



200503170064

Skagit County Auditor

3/17/2005 Page 1 of 21 11:06AM

After recording return document to:

Port of Skagit County
P. O. Box 348
Burlington, WA 98233

Document Title: Avigation Easement

Reference Number of Related Document: _____

Grantor(s): FREDONIA FARMS, LLC, WALLACE VENTURES, LLC, JACK R. WALLACE
and ELIZABETH A. WALLACE, husband and wife

Additional Grantor(s) on page ____ of document.

Grantee(s): Port of Skagit County

Additional Grantee(s) on page ____ of document.

Abbreviated legal description: Sec. 9, T34N, R3E, W.M.

Additional legal description(s) on page(s) ____ of document.

Assessor's tax/parcel numbers: P21265, P21268, P117970, P117535, P21291, P21234, P21306, P21310,
P73470, P73471, P73478, P73479, P73480, P73481, P21236, P73474, P21232, P73473, P73472, P73477,
P21233.

AVIGATION EASEMENT

This Avigation Easement made this ____ day of _____, 2005, between Fredonia Farms, LLC, a Washington Limited Liability Company, Wallace Ventures, LLC, a Washington Limited Liability Company, and Jack R. Wallace and Elizabeth A. Wallace, husband and wife, (hereafter "Grantor"), and the Port of Skagit County, a Washington municipal corporation within the County of Skagit of the State of Washington (hereafter "Grantee"), provides that:

RECITALS

The parties hereto acknowledge the following:

- A. Grantor owns certain real property in Skagit County, Washington, described on Exhibit A and depicted on Exhibit B (the "Property"). All exhibits mentioned herein and attached hereto are incorporated herein as if set forth in full.
- B. Grantee is the owner and operator of the Skagit Regional Airport ("Airport"), an identified essential public facility pursuant to the Washington Growth Management Act, Chapter 36.70A RCW ("GMA"). The Airport is operated pursuant to federal law and Title 53 RCW and RCW 36.70A.510 and RCW 36.70.547 and legally described in Exhibit C and depicted in Exhibit D hereto.
- C. The Airport is a principal airport in Skagit County, serving both recreational and commercial aircraft, including freight and passenger carriers. The Airport provides an essential transportation service and facilitates economic growth in Skagit County.
- D. Skagit County has identified developed and undeveloped property in the vicinity of the Airport as part of an Urban Growth Area and/or for inclusion in an Urban Growth Area in which urban growth is planned to occur ("Sub-Area"). The Sub-Area includes, among other real property, all of the Property. Skagit County is in the process of developing a Bayview Ridge Sub-Area Plan ("Sub-Area Plan"). The Sub-Area Plan is likely to include amendments to the Skagit County Comprehensive Plan, Unified Development Code ("UDC") and other Skagit County regulations so that Urban Development-Residential and Urban Development-Industrial can occur on the Property and other properties in the vicinity. As used herein, "Urban Development-Residential" means now or in the future: residential development with an overall density of four (4) or more dwelling units per acre (with a limit of no more than 12 units actually built on a per acre basis) and located no closer to the Airport than depicted as alternatives 2, 3 and 4 ("the Alternatives") in the Final Environmental Impact Statement for the Bayview Ridge Sub-Area Plan dated February 2004 ("FEIS"). "Urban Development-Industrial" means now or in the future: any industrial or commercial development depicted in the Alternatives in the areas within the Bayview Ridge Sub-Area and Urban Growth Area and generally described in the Bayview Ridge Subarea Plan and Development Standards, each dated January 2004 for Bayview Ridge Industrial ("BR-I"), Bayview Ridge Heavy Industrial ("BR-HI") or Bayview Ridge Light Industrial ("BR-LI") and Bayview Ridge Community Center.
- E. Portions of the Property lie within the Skagit Regional Airport Safety Overlay Zones established by the Washington State Department of Transportation's Aviation Division as set forth in the

