

When Recorded Return to:

**Sterling Investment Group LLC**  
15356 Produce Lane  
Mount Vernon, WA 98273



200304010013  
Skagit County Auditor

4/1/2003 Page 1 of 5 9:12AM

**NOTICE OF CONTINUANCE**  
LAND CLASSIFIED AS CURRENT USE OR FOREST LAND  
Chapter 84.34 And 84.33 Revised Code of Washington

Grantor(s) Staffanson Farms, Inc.

Grantee(s) Sterling Investment Group, LLC.

Legal Description That portion of the Southeast 1/4 of Section 5  
Township 33 North, Range 3 East, W.M. described on the  
attachment hereto.

Assessor's Property Tax Parcel or Account Number P15464, P15470, P15469, P15473  
Reference Numbers of Documents Assigned or Released \_\_\_\_\_

If the new owner(s) of land that is classified or designated as current use or forest land wish(es) to continue the classification or designation of this land, the new owner(s) must sign below. All new owners must sign. If the new owner(s) do(es) not desire to continue the classification or designation, all additional or compensating tax calculated pursuant to RCW 84.34.108 or RCW 84.33.120, 140 shall be due and payable by the seller or transferor at the time of sale. To determine if the land qualifies to continue classification or designation, the county assessor may be consulted.

Name of New Owner(s) Sterling Investment Group, LLC

Address 15356 Produce Lane  
Mount Vernon, WA 98273

Phone No. (360) 428-2717

Excise Tax No. \_\_\_\_\_

File No. \_\_\_\_\_

Taxing District \_\_\_\_\_

Date of Sale or Transfer  / /

Date of Notice  / /

Interest in Property:  Fee Owner  Contract Purchaser  Other

To inquire about the availability of this notice in an alternate format for the visually impaired or in a language other than English, please call (360) 753-3217. Teletype (TTY) users may call (800) 451-7985

**A. CLASSIFICATION UNDER CHAPTER 84.34 RCW.** I/we request that this land retains the current use classification as  Open Space Land,  Farm and Agricultural Land,  Timberland, and I am/we are aware of the following use classification of the land:

**1. OPEN SPACE LAND MEANS EITHER:**

- a) any land area so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly; or
- b) any land area, the preservation of which in its present use would: (i) conserve and enhance natural or scenic resources; (ii) protect streams or water supply; (iii) promote conservation of soils, wetlands, beaches, or tidal marshes; (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space; (v) enhance recreation opportunities; (vi) preserve historic sites; (vii) preserve visual quality along highway, road, and street corridors or scenic vistas; or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification; or
- c) any land that meets the definition of farm and agricultural conservation land. "Farm and agricultural conservation land is either: (i) land that was previously classified as open space farm and agricultural land that no longer meets the criteria of farm and agricultural land, and that is reclassified as open space and under RCW 84.34.020(1); or (ii) land that is traditional farmland that is not classified under chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a use inconsistent with agricultural uses, and that has a high potential for returning to commercial agriculture.

**2. FARM AND AGRICULTURAL LAND MEANS EITHER:**

- a) any land in contiguous ownership of twenty or more acres devoted: (i) primarily to the production of livestock or agricultural commodities, for commercial purposes; or (ii) enrolled in the federal conservation reserve program or its successor administered by the United States department of agriculture; or (iii) other similar commercial activities as may be established by rule; or
- b) any parcel of land at least five acres but less than twenty acres devoted primarily to agricultural uses and produces a gross income equal to two hundred dollars or more per acre per year for three out of the five calendar years preceding the date of application for classification under chapter 84.34 RCW; or
- d) any parcel of land that is less than five acres devoted primarily to agricultural uses and produces a gross income equal to fifteen hundred dollars or more per year for three out of the five calendar years preceding the date of application for classification under chapter 84.34 RCW; or
- d) any land on which the principal place of residence of the farm operator or owner of land or housing for employees is sited if the classified farm and agricultural land is classified pursuant to subsection (a) of this section, if the residence or housing is on or contiguous to the classified parcel, and the use of the residence or housing is integral to the use of the classified land for agricultural purposes.

Agricultural land also includes (i) land on which appurtenances necessary for the production, preparation, or sale of commercial agricultural products are situated when the appurtenances are used in conjunction with the land(s) producing agricultural products, (ii) land incidentally used for an activity or enterprise that is compatible with commercial agricultural purposes as long as the incidental use does not exceed twenty percent of the classified land, and (iii) any noncontiguous parcel of land from one to five acres in size that constitutes an integral part of the commercial agricultural operations of a classified parcel of farm and agricultural land.



3. **TIMBER LAND MEANS** any land in contiguous ownership of five or more acres devoted primarily to the growing and harvesting of forest crops for commercial purposes and not classified as reforestation land pursuant to Chapter 84.28 RCW. Timber land means the land only.

