arise due to the shifting and changing in the course of the Skagit River.



500
EASEMENT

RECORDED
REQUEST OF

19

004848

KNOW ALL MEN BY THESE PRESENTS: That, in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, receipt of which is hereby acknowledged, JOHN V. KRANGNESS and DARLENE G. KRANGNESS, husband and wife, grant, and convey to PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, a Municipal Corporation, its successors or assigns, the right to lay, maintain, operate, relay and remove at any time a pipe or pipes, line or lines for the transportation of water, and if necessary to erect, maintain, operate and remove said lines, with right of ingress and egress to and from the same, on, over and through a tract of land described as follows:

A strip of land 35 feet in width lying east of and contiguous to the existing as built centerline of Dike Road less the existing County road right-of-way, crossing the following described property:

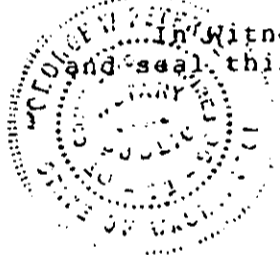
Government Lot 3, Section 7, Township 33 North, Range 4 East, WM.

Situate in the County of Skagit, State of Washington.

The Grantee herein, and their successors and assigns shall have the right to do whatever may be requisite for the enjoyment of the rights herein granted, including the right of clearing said right-of-way for purpose of ingress and egress to and from said property, for the purpose of laying, maintaining, repairing, renewing, changing the size of, and restoring of said pipeline or the removal of the same when desired by the Grantee, their successors or assigns.

The Grantee is to be responsible, as provided by law, for any loss or damage resulting to the Grantor through its negligence, or intentional acts, in the construction, maintenance and operation of said pipelines over and across the property of said Grantor.

In Witness Whereof the Grantors hereunto set their hand and seal this 12th day of October, 1987.



John V. Krangness
Darlene G. Krangness

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

OCT 29 1987
Amount Paid \$ Stamp
Each By/On, On/To
By W Deputy

STATE OF WASHINGTON)
COUNTY OF SKAGIT)

On this 12th day of October, 1987, personally appeared before me

John V. Krangness & Darlene G. Krangness, husband and wife

and acknowledged the within and foregoing instrument to be their free and voluntary act and deed, for the uses and purposes therein mentioned.

In Witness Whereof, I have hereunto set my hand and affixed by official seal the day and year herein above written.

John W. Johnson
Notary Public in and for the
State of Washington, residing
at W. Jensen, Washington

OCT 16 12:13
RECORDED
REQUEST OF P.U.D.#

Public Utility Dist #1 Skagit CO VOL 728 PAGE 361



RECORDATION REQUESTED BY:

West One Bank, Washington
121 West Holly Street
P.O. Box 2623
Bellingham, WA 98227

WHEN RECORDED MAIL TO:

West One Bank, Washington
121 West Holly Street
P.O. Box 2623
Bellingham, WA 98227

SEND TAX NOTICES TO:

JOHN V. KRANGNES
1963 DIKE ROAD
MOUNT VERNON, WA 98273

103
12-

96 MAR 28 P1:03

004848

3603280080

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

WEST ONE BANK

MORTGAGE

THIS MORTGAGE IS DATED MARCH 21, 1996, between JOHN V. KRANGNES, WITH VESTING AS: JOHN V. KRANGNES, as his separate property, as to an undivided 6/10th interest and in JOHN V. KRANGNES, as Trustee under the Will of Sigvard Krangnes, deceased, for Karl H. Krangnes, John L. Krangnes, Mark K. Krangnes and Eric D. Krangnes, as to an undivided 1/10th interest each, each as their separate property, whose mailing address is 1963 DIKE ROAD, MOUNT VERNON, WA 98273 (referred to below as "Grantor"); and West One Bank, Washington, whose address is 121 West Holly Street, P.O. Box 2623, Bellingham, WA 98227 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or attached buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in SKAGIT County, State of Washington (the "Real Property"):

GOVERNMENT LOT 3 AND THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 7, TOWNSHIP 33 NORTH, RANGE 4 EAST, W.M., EXCEPT ROAD AND DIKE RIGHTS-OF-WAY, SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON

The Real Property or its address is commonly known as 1963 DIKE ROAD, MOUNT VERNON, WA 98273. The Real Property tax identification number is 330407-3-001-0003; 330407-0-003-0007.

Grantor hereby assigns as security to Lender, all of Grantor's right, title, and interest in and to all leases, rents, and profits of the Property. This assignment is recorded in accordance with RCW 65.08.070; the lien created by this assignment is intended to be specific, perfected and chose upon the recording of this Mortgage. Lender grants to Grantor a license to collect the Rents and profits, which license may be revoked at Lender's option and shall be automatically revoked upon acceleration of all or part of the indebtedness.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Borrower. The word "Borrower" means each and every person or entity signing the Note, including without limitation JOHN KRANGNES and WESTHEIM FARMS.