Avigation Easement

Grantor: Fredonia Farms, LLC, et al

Grantee: Port of Skagit County

Page 2 of 10



200503170064

Skagit County Auditor

3/17/2005 Page

2 of

21 11:06AM

Airport Land Use Compatibility Study prepared by Reid Middleton and published in 2000 and on file with Skagit County ("Compatibility Study"). Portions of the Property also lie within certain aircraft noise contours established in the Airport Master Plan, 1995, prepared by W & H Pacific and on file at the Port of Skagit County. These overlay zones and noise contours are depicted on maps comprising a portion of the Skagit County UDC Airport Environs Overlay Map Portfolio, and are incorporated by reference herein.

- F. The parties hereto acknowledge that persons owning or occupying property within the vicinity of the Airport may experience noise, exhaust fumes, illumination, smoke, vibration and loss of quiet enjoyment due to aircraft overflights associated with landing and taking off ("Overflight Effects").
- G. The Grantor and Grantee have cooperated in the preparation of the Compatibility Study, the Bayview Ridge Subarea Plan, and the proposed Development Standards. The Grantor understands that the Grantee seeks mitigation measures within the Bayview Ridge Sub-Area Plan and as a condition of development as part of the environmental review processes required by the State Environmental Policy Act ("S.E.P.A.") beyond those included in the Compatibility Study. The - mitigation measures requested by Grantee are as follows (all of which are collectively referred to herein as "Development Mitigation Measures"):
1. The use of avigation easements;
 2. The publication, recordation and incorporation of the above-referenced overlay zone and noise contour maps;
 3. The use of notices disclosing and acknowledging Overflight Effects ("Notices"); and
 4. The Port having asserted prescriptive rights to an avigation easement over and upon the Property and the Port's continuing assertion of prescriptive avigation easements upon and over other properties within the Skagit County UDC Airport Environs Overlay zone (Skagit County Code Section 14.16.210).

Grantor agrees to execute this Avigation Easement and to the use of Notices in conjunction with or prior to any Urban Development-Residential or Urban Development-Industrial on the Property.

- H. The Grantee declares and affirms that: (1) with the execution of this Avigation Easement, the use of Notices in conjunction with Urban Development on Grantor's Property, and the adoption of any "Sub-Area Proposal" (which as used herein means any Bayview Ridge Sub-Area Plan and Development Standards that allow Urban Development-Residential and Urban Development-Industrial, within the areas depicted in the Alternatives and includes the Development Mitigation Measures), then Urban Development-Residential and Urban Development-Industrial on the Property in the areas depicted in the Alternatives is in all respects compatible with the existing and future use and operation of the Skagit Regional Airport; and (2) this Avigation Easement together with the use of Notices mitigates the effects of incompatible uses associated with Urban Development-Residential and Urban Development-Industrial while the Compatibility Study provides the necessary guidance and requirements to discourage and/or mitigate the effects of

Avigation Easement
Grantor: Fredonia Farms, LLC, et al
Grantee: Port of Skagit County

Page 3 of 10



200503170064

Skagit County Auditor

3/17/2005 Page

3 of 21 11:06AM

Urban Development-Residential and Urban Development-Industrial otherwise potentially incompatible with the Airport; all as required by the GMA.

- I. Grantee has further asserted that it has obtained a prescriptive easement for aviation allowing the operations of the Skagit Regional Airport to cause Overflight Effects on and over Grantor's Property and other properties in the vicinity ("Prescriptive Easement"). Grantor disputes that Grantee has obtained a Prescriptive Easement upon or over its property. Grantor and Grantee have agreed to settle this dispute according to the terms of this Aviation Easement. The parties agree that this Aviation Easement therefore constitutes the compromise of a disputed claim and that this Aviation Easement is not a waiver by either party of its contentions concerning Grantee's asserted Prescriptive Easement nor is it an admission that the position asserted by the other party is factually or legally correct. As part of this settlement, the Grantor executes this Aviation Easement, subject, as are all aspects this Aviation Easement, to the contingency stated in Section 7 below.
- J. Grantee has participated in the development of the Sub-Area Plan. Grantee has recognized that inclusion in the Sub-Area Proposal of provisions that would allow Urban Development-Residential and Urban Development-Industrial throughout the Property and within the Sub-Area would: (1) foster economic growth in Skagit County; (2) benefit the further development and utilization of the Bayview Business and Industrial Park located adjacent to the Skagit Regional Airport; and (3) be consistent with Grantee's mission as a public port district; *provided* that the regulations allowing Urban Development-Residential and Urban Development-Industrial on the Property adopted by Skagit County are consistent with the Compatibility Study and this Aviation Easement. To this end, the Grantee will continue to support adoption of any Sub-Area Proposal that allows Urban Development-Residential and Urban Development-Industrial on the Property in the areas depicted in the Alternatives for such development.
- K. Grantor recognizes that Grantee's continued support for the Sub-Area Proposal will facilitate adoption of a Sub-Area Plan that is beneficial to Grantor and to Grantee's mission. Grantor grants this Aviation Easement in reliance upon Grantee's commitment to continue its participation in the Sub-Area Planning process and to continue its support for the Sub-Area Proposal, as set forth more fully in Section No. 7, below (Grantor's Commitment").
- L. Grantee recognizes and acknowledges that so long as this Aviation Easement is in effect, it satisfies, as to the Property, any other requirements that may be adopted in the Sub-Area to execute an aviation easement as a condition for any permit to undertake Urban Development-Residential and Urban Development-Industrial on the Property. Further, the Grantee acknowledges that with this Aviation Easement and the use of Notices, Urban Development-Residential and Urban Development-Industrial occurring on the Property is in compliance with RCW 36.70A, the GMA and, in particular, RCW 36.70.547.
- M. Grantor and Grantee acknowledge and agree that as used herein: (1) the term "Day-night average sound level (DNL or Ldn)," shall mean the 24-hour Average sound level, in decibels, for the period from midnight to midnight, obtained after the addition of ten decibels to sound levels for the periods between midnight and 7 a.m., and between 10 p.m. and midnight, local time; and (2) the term "Average sound level" means the level, in decibels, of the mean-square, A-weighted sound pressure during a specified period, with reference to the square of the standard reference sound pressure of 20 micropascals.

Avigation Easement
Grantor: Fredonia Farms, LLC, et al
Grantee: Port of Skagit County

Page 4 of 10



200503170064
Skagit County Auditor

3/17/2005 Page 4 of 21 11:06AM

- N. Grantor is willing to grant Grantee this Avigation Easement with respect to Grantor's real property in accordance with the terms and conditions of this Agreement and the forgoing recitals.

CONVEYANCE OF EASEMENT

1. The Grantor, for and in consideration of Grantee's Commitments herein, does hereby grant to Grantee, its successors and assigns, a perpetual and assignable easement in, near, upon and over the Property (legally described in Exhibit "A" and depicted in Exhibit "B") for the free and unrestricted passage and flight of aircraft of the class size and category as is now or hereinafter may be operationally compatible with the Skagit Regional Airport ("Aircraft"), across and about the airspace above an imaginary plane, as such plane is defined by Part 77 of the Federal Aviation Regulations, over or in the vicinity of the Property (the "Airspace").
2. The aforesaid easement described in Number 1. above includes but is not limited to:
 - a. For the use and benefit of the public and Grantee, the continuing right by any and all persons to fly, or cause or permit the flight of Aircraft in, through, across or about any portion of the Airspace hereinabove described; and
 - b. The right to cause or create, or permit or allow to be caused or created upon the Property, Overflight Effects as may be inherent in the proper operation of Aircraft.
 - c. *Provided*, that the rights conveyed to Grantee pursuant to this Avigation Easement shall be limited as follows:
 - (i) Over lands designated Bayview Ridge Residential ("BR-R") or Bayview Ridge Urban Reserve ("BR-URv") in any of the Alternatives, the rights conveyed to Grantee hereby shall be limited to those operations of the Skagit Regional Airport that meet noise level classification fifty-five (55) Day-night Average sound level (DNL or Ldn); and
 - (ii) Over any lands designated Bayview Ridge Industrial ("BR-I"), Bayview Ridge Heavy Industrial ("BR-HI") or Bayview Ridge Light Industrial ("BR-LI") in any Alternative, the rights conveyed to Grantee hereby shall be limited to those operations of the Skagit Regional Airport that meet noise level classification sixty-five (65) Day-night Average sound level (DNL or Ldn); and
 - (iii) *further provided*, that, in the event any land designated Bayview Ridge Industrial ("BR-I"), Bayview Ridge Heavy Industrial ("BR-HI") or Bayview Ridge Light Industrial ("BR-LI") in any Alternative shall hereafter be re-designated to allow any residential use, this Avigation Easement as it shall effect such property shall be subject to the higher sixty-five (65) Ldn limitation that had existed prior to the change in designation.
3. The easement herein granted shall be deemed both appurtenant to and for the direct benefit of that real property which now or hereinafter constitutes the Skagit Regional Airport, and shall further be deemed in gross, being conveyed to the Grantee for the benefit of the Grantee, and any and all

Avigation Easement
Grantor: Fredonia Farms, LLC, et al
Grantee: Port of Skagit County

Page 5 of 10



200503170064
Skagit County Auditor

3/17/2005 Page

5 of 21 11:06AM

members of the general public who may use said easement taking off from, landing upon, or operating such aircraft in or about the Airport, or is otherwise flying through said Airspace; provided however, only the Port of Skagit County and its successors in interest shall have any right of action under this Avigation Easement to enforce this Avigation Easement or bring any claim relative to this Avigation Easement.

4. This grant of Avigation Easement shall not operate to deprive the Grantor, its successors or assigns, of any rights that it may otherwise have from time to time against any individual or private operator for negligent, or unlawful operation of aircraft, or any intentionally harassing operation of any aircraft.
5. The Avigation Easement, covenants and agreements described herein shall continue in effect until the Skagit Regional Airport shall be abandoned or shall cease to be used for public airport purposes, at which time it shall terminate without further action required.
6. It is understood and agreed that these covenants and agreements run with the land and shall be binding upon the heirs, representatives, administrators, executives, successors, and assigns of the Grantor, and that for the purposes of this instrument, the Property shall be the servient tenement and the Airport shall be the dominant tenement.
7. The Avigation Easement, covenants and agreements described herein shall continue in effect so long as (1) Port of Skagit County Resolution No. 04-03 is not repealed or modified by the Grantee; and (2) The Grantee and none of its staff members or representatives, acting in an official capacity, shall not directly or indirectly challenge, oppose in any forum, public or private, or in any manner the Sub-Area Proposal. In the event that the Port or any of its Commissioners or staff shall take any action or undertaking, directly or indirectly, opposing or challenging the Sub-Area Proposal, then such action or undertaking shall be grounds to terminate this Avigation Easement through the dispute resolution process in paragraph 8.
8. Any dispute over the enforcement, interpretation or violation of the terms of this Avigation Easement shall be resolved pursuant to all Washington State Statutes and Superior Court Rules and Skagit County Local Rules for Mandatory Arbitration. The arbitrator shall have jurisdiction to provide legal and/or equitable relief. Venue for any action shall be Skagit County. The prevailing party in any action, excluding the arbitration, shall receive its reasonable costs and attorney's fees associated therewith, including appeals.

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Avigation Easement
Grantor: Fredonia Farms, LLC, et al
Grantee: Port of Skagit County

Page 6 of 10



200503170064
Skagit County Auditor


3/17/2005 Page

6 of 21 11:06AM

GRANTEE:


Dated this 18th day of January 2005.

By:


Jerry Kaufman
Commission President

Attestation:

By:


Kevin Ware
Commission Secretary

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

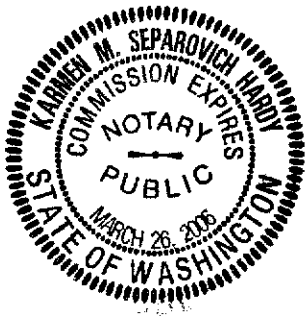
MAR 17 2005

Amount Paid \$ 4
Skagit Co Treasurer
By *h* Deputy

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

On this 18th day of January, 2005, before me, the undersigned, a Notary Public in and for the state of Washington, duly commissioned and sworn, personally appeared Jerry Kaufman and Kevin Ware, to me known to be the president and secretary, respectively of the Port of Skagit County, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute the said instrument,

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



Karmen M. Separovich Hardy
Notary Public in and for the state of
Washington, residing at Anacortes
My commission expires: 3-26-2006
Printed Name: Karmen M. Separovich Hardy

Avigation Easement
Grantor: Fredonia Farms, LLC, et al
Grantee: Port of Skagit County



20050317000
Skagit County Auditor

3/17/2005 Page 7 of 21 11:06AM

GRANTOR:

Dated this 15 day of March, 2005.

FREDONIA FARMS, LLC

By: [Signature]
Jack R. Wallace, Member

By: [Signature]
Jack R. Wallace, Secretary,
G&D Wallace, Inc., Member

WALLACE VENTURES, LLC

By: [Signature]
Jack R. Wallace, Secretary,
G&D Wallace, Inc., Managing
Member of Wallace Ventures, LLC

**JACK R. WALLACE &
ELIZABETH A. WALLACE**

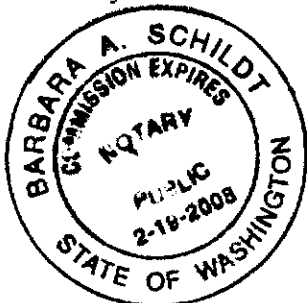
By: [Signature]
Jack R. Wallace

[Signature]
Elizabeth A. Wallace

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 15th day of March, 2005, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jack R. Wallace, to me known to be a member of Fredonia Farms LLC, and as secretary of G&D Wallace, Inc., a member of Fredonia Farms, LLC, that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute the same and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto the day and year in this certificate first above written.



[Signature]
Notary Public in and for the state of Washington,
residing at Burlington
My commission expires: 2/19/08
Printed Name: Barbara A. Schildt

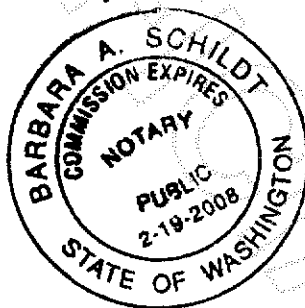
Avigation Easement
Grantor: Fredonia Farms, LLC, et al
Grantee: Port of Skagit County

200503170064
Skagit County Auditor
3/17/2005 Page 8 of 21 11:06AM

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 15th day of March, 2005, before me, the undersigned Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jack R. Wallace, to me known to be the secretary of G&D Wallace, Inc., managing member of Wallace Ventures, LLC, that executed the foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was duly authorized to execute the same and that the seal affixed is the corporate seal of said corporation.

WITNESS my hand and official seal hereto the day and year in this certificate first above written.