I/we declare that I am/we are aware of the liability of withdrawal or removal of this land from classification to the following extent:

1. If the owner has filed the proper notice of request to withdraw the classified land and the land has been classified for a minimum of ten years he/she shall pay an amount equal to the difference between the tax computed on the basis of "current use" and the tax computed on the basis of true and fair value plus interest at the same statutory rate charged on delinquent property taxes. The additional tax and interest shall be paid for the preceding seven years.
2. If land is removed from classification because of a change to a non-conforming use, land is removed prior to the minimum ten year period, or land is removed because the owner(s) failed to comply with the two year notice of withdrawal he/she shall be liable to pay the additional tax and interest described in 1 above plus a penalty of twenty percent of the additional tax and interest. The additional tax, interest, and penalty shall be paid for the preceding seven years.
3. The additional tax, interest, and/or penalty shall not be imposed if the withdrawal or removal from classification resulted solely from:
  - a) transfer to a government entity in exchange for other land located within the state of Washington;
  - b) a taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power, said entity having manifested its intent in writing or by other official action;
  - c) a natural disaster such as a flood, windstorm, earthquake, or other calamity rather than by virtue of the act of the landowner changing the use of the classified land;
  - d) official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present classified use of the land;
  - e) transfer of land to a church when the land would qualify for exemption pursuant to RCW 84.36.020;
  - f) acquisition of property interests by a state or federal agency, county, city, town, metropolitan park district; metropolitan municipal corporation, nonprofit historic preservation corporation as defined in RCW 64.04.130, or nonprofit nature conservancy corporation or association as defined in RCW 84.34.250;
  - g) removal of classified farm and agricultural land on which the principal residence of the farm operator or owner or housing for employees;
  - h) removal of land from classification after enactment of a statutory exemption that qualifies the land for exemption and receipt of notice from the owner to remove the land from classification;
  - i) the creation, sale, or transfer of forestry riparian easements under RCW 76.13.120; or
  - j) the creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040.

**B CLASSIFICATION UNDER CHAPTER 84.33 RCW.** I/we request that this land retain its  classification or  designation as forest land and I am/we are aware of the following definition of forest land:

**FOREST LAND** means and is synonymous with timber land and means all land in contiguous ownership of at least twenty acres that is primarily devoted to and used for growing and harvesting timber. Forest land means the land only.

- a) **CLASSIFIED FOREST LAND** is land whose highest and best use is the growing and harvesting of timber.
- b) **DESIGNATED FOREST LAND** is land that is primarily devoted to and used for growing and harvesting timber but whose value for other purposes may be greater than its value for use as forest land.

REV 64 0047-3 (1/03/00)



200304010013

Skagit County Auditor

I/we declare that I am/we are aware of the liability of removal of this land from classification or designation and upon removal a compensating tax shall be imposed that shall be equal to the difference between the amount of tax last levied on the land as forest land and an amount equal to the new assessed valuation of the land multiplied by the mileage rate of the last levy extended against the land, multiplied by a number, not greater than ten, equal to the number of years the land was classified or designated as forest land.

The compensating tax shall not be imposed if the removal of classification or designation resulted solely from:

- a) transfer to a government entity in exchange for other forest land located within the state of Washington;
- b) a taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power;
- c) a donation of fee title, development rights, or the right to harvest timber, to a government agency or organization qualified under RCW 84.34.210 and 64.04.130 for the purposes enumerated in those sections or the sale or transfer of fee title to a governmental entity or a nonprofit nature conservancy corporation, as defined in RCW 64.04.130, exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage council and natural heritage plan as defined in Chapter 79.70 RCW;
- d) the sale or transfer of fee title to the parks and recreation commission for park and recreation purposes;
- e) official action by an agency of the State of Washington or by the county or city within which the land is located that disallows the present use of such land;
- f) the creation, sale, or transfer of forestry riparian easements under RCW 76.13.120; or
- g) the creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040.

Agreement to tax according to use shall not be considered to be a contract and can be abrogated at any time by the legislature in which event no additional tax or penalty shall be imposed. (RCW 84.34.070).

Sterling Investment Group, LLC, BY: \_\_\_\_\_ / /  
Property Owner \_\_\_\_\_ Date 3/29/03

15356 Produce Lane  
Address Mount Vernon, WA 98273

Craig Hoffman \_\_\_\_\_ 308103  
Property Owner \_\_\_\_\_ Date

Address \_\_\_\_\_

Property Owner \_\_\_\_\_ / /  
Date

Address \_\_\_\_\_

Property Owner \_\_\_\_\_ / /  
Date

Address \_\_\_\_\_

REV 64 0047-4 (1/03/00)



Skagit County Auditor

Name: Sterling Investment Group LLC

Address: 15356 Produce Lane

City and State: Mount Vernon, WA 98273

Tax Account Number: 330305-4-009-0006 (P15464); 330305-4-013-0000 (P15470);  
330305-4-012-0001 (P15469); 330305-4-016-0007 (P15473).  
Escrow #: JM-1079

## QUIT CLAIM DEED

THE GRANTOR Staffanson Farms, Inc., a Washington Corporation,

for and in consideration of none, this is a transfer to a limited liability company whose members are identical with and hold the same percentage of ownership as the shareholders of the granting corporation, (this transfer being a mere change of form of ownership),

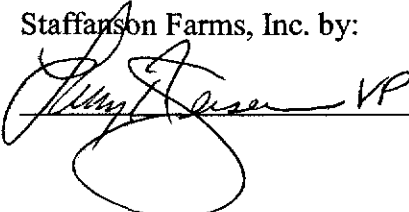
conveys and quit claims to Sterling Investment Group, LLC, a Washington Limited Liability Company,

the following described real estate, situated in the County of Skagit State of Washington together with all after acquired title of the grantor(s) therein:

That portion of the Southeast 1/4 of Section 5, Township 33 North, Range 3 East, W.M., lying Southerly and Southwesterly of the County road which follows the base of a highland (Dodge Valley Road), EXCEPT drainage ditch right-of-way, if any, and EXCEPT road along the West line of said subdivision, ALSO EXCEPT that certain right-of-way conveyed to Skagit County for road purposes by deed recorded november 8, 1994 as Auditor's File Number 9411080074.

Dated this 28 day of <sup>Month</sup> ~~February~~, 2003.

Staffanson Farms, Inc. by:

 VP

 Pres



200304010013  
Skagit County Auditor