

**FILED FOR RECORD AT
THE REQUEST OF:**

GARY T. JONES
P.O. Box 1245
Mount Vernon, WA 98273



200307250226

Skagit County Auditor

7/25/2003 Page

1 of 24 4:04PM

108354PE
LAND TITLE COMPANY OF SKAGIT COUNTY

SPECIAL WARRANTY DEED

The Grantor, SKAGITONIANS TO PRESERVE FARMLAND, a Washington non profit corporation, for and in consideration of Ten (\$10.00) dollars and other valuable consideration, including the furtherance of agricultural research in Northwest Washington State and other public purposes in addition to monetary consideration in hand paid, grant, bargain, convey and confirm to Grantee, WASHINGTON STATE UNIVERSITY, the following described real estate situated in the County of Skagit, State of Washington:

Abbreviated Form:

The North ½ of the Southwest ¼ of the Northwest ¼ and the West ½ of the Northwest ¼ of the Southeast ¼ of the Northwest ¼ of Section 14, Township 34 North, Range 3 East, W.M.; EXCEPT Drainage District No. 19 right of way; AND EXCEPT County Road.

Additional Legal Description at EXHIBIT "A" attached hereto and incorporated herein by this reference.

Assessor's Tax Parcel Number: 340314-2-008-0100/P115497

SUBJECT TO RESERVATION OF CONSERVATION EASEMENT attached hereto as Exhibit "B" and Site Plan Exhibit "C".

The Grantor, for itself and for its successors in interest do by these presents expressly limit the covenants of the Deed to those herein expressed and exclude all covenants to arise by statutory or other implication, and do hereby covenant against all persons whomsoever lawfully claiming or to claim by, through or under said Grantor and not otherwise, and will forever warrant and defend the said described real estate.

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

3092
JUL 25 2003

Amount Paid \$ 2,406⁹⁴
Skagit Co. Treasurer
By Deputy

June 15, 1999

Parcel to be conveyed to Washington State University
From: Skagitians to Preserve Farmland

The North 1/2 of the Southwest 1/4 of the Northwest 1/4 and the West 1/2 of the Northwest 1/4 of the Southeast 1/4 of the Northwest 1/4 of Section 14, Township 34 North, Range 3 East, W.M.

EXCEPT the North 281.00 feet of the West 141.00 feet of said North 1/2 of the Southwest 1/4 of the Northwest 1/4 of Section 14, Township 34 North, Range 3 East, W.M.;

ALSO EXCEPT Drainage District No. 19 right-of-way;

AND ALSO EXCEPT county road right-of-way,

BEING SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases and other instruments of record.

Situate in the County of Skagit, State of Washington.

The above-described parcel is to be combined or aggregated with contiguous property to the East owned by the grantee.

This boundary line adjustment if not for the purpose of creating an additional building lot.

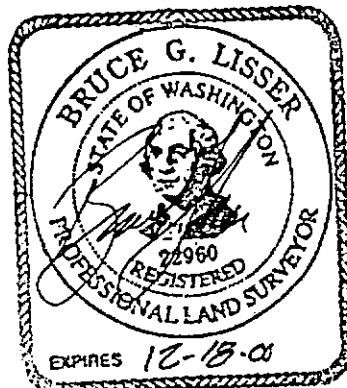


EXHIBIT "A"



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EXHIBIT "B"
RESERVATION OF CONSERVATION EASEMENT

Grantor: SKAGITONIANS TO PRESERVE FARMLAND, a non-profit corporation of the State of Washington, hereafter, "SPF".

Grantee: WASHINGTON STATE UNIVERSITY, hereafter, "WSU".

Assessor's Tax Parcel Number: 340314-2-008-0100/P115497

THIS RESERVATION OF CONSERVATION EASEMENT ("Easement") is made this 22ND day of JULY, 2003, by SKAGITONIANS TO PRESERVE FARMLAND, having an address at 110 N. First, Suite B, Mount Vernon, Washington 98273, hereinafter referred to as "Grantor", to retain a Conservation Easement in perpetuity running with the land conveyed to WSU, hereinafter referred to as Grantee, described in Exhibit "A".