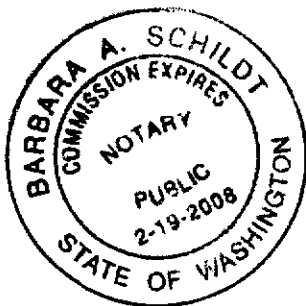


Barbara A. Schildt
Notary Public in and for the state of Washington,
residing at Burlington
My commission expires: 2/19/08
Printed Name: Barbara A. Schildt

STATE OF WASHINGTON)
) SS
COUNTY OF SKAGIT)

On this 15th day of March, 2005, before me, personally appeared Jack R. Wallace, to me known to be the individual described in and who executed the within instrument and acknowledged he signed and sealed the same as his free and voluntary act and deed for the uses and purposes herein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



Barbara A. Schildt
Notary Public in and for the state of Washington,
residing at Burlington
My commission expires: 2/19/08
Printed Name: Barbara A. Schildt

Avigation Easement
Grantor: Fredonia Farms, LLC, et al
Grantee: Port of Skagit County



200503170064
Skagit County Auditor

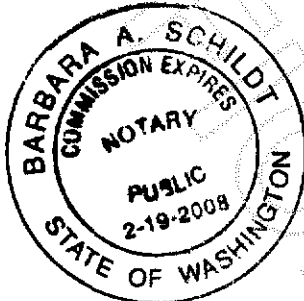
STATE OF WASHINGTON)

) SS

COUNTY OF SKAGIT)

On this 15th day of March, 2005, before me, personally appeared Elizabeth A. Wallace, to me known to be the individual described in and who executed the within instrument and acknowledged she signed and sealed the same as her free and voluntary act and deed for the uses and purposes herein mentioned.

IN WITNESS WHEREOF I have hereunto set my hand and affixed my official seal the day and year first above written.



Barbara A. Schildt
Notary Public in and for the state of Washington,
residing at Burlington
My commission expires: 2/19/08
Printed Name: Barbara A. Schildt

Avigation Easement
Grantor: Fredonia Farms, LLC, et al
Grantee: Port of Skagit County



200503170064
Skagit County Auditor

EXHIBIT "A"

PARCEL "A":

Tract 2 of Skagit County Short Plat No. 44-87, approved December 29, 1987, and recorded December 30, 1987, in Volume 8 of Short Plats, page 11, under Auditor's File No. 8712300001, records of Skagit County, Washington, being a portion of the Northwest ¼ of the Northeast ¼ of Section 9, Township 34 North, Range 3 East, W.M., EXCEPT the West 495 feet of the North 660 feet thereof lying East of and adjacent to Tract 1 of said Short Plat No. 44-87, ALSO EXCEPT that portion described as follows:

Beginning at the Southwest corner of said Tract 2;
thence North 01°09'42" East along the West line thereof, a distance of 19.11 feet to the Southerly margin of that certain oil pipeline easement conveyed to Trans Mountain Oil Pipeline Corp. by instrument dated July 9, 1954, and recorded September 16, 1954, under Auditor's File No. 506571;
thence North 78°23'14" East along said Southerly margin, a distance of 1,374.73 feet to its intersection with the East line of said Tract 2;
thence South 01°15'35" West along said East line, a distance of 307.98 feet to the Southeast corner of said Tract 2;
thence North 89°29'02" West along the South line of said Tract 2, a distance of 1,340.27 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

The Southwest ¼ of the Northeast ¼ of Section 9, Township 34 North, Range 3 East, W.M., EXCEPT that portion lying South of the following described line:

Beginning at the Southwest corner of the Southwest ¼ of said Northeast ¼;
thence North 1°09'54" East, along the West line of said Southwest ¼, a distance of 288.50 feet to the point of beginning of the aforementioned line;
thence South 89°36'55" East, parallel to the South line of said Southwest ¼, a distance of 778.09 feet;
thence North 86°48'17" East, a distance of 61.27 feet;
thence South 89°36'55" East, a distance of 499.18 feet, to the East line of said Southwest ¼, and the terminus of the aforementioned line.