Grantor. The word "Grantor" means any and all persons and entities executing this Mortgage, including without limitation all Grantors named above. The Grantor is the mortgagee under this Mortgage. Any Grantor who signs this Mortgage, but does not sign the Note, is signing this Mortgage only to grant and convey that Grantor's interest in the Real Property and to grant a security interest in Grantor's interest in the Rents and Personal Property to Lender and is not personally liable under the Note except as otherwise provided by contract or law.

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, ledges, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amounts expended or advanced by



GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all subsequently erected or affixed buildings, improvements and fixtures, all easements, rights of way, and appurtenances, all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (to called in SKAGIT County, State of Washington (the "Real Property")):

GOVERNMENT LOT 3 AND THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 7, TOWNSHIP 33 NORTH, RANGE 4 EAST, W.M., EXCEPT ROAD AND DIKE RIGHTS-OF-WAY, SITUATE IN THE COUNTY OF SKAGIT, STATE OF WASHINGTON

The Real Property or its address is commonly known as 1963 DIKE ROAD, MOUNT VERNON, WA 98273. The Real Property tax identification number is 330407-3-001-0001; 330407-0-003-0007.

Grantor hereby assigns as security to Lender, all of Grantor's right, title, and interest in and to all leases, rents, and profits of the Property. This assignment is recorded in accordance with RCW 65.08.070; the lien created by this assignment is intended to be specific, perfected and choate upon the recording of this Mortgage. Lender grants to Grantor a license to collect the Rents and profits, which license may be revoked at Lender's option and shall be automatically revoked upon acceleration of all or part of the indebtedness.

DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Borrower. The word "Borrower" means each and every person or entity signing the Note, including without limitation JOHN KRANGNES and WESTHEIM FARMS.

Grantor. The word "Grantor" means any and all persons and entities executing this Mortgage, including without limitation all Grantors named above. The Grantor is the mortgagor under this Mortgage. Any Grantor who signs this Mortgage, but does not sign the Note, is signing this Mortgage only to grant and convey that Grantor's interest in the Real Property and to grant a security interest in Grantor's interest in the Rents and Personal Property to Lender and is not personally liable under the Note except as otherwise provided by contract or law.

Guarantor. The word "Guarantor" means and includes without limitation each and all of the guarantors, survivors, and accommodation parties in connection with the indebtedness.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amount expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means West One Bank, Washington, its successors and assigns. The Lender is the mortgagor under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

Note. The word "Note" means the promissory note or credit agreement dated March 21, 1996, in the original principal amount of \$210,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accessories, parts, and additions to, all replacements of, and all substitutions for, any of such property, and together with all issues and profits thereon and proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

GRANTOR'S WAIVERS. Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing any action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power and right to enter into this Mortgage and to hypothecate the Property; (c) Grantor has established

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Kathy Hill, Skagit County Auditor

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provision of this Guarantee. If the Company shall exercise its rights under this paragraph, it shall do so diligently.

(b) If the Company elects to exercise its options as stated in Paragraph 5(a) the Company shall have the right to select counsel of its choice (subject to the right of such Assured to object for reasonable cause) to represent the Assured and shall not be liable for and will not pay the fees of any other counsel, nor will the Company pay any fees, costs or expenses incurred by an Assured in the defense of those causes of action which allege matters not covered by this Guarantee.

(c) Whenever the Company shall have brought an action or interposed a defense as permitted by the provisions of this Guarantee, the Company may pursue any litigation to final determination by a court of competent jurisdiction and expressly reserves the right, in its sole discretion, to appeal from an adverse judgement or order.

(d) In all cases where this Guarantee permits the Company to prosecute or provide for the defense of any action or proceeding, an Assured shall secure to the Company the right to so prosecute or provide for the defense of any action or proceeding, and all appeals therein, and permit the Company to use, at its option, the name of such Assured for this purpose. Whenever requested by the Company, an Assured, at the Company's expense, shall give the Company all reasonable aid in any action or proceeding, securing evidence, obtaining witnesses, prosecuting or defending the action or lawful act which in the opinion of the Company may be necessary or desirable to establish the title to the estate or interest as stated herein, or to establish the lien rights of the Assured. If the Company is prejudiced by the failure of the Assured to furnish the required cooperation, the Company's obligations to the Assured under the Guarantee shall terminate.