I. RECITALS

A. Grantor is the sole owner in fee simple of that certain real property (the "Protected Property") in Skagit County, Washington, more particularly described in Exhibit A (legal description) and shown on Exhibit C (site plan), which are attached to and incorporated into this Special Warranty Deed and Conservation Easement by this reference. The Protected Property is approximately 24 acres of open farmland.

B. The Protected Property is of significant agricultural research value to Grantor, the people of Skagit County and the people of the State of Washington (collectively, "Conservation Values"). The Conservation Values include protection of agricultural productivity, and enhancement of agricultural research potential of the WSU Research and Extension Unit.

C. The Protected Property is zoned Agricultural Natural Resource Land under the Skagit County Zoning Ordinance. Skagit



County Zoning Ordinance 14.16.400 states that the goal of the Agricultural Natural Resource Land zone is to "provide land for continued farming activities, conserve agricultural land, and reaffirm Agricultural use, activities and operations as the primary use of the district."

D. The specific Conservation Values and characteristics of the Protected Property are further documented in an inventory of relevant features of the Protected Property, dated _____, on file at the offices of Grantee and incorporated into this Easement by this reference ("Baseline Documentation.") The Baseline Documentation consists of reports, maps, photographs, and other documentation that provide, collectively, an accurate representation of the Protected Property at the time of this grant and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this grant. Exhibit B, included as part of the Baseline Documentation, is a scaled site map delineating the open land, and other key features and improvements on the site at the time of this grant access drainage and a list of the Baseline Documents.

E. Grantor, as owner of the Protected Property, has a duty to protect and preserve the Conservation Values of the Protected Property, and desires to reserve such rights in perpetuity as set forth in a Memorandum of Understanding, dated June 28, 1999, between Skagitonians to Preserve Farmland and Skagit County, numbered 004473, to achieve economic development through agricultural research and as a condition of Boundary Line Adjustment described in paragraph "E", attached hereto as Exhibit "D".

F. Skagitonians to Preserve Farmland purchased this property in a WSU - Mount Vernon Land Security capital campaign. Skagit County received an appropriation from the federal government as a line item on page 77 of the Congressional Conference Rept. which accompanied HR 6435, Veterans Affairs HUD appropriation bill of the 106th Congress (FY-01) which appropriated \$500,000 for preservation of farmland in Skagit County, Washington. Skagit County will pay SPF the fair agreed value of this property with a portion of the appropriated funds in consideration of transfer of the property to WSU for incorporation into Washington State University's Mount Vernon Agricultural Research Station. After transfer of this property to WSU, Grantor herein, shall retain this Easement and all rights, duties, and responsibilities of Grantor hereunder.

G. The foregoing recitals are incorporated into this Easement by this reference.



II. CONVEYANCE AND CONSIDERATION

A. For the reasons stated above, in consideration of the mutual covenants, terms, conditions, and restrictions contained in this Easement, Grantor hereby reserves a conservation easement in perpetuity over the Protected Property, consisting of certain rights in the Protected Property, as defined in this Easement, and subject only to the restrictions contained in this Easement.

B. This reservation is an interest in real property under the provisions of RCW 64.04.130.

C. Grantor expressly intends that this reserved Easement run with the land.

III. PURPOSE - DUTIES OF THE PARTIES

It is the purpose of this Easement to assure that the Protected Property will be retained forever for agricultural productivity and use, to ensure no net loss of agricultural lands, and to prevent any use of, or activity on, the Protected Property that will significantly impair or interfere with the agricultural research, agricultural production and Conservation Values of the Protected Property (the "Purpose.") Grantor intends that this Easement will confine the use of, or activity on, the Protected Property to such uses and activities that are consistent with this Purpose. This Easement shall not be construed as affording to the general public physical access to the Protected Property.

IV. RIGHTS RESERVED TO GRANTOR

To accomplish the Purpose of this Easement, the following rights are reserved to Grantor by this Easement:

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

B. Access for Monitoring and Enforcement.

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

2. To enter the Protected Property at such other times as are necessary if Grantee has a reason to believe that a violation of the Easement is occurring or has occurred, for the purpose of mitigating or terminating the violation and otherwise enforcing



the provisions of this Easement. Such entry shall be upon prior reasonable notice to Grantor, and Grantee shall not in any case unreasonably interfere with Grantor's use and quiet enjoyment of the Protected Property.

C. Injunction and Restoration. To enjoin any use of, or activity on, the Protected Property that is inconsistent with the Purpose of this Easement, and to require [or undertake] the restoration of such areas or features of the Protected Property as may be damaged by uses or activities inconsistent with the provisions of this Easement, all in accordance with Section X.

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

E. Assignment. To assign, convey or otherwise transfer the reserved interest in the Protected Property in accordance with Section XV.

V. PROHIBITED USES AND ACTIVITIES

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

B. Subdivision and Development Rights. The legal division, subdivision, or partitioning of the Protected Property is prohibited; except that boundary line adjustments are permitted. Grantee shall not use such development rights or the area of the Protected Property for the purpose of calculating permissible lot yield of the Protected Property or adjacent property.

C. Construction. The placement or construction of any residential buildings, structures, or other residential improvements of any kind is prohibited, except as expressly permitted in Section VI.B, and the placement or construction of any commercial or industrial buildings, structures, or other improvements of any kind is prohibited, except as permitted by the Skagit County Code regarding Agricultural Natural Resource Land, or successor provision 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 or concrete



shall not exceed 5% of the area of the Protected Property without express approval of SPF consistent with Article VI.B, which approval shall not be withheld unreasonably.

E. Recreation. The following forms of recreation are prohibited on the Protected Property: golf courses; commercial use of motorized or mechanized recreational vehicles such as motorcycles, snowmobiles and dune buggies; commercial overnight camping; athletic fields; use of the property for any commercial public recreation; and other developed recreational uses of the property which require special buildings, structures, or facilities. Undeveloped recreational uses, and the leasing of such uses for economic gain, may be permitted insofar as they are consistent with the Purpose and terms of this Easement.

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

G. Waste Disposal. Except as expressly permitted in Section VI, the disposal or storage of rubbish, garbage, debris, abandoned vehicles, equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Protected Property is prohibited. Spreading of sludge on agricultural land is prohibited.

H. Commercial Signs. The placement of commercial signs, billboards, or other commercial advertising material on the Protected Property is prohibited. Signage that is consistent with the operation of an agricultural research station, including but not limited to, identification of the property, the on-site sale of agricultural products, lease of the Protected Property, or to state the conditions of access to the Protected Property is expressly permitted.

I. Mining. The exploration for, or development and extraction of, minerals and hydrocarbons on or below the surface of the Protected Property is prohibited. 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 Protected Property and will not interfere with the Conservation Values of the Protected Property.

J. Kennels. Kennels as defined in the Skagit County Zoning Ordinance are prohibited.

K. Farm Worker Housing. Construction or placement of farm worker housing as defined by RCW 70.114A is prohibited.



VI. PERMITTED USES AND ACTIVITIES

A. General. Grantee reserves for itself and its personal representatives, heirs, successors and assigns, all rights accruing from ownership of the Protected Property, including the right to engage in, or permit or invite others to engage in, any use of, or activity on, the Protected Property that is consistent with the Purpose of the Easement and that is not prohibited by this Easement. Without limiting the generality of this subsection, Grantee retains for itself and its personal representatives, heirs, successors, and assigns, the following uses and activities.