TOGETHER WITH that portion of Tract 2 of Skagit County Short Plat No. 44-87, approved December 29, 1987, and recorded December 30, 1987, in Volume 8 of Short Plats, page 11, as Auditor's File No. 8712300001, records of Skagit County, Washington, being a portion of the Northwest ¼ of the Northeast ¼ of said Section 9, Township 34 North, Range 3 East, said portion being more particularly described as follows:



200503170064
Skagit County Auditor

PARCEL "B" continued:

Beginning at the Southwest corner of said Tract 2;
thence North 01°09'42" East along the West line thereof, a distance of 19.11 feet to the Southerly margin of that certain oil pipeline easement conveyed to Trans Mountain Oil Pipeline Corp. by instrument dated July 9, 1954, and recorded September 16, 1954, under Auditor's File No. 506571;
thence North 78°23'14" East along said Southerly margin, a distance of 1,374.73 feet to its intersection with the East line of said Tract 2;
thence South 01°15'35" West along said East line, a distance of 307.98 feet to the Southeast corner of said Tract 2;
thence North 89°29'02" West along the South line of said Tract 2, a distance of 1,340.27 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

Those portions of the Northeast ¼ of the Southwest ¼, and the North ½ of the Southeast ¼ lying North of the Great Northern Railway right-of-way, all in Section 9, Township 34 North, Range 3 East, W.M., EXCEPTING therefrom the six following described premises:

- 1.) Beginning at the East ¼ corner of said Section; thence West along the North line of the Northeast ¼ of the Southeast ¼ of said Section, 726.6 feet; thence South to the North line of the Great Northern Railway right-of-way; thence Easterly along said railway right-of-way to the East line of the Section; thence North to the point of beginning.
- 2.) That portion of the Northeast ¼ of the Southwest ¼ of said Section lying North of the "PLAN OF FREDONIA, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington, and lying West of the East line of Lot 12, Block 11, said "PLAN OF FREDONIA, SKAGIT COUNTY, WASHINGTON", produced North.
- 3.) Those portions described as Blocks 7, 8, 9 and 10, and Lots 4 to 12, inclusive, Block 11, "PLAN OF FREDONIA, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington, including vacated streets and alleys which have reverted to said Lots and Blocks through process of law.



200503170064
Skagit County Auditor

PARCEL "C" Continued:

4.) A tract of land marked "reserve" of the "PLAN OF FREDONIA, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington, and reserve of 10 feet along each side of said "reserve", all as conveyed to S.R. Young by Deed dated February 11, 1891, and recorded March 6, 1891, in Volume 17 of Deeds, page 641, records of Skagit County, Washington.

5.) Those portions thereof condemned and taken for Drainage District No. 19.

6.) The unvacated portion of Olympia Avenue adjoining Blocks 1 and 2, and Lots 1, 2, and 3 of Block 11, "PLAN OF FREDONIA, SKAGIT COUNTY, WASHINGTON", as per plat recorded in Volume 2 of Plats, page 27, records of Skagit County, Washington.

TOGETHER WITH that portion of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of said Section 9, lying South of the following described line:

Beginning at the Southwest corner of the Southwest $\frac{1}{4}$ of said Northeast $\frac{1}{4}$;
thence North $1^{\circ}09'54''$ East, along the West line of said Southwest $\frac{1}{4}$, a distance of 288.50 feet to the point of beginning of the aforementioned line;
thence South $89^{\circ}36'55''$ East, parallel to the South line of said Southwest $\frac{1}{4}$, a distance of 778.09 feet;
thence North $86^{\circ}48'17''$ East, a distance of 61.27 feet;
thence South $89^{\circ}36'55''$ East, a distance of 499.18 feet, to the East line of said Southwest $\frac{1}{4}$, and the terminus of the aforementioned line.

Situate in the County of Skagit, State of Washington.

PARCEL "D":

All of Block 9, Lots 1 through 9, Block 10, Lots 4 through 12, Block 11, Lots 1 through 3, Block 8 and that tract of land marked "reserve", "PLAN OF FREDONIA", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington.

TOGETHER WITH vacated Olympia Avenue between the West line of Block 10 extended South and the East line of Lot 4, in Block 11, extended South;

ALSO, the South $\frac{1}{2}$ of vacated