6. Proof of Loss or Damage - In addition to and after the notices required under Section 3 of these Conditions and Stipulations have been provided to the Company, a proof of loss or damage signed and sworn to by the Assured shall be furnished to the Company within ninety (90) days after the Assured shall ascertain the facts giving rise to the loss or damage. The proof of loss or damage shall describe the matters covered by this Guarantee which constitute the basis of loss or damage and shall state, to the extent possible, the basis of calculating the amount of the loss or damage. If the Company is prejudiced by the failure of the Assured to provide the required proof of loss or damage, the Company's obligation to such Assured under the Guarantee shall terminate. In addition, the Assured may reasonably be required to submit to examination under oath by any authorized representative of the Company and shall produce for examination, inspection and copying, at such reasonable times and places as may be designated by any authorized representative of the Company, all records, books, ledgers, checks, correspondence and memoranda, whether bearing a date before or after Date of Guarantee, which reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Assured shall grant its permission, in writing, for any authorized representative of the Company to examine, inspect and copy all records, books, ledgers, checks, correspondence and memoranda in the custody or control of a third party, which reasonably pertain to the loss or damage. All information designated as confidential by the Assured provided to the Company pursuant to this Section shall not be disclosed to others unless, in the reasonable judgement of the Company, it is necessary in the administration of the claim. Failure of the Assured to submit for examination under oath, produce other reasonably requested information or grant permission to secure reasonably necessary information from third parties as required in the above paragraph, unless prohibited by law or governmental regulation, shall terminate any liability of the Company under this Guarantee to the Assured for that claim.

7. Options to Pay or Otherwise Settle Claims: Termination of Liability - In case of a claim under this Guarantee, the Company shall have the following additional options:

(a) To Pay or Tender Payment of the Amount of Liability or to Purchase the Indebtedness.

The Company shall have the option to pay or settle or compromise for or in

Guarantee, except payments made for costs, attorneys' fees and expense pursuant to Paragraph 5 shall reduce the amount of liability pro tanto.

11. Payment of Loss

(a) No payment shall be made without producing this Guarantee for endorsement of the payment unless the Guarantee has been lost or destroyed, in which case proof of loss or destruction shall be furnished to the satisfaction of the Company.

(b) When liability and the extent of loss or damage has been definitely fixed in accordance with these Conditions and Stipulations, the loss or damage shall be payable within thirty (30) days thereafter.

12. Subrogation Upon Payment or Settlement - Whenever the Company shall have settled and paid a claim under this Guarantee, all right of subrogation shall vest in the Company unaffected by any act of the Assured claimant.

The Company shall be subrogated to and be entitled to all rights and remedies which the Assured would have had against any person or property in respect to the claim had this Guarantee not been issued. If requested by the Company, the Assured shall transfer to the Company all rights and remedies against any person or property necessary in order to perfect this right of subrogation. The Assured shall permit the Company to sue, compromise or settle in the name of the Assured and to use the name of the Assured in any transaction or litigation involving these rights or remedies.

If a payment on account of a claim does not fully cover the loss of the Assured the Company shall be subrogated to all rights and remedies of the Assured after the Assured shall have recovered its principal, interest, and costs of collection.

13. Arbitration - Unless prohibited by applicable law, either the Company or the Assured may demand arbitration pursuant to the Title Insurance Arbitration Rules of the American Arbitration Association. Arbitrable matters may include, but are not limited to, any controversy or claim between the Company and the Assured arising out of or relating to this Guarantee, any service of the Company in connection with its issuance or the breach of a Guarantee provision or other obligation. All arbitrable matters when the Amount of Liability is \$1,000,000 or less shall be arbitrated at the option of either the Company or the Assured. All arbitrable matters when the amount of liability is in excess of \$1,000,000 shall be arbitrated only when agreed to by both the Company and the Assured. The Rules in effect at Date of Guarantee shall be binding upon the parties. The award may include attorneys' fees only if the laws of the state in which the land is located permits a court to award attorneys' fees to a prevailing party. Judgement upon the award rendered by the Arbitrator(s) may be entered in any court having jurisdiction thereof.

The law of the situs of the land shall apply to an arbitration under the Title A copy of the Rules may be obtained from the Company upon request.

14. Liability Limited to This Guarantee; Guarantee Entire Contract

(a) This Guarantee together with all endorsements, if any, attached hereto by the Company is the entire Guarantee and contract between the Assured and the Company. In interpreting any provision of this Guarantee, this Guarantee shall be construed as a whole.

(b) Any claim of loss or damage, whether or not based on negligence, or any action asserting such claim, shall be restricted to this Guarantee.

(c) No amendment of or endorsement to this Guarantee can be made except by a writing endorsed hereon or attached hereto signed by either the President, a Vice President, the Secretary, an Assistant Secretary, or validating officer or authorized signatory of the Company.

15. Notices, Where Sent - All notices required to be given the Company and any statement in writing required to be furnished the Company shall include the number of this Guarantee and shall be addressed to the Company at P.O. Box 2029 Houston, Texas 77252-2029.