B. Agricultural Research. Grantee may maintain and practice agricultural research and may construct buildings, structures and improvements on the Protected Property; provided that such activities and construction are carried out in compliance with federal, state, and local regulations, and are consistent with the terms of this Easement. Agricultural uses include, but are not limited to: Agronomy, farming, dairying, pasturage, apiculture, horticulture, floriculture, animal and poultry husbandry, and the cultivation, management and harvest of crops of any kind. Prior to initiating any new construction, alteration or improvement which requires a development permit or approval from Skagit County, Grantor must submit a plan to Grantee for review as provided in Section VIII.A. The plan must indicate the desired location and size of the improvements.

C. Roads. Grantor may maintain, renovate, expand or replace existing roads or construct new roads necessary to serve agricultural uses and activities consistent with agricultural research on the Protected Property as provided in Paragraph VIII.A. Maintenance of the roads may not adversely impact the Conservation Values of the Protected Property.

D. Agriculture-Related Commercial Activities. Grantee may process, store and sell agricultural products produced principally on-site.

E. Fences. Grantee may construct and maintain fences on the Protected Property.

F. Composting, Use and Storage of Agricultural Wastes. Grantor may compost, use and store agricultural waste and by products on the Protected Property, consistent with the Purpose of this Easement; provided that any such wastes that are stored are stored temporarily in appropriate containment for removal at reasonable intervals and in compliance with applicable federal, state, and local laws.



G. Drainage structures. Grantee may construct and maintain drainage structures, including ditches, tubes, pipes, pumps, gates or other facilities and appurtenances for enhancement of drainage systems.

H. Paving and Grading. Grantee may grade and/or pave portions of the Protected Property consistent with the Purpose of this Easement; provided that such grading and paving shall be limited to that necessary to serve agricultural research uses, research and other permitted uses on the site. Prior to initiating any grading activities requiring a permit from Skagit County or any paving activities, the Grantor must provide notice to the Grantee as provided in Paragraph VIII.A.

I. Creation of Mortgage Liens. Grantee may create consensual liens, whether by mortgage, deed of trust, or otherwise, for the purpose of indebtedness of Grantee, so long as such liens remain subordinate to the Easement.

J. Emergencies. Grantee may undertake other activities necessary to protect public health or safety on the Protected Property, or that are actively required by and subject to compulsion of any governmental agency with authority to require such activity; provided that any such activity shall be conducted so that interference with the Conservation Values of the Protected Property is avoided, or, if avoidance is not possible, minimized to the extent possible.

K. Utilities. Grantee may maintain, renovate, expand existing utilities or install new utilities to serve permitted uses on the Protected Property, provided that their installation will not conflict with the Purpose of this easement.

VII. STEWARDSHIP

Grantee agrees to maintain the Protected Property for long-term agricultural productivity and research.

VIII. NOTICE

A. Notice.

1. Grantor. The following permitted uses and activities require Grantee to notify Grantor, in writing, prior to undertaking the use or activity:

- a) construction of any buildings, structures or improvements requiring a permit from Skagit County (and Section VI.C);
- b) road construction (and Section VI.D);
- c) grading activities requiring a permit from Skagit County (and Section VI.I); and
- d) paving (and Section VI.I).

The purpose of requiring Grantee to notify Grantor prior to undertaking these permitted uses and activities is to afford Grantor an adequate 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, Grantee shall notify Grantor in writing not less than thirty (30) days prior to the date Grantee intends to undertake the use or activity in question. Grantee may notify Grantor at the time of permit application, for concurrent review, or may provide notice and initiate review prior to permit application, at the Grantee's discretion. 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 Grantee to make an informed judgment as to its consistency with the Purpose of this Easement. If Grantee does not provide written objections within thirty (30) days after receipt of Grantee's notice, Grantor shall be deemed to have approved of the proposed activity for purposes of this easement only.

B. Optional Consultation. If Grantee is unsure whether a proposed use or activity is prohibited by this Easement, Grantee may consult Grantor by providing Grantor a written notice describing the nature, scope, design, location, timetable, and any other material aspect of the proposed use or activity in sufficient detail to permit Grantor to make an informed judgment as to the consistency with the Purpose of this Easement and to provide comments thereon to Grantee for the purposes of this easement only. In the event that Grantor concurs that the proposed use or activity is not prohibited by this Easement, or fails to respond to the Grantee's request for consultation within thirty (30) calendar days after receiving the written notice, Grantor shall be deemed to have approved of the proposed activity for purposes of this Easement only.

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 certified mail, postage prepaid, addressed as follows:



To Grantor:

Box 2405
Mount Vernon, WA 98273

To Grantee:

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

IX. DISPUTE RESOLUTION: GRANTOR

A. **Preventive Discussions.** Grantor and Grantee will promptly give the other notice of problems or concerns arising in connection with the parties' actions under this Easement or the use of or activities or conditions on the Protected Property, and will meet as needed, but no later than 15 days after receipt of a written request for a meeting, to minimize the same.

B. **Optional Alternative Dispute Resolution.** If a dispute is not resolved through preventive discussions under subsection A, Grantor and Grantee may by mutual agreement submit the matter to mediation or arbitration upon such rules of mediation or arbitration as Grantor and Grantee may agree.

X. GRANTOR'S REMEDIES

A. **Notice of Violation, Corrective Action.** If Grantor determines that Grantee is in violation of the terms of this Easement or that a violation is threatened, Grantor shall give written notice to Grantee of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Protected Property resulting from any use or activity inconsistent with the Purpose of this Easement, to restore the portion of the Protected Property so injured to its prior condition in accordance with a plan approved by Grantor.

B. **Grantee's Failure to Respond.** Grantor may bring an action as provided in subsection C if Grantee:

1. Fails to cure the violation within thirty (30) days after receipt of a notice of violation from Grantor; 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.

C. Grantor's Action.

1. **Injunctive Relief.** Grantor may bring an action at law or in equity in a court having jurisdiction to enforce the terms of this Easement:

a. To enjoin the violation, by temporary or permanent injunction; and

b. To require the restoration of the Protected Property to the condition that existed prior to any such injury.

2. **Damages.** Grantor shall be entitled to recover damages for violation of the terms of this Easement or injury to any Conservation Values protected by this Easement, including, without limitation, damages for the loss of Conservation Values. Grantor, shall apply any damages recovered to the cost of undertaking corrective or restoration action on the Protected Property.

D. Emergency Enforcement. If circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Protected Property, Grantor may pursue its remedies under this section without waiting for the period provided for cure to expire.

E. Scope of Relief. Grantor's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Easement. Grantee agrees that Grantor's remedies at law for any violation of the terms of this Easement are inadequate and that Grantor shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantor 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. Grantor'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.

F. Costs of Enforcement. If incurred because of Easement violation under circumstances described in Sections X.B. or X.C. hereinabove, Grantor's reasonable enforcement expenses, including attorney's fees and consultant's fees, shall be born by the Grantee or its successors and assigns when the Grantor secures



redress for an Easement violation, whether or not a final judgment is rendered in a legal action. Costs and reasonable attorney's fees shall be awarded to the prevailing party in the event of legal action brought to enforce the terms of this Easement.

G. Grantor's Discretion. Grantor acknowledges its commitment to protect the Purpose of the Easement. Enforcement of the terms of the Easement shall be at the discretion of Grantor, and any forbearance by Grantor to exercise its rights under this Easement in the event of any breach of any terms of this Easement by Grantee, its agents, employees, contractors, family members, invitees or licensees shall not be deemed or construed to be a waiver by Grantor of any subsequent unrelated violation of such terms, or of any of Grantor's rights under this Easement for subsequent unrelated violations. No delay or omission by Grantor 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 of such term or any of Grantor's rights under this Easement. No grant by Grantor in its governmental or regulatory capacity of any building permit, grading permit, land use approval or other development approval shall be deemed or construed to be a waiver of any term or any of Grantor's rights under this Easement for any future breach by Grantee of such term.

H. Estoppel, Waiver, Laches, and Prescription: Grantee retains the right to assert any claim or defense it may have against Grantor or its successors or assigns under or pertaining to this Easement based upon waiver, laches, estoppel, and prescription.

I. Estoppel Certificates. Upon request by Grantee, Grantor shall within thirty (30) days execute and deliver to Grantee, or to any party designated by Grantee, any document, including an estoppel certificate, that certifies, to the best of Grantor's knowledge, Grantee's compliance with any obligation of Grantee contained in this Easement and otherwise evidences the status of this Easement. Such certification shall be limited to the condition of the Protected Property as of Grantor's most recent inspection. If Grantee requests more current documentation, Grantor shall conduct an inspection, at Grantee's expense, within thirty (30) days of receipt of Grantee's written request.

J. Acts Beyond Grantee's Control. Nothing contained in this Easement shall be construed to entitle Grantor to bring any action against Grantee to abate, correct, or restore any condition on the Protected Property or to recover damages for any injury to or change in the Protected Property resulting from causes beyond Grantee's control, including, without limitation, natural changes, fire, flood, storm, or earth movement, or from



acts of trespassers, that Grantee could not reasonably have anticipated or prevented or from any prudent action taken by Grantee under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property resulting from such causes. In the event the terms of this Easement are violated by acts of trespassers that Grantees could not reasonably have anticipated or prevented, Grantee agrees, at Grantor's option, to join in any suit, to assign its right of action to Grantor, or to appoint Grantor its attorney in fact, for the purpose of pursuing enforcement action against the responsible parties.

K. No Right to Enforce for Certain Act. Grantor shall not enforce, and shall have no right to enforce the terms of this Easement as to any activity of which Grantor has received notice, and which Grantor has either affirmatively authorized or approved, or has failed to timely respond to such notice, as provided in Section VIII, Notice, Paragraphs A. and B.

XI. ACCESS BY PUBLIC NOT REQUIRED

This Easement does not provide and shall not be construed as providing, the general public access to any portion of the Protected Property.

XII. COSTS, LIABILITIES AND INSURANCE, TAXES, ENVIRONMENTAL COMPLIANCE, AND INDEMNIFICATION

A. Costs, Legal Requirements, and Liabilities. Grantee retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Protected Property, including the maintenance of adequate liability coverage. Grantee remains solely responsible for obtaining any applicable governmental permits and approval for any construction or other activity or use permitted by this Easement, and all such construction or other activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements. Grantee shall prevent the perfection of any liens against the Protected Property arising out of any work performed for, material furnished to, or obligations incurred by Grantee.

B. Taxes. Grantee shall pay any applicable taxes levied against the Protected Property by government authority as they become due, and shall furnish Grantor with satisfactory evidence of payment upon request. If Grantee fails to pay any taxes when due, Grantor is authorized, but in no event obligated, to make or advance such payment of taxes upon three (3) days prior written notice to Grantee, in accordance with any bill, statement, or estimate procured from the appropriate authority.



C. Representations and Warranties. Grantor represents and warrants that, after reasonable investigation and to the best of Grantor's knowledge:

1. Grantor and the Protected Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Protected Property and its use;
2. There has been no release, dumping, burying, abandonment or migration from off-site on the Protected Property of any substances, materials, or wastes that are hazardous, toxic, dangerous, or harmful or are designated as, or contain components that are, or are designated as, hazardous, toxic, dangerous, or harmful and/or that are subject to regulation as hazardous, toxic, dangerous, or harmful in violation of any federal, state or local law, regulation, statute, or ordinance;
3. Neither Grantor nor Grantor's predecessors in interest have disposed of any hazardous substances off-site, nor have they disposed of substances at sites designated or proposed to be designated as federal Superfund (42 U.S.C. § 9601 et seq.) or state Model Toxics Control Act (RCW 70.105D.010 et seq.) ("MTCA") sites; and
4. There is no pending or threatened litigation affecting the Protected Property or any portion of the Protected Property that will materially impair the Conservation Values of any portion of the Protected Property. No civil or criminal proceedings have been instigated or are pending against Grantor or its predecessors by government agencies or third parties arising out of alleged violations of environmental laws, and Grantor has not received any notices of violation, penalties, claims, demand letters, or other notifications relating to a breach of environmental laws.

D. Remediation. If, at any time, after Grantee takes title to the Protected Property, there occurs, a release in, on, or about the Protected Property of any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic or dangerous to the air, water or soil, or in any way harmful or threatening to human health or environment, Grantor agrees to take all steps necessary to assure its containment and remediation, including any cleanup that may be required, unless the release was caused by Grantee, in which case Grantee shall be



responsible for remediation and containment, including any cleanup that may be required.

E. Control. Nothing in this Easement shall be construed as giving rise, in the absence of a judicial decree, to any right or ability in Grantor to exercise physical or managerial control over the day-to-day operations of the Protected Property, or any of Grantee's activities on the Protected Property, or otherwise to become an operation with respect to the Protected Property within the meaning of the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended ("CERCLA"), and MTCA.

F. Indemnification. Grantor and Grantee hereby agree to release and hold harmless, indemnify, and defend the other party and its members, directors, officers, employees, and agents, and the personal representatives, heirs, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, arising from or in any way connected with:

1. Injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Protected Property, caused by their respective negligence, or that of their officers, employees or agents in good faith within the scope of their duties; and
2. The obligations, covenants, representations and warranties in subsections A, B, C, and D of this section.

XIII. EXTINGUISHMENT, CONDEMNATION AND SUBSEQUENT TRANSFER

A. Extinguishment. If circumstances arise in the future that render the Purpose of this Easement impossible or scientifically unfeasible to accomplish, this Easement can only be extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction and only upon a finding and declaration to that effect. The amount of the proceeds to which Grantee and Grantor shall be entitled, after the satisfaction of prior claims, from any sale, exchange, or involuntary conversion of all or any portion of the Protected Property subsequent to such termination or extinguishment, shall be determined in accordance with Section XIII.B, Valuation, of this Easement.



B. Valuation. In the event of an extinguishment pursuant to Subsection A, the Grantee shall retain from the proceeds the value of the Protected Property subject to this Easement, the replacement value of improvements used for agricultural research, and any costs incurred by Grantee to remediate, contain, and clean up any substances, materials, or wastes that are hazardous, toxic, dangerous or harmful, or are designated as, or contain components that are, or are designated as, hazardous, toxic, dangerous, or harmful and/or that are subject to regulation as hazardous, toxic, dangerous, or harmful in violation of any federal, state or local law, regulation, statute, or ordinance, that were not placed on the property by or under the direction of Grantee. The remainder of the proceeds shall be paid to Grantor.

C. Condemnation. If all or any of the Protected Property is taken by exercise of the power of eminent domain or acquired by purchase in lieu of condemnation, whether by public, corporate, or other authority, so as to extinguish this Easement, in whole or in part, Grantor and Grantee shall act jointly to recover the full value of the interest in the Protected Property subject to the taking or in lieu purchase and all direct or incidental damages resulting from the taking or in lieu purchase. All expenses reasonably incurred by Grantor and Grantee in connection with the taking or in lieu purchase shall be paid out of the amount recovered. Grantor and Grantee agree that their respective shares of the balance of the amount recovered shall be determined by the method described in Subsection B.

D. Application of Proceeds. Grantor shall return any proceeds received under the circumstances described in this Section XIII to Skagit County's Conservation Futures Fund (or successor fund) for use in purchasing conservation easements or development rights on other eligible sites for agriculture research under the program (or successor program.)

E. Subsequent Transfers. Grantee agrees to:

1. Incorporate the terms of this Easement by reference in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including, without limitation, a leasehold interest;
2. Describe this Easement in and append it to any executory contract for the transfer of any interest in the Protected Property;
3. Obtain a certificate from the purchaser, leaseholder or other party gaining an interest in all or part of the Protected Property and any financier, acknowledging their awareness of this Easement and their intent to comply with



it. Such certificate shall be appended to and recorded with any deed or other legal instrument by which Grantee divests itself of any interest in all or a portion of the Protected Property; and

4. Give written notice to Grantor of the transfer of any interest in all or a portion of the Protected Property no later than forty-five (45) days prior to the date of such transfer. Such notice to Grantor shall include the name, address, and telephone number of the prospective transferee or the prospective transferee's representative.

The failure of Grantee to perform any act required by this subsection shall not impair the validity of this Easement or limit its enforceability in any way.

F. Contingent Right in the United States of America. In the event that Grantor, fails to enforce any of the terms of this easement, as determined in the sole discretion of the Secretary of the United States Department of Agriculture, the said Secretary of Agriculture and his or her successors and assigns shall have the right to enforce the terms of the easement through any and all authorities available under Federal or State law. In the event that Grantor attempts to terminate, transfer, or otherwise divest itself of any rights, title, or interests of this easement without the prior consent of the Secretary of the United States Department of Agriculture and payment of consideration to the United States, then, at the option of such Secretary, all right, title, and interest in this Easement shall become vested in the UNITED STATES OF AMERICA.

XIV. AMENDMENT

This easement may be amended by the execution and delivery of an amended easement deed, but only with the written consent of both Grantor and Grantee. If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee are free to jointly amend this Easement; provided that only amendments that are consistent with the Purposes of the Easement shall be allowed, and no amendment shall be allowed that will diminish the effectiveness of this Easement in carrying out the Purpose of the Easement. Any such amendment shall not affect the perpetual duration of the Easement and shall be recorded in the official records of Skagit County, Washington, and any other jurisdiction in which such recording is required.



XV. ASSIGNMENT

This Reserved Easement is transferable. As a condition of such transfer, Grantor shall require that the transferee exercise its rights under the assignment consistent with the Purpose of this Easement. Grantor shall notify Grantee in writing, pursuant to Section VIII, at Grantee's last known address, in advance of such assignment. The failure of Grantor to give such notice shall not affect the validity of such assignment nor shall it impair the validity of this Easement or limit its enforceability in any way.

XVI. RECORDING

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

XVII. GENERAL PROVISIONS

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

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

C. Severability. If any provision of this Easement, or 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 Protected Property and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Protected Property, all of which are merged into this Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Section XIV.



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

F. "Grantor" - "Grantee". The terms "Grantor" and "Grantee," 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, successors, and assigns, and the above-named Grantee, its successors and assigns.

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

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

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

XVIII. SCHEDULE OF EXHIBITS

- A. Legal Description of Property Subject to Easement.
- C. Site Map(s).

IN WITNESS WHEREOF, the undersigned Grantor has executed this instrument this 22nd day of July, 2003.

SKAGITONIANS TO PRESERVE
FARMLAND

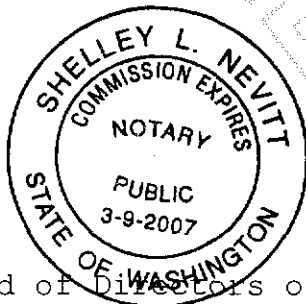
Bob Rose
BOB ROSE, Executive Director



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that BOB ROSE, as Executive Director of Skagitonians to Preserve Farmland, a Washington non-profit corporation, is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the authorized representative of Skagitonians to Preserve Farmland, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: July 22, 2003.



Shelley L. Nevitt
Notary Public in and for the
State of Washington
Residing at Mount Vernon
My commission expires:
3-9-2007

The Board of Directors of Washington State University does hereby accept the above Reservation of Conservation Easement.

Dated: _____, 2003.

Grantee

By: _____

Its _____
[Official Capacity]

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)



EXHIBIT C

Site Map(s)

(SEE SURVEY MAP FILED IN SKAGIT COUNTY
UNDER AUDITOR'S FILE NO. 199908100072)



200307250226

Skagit County Auditor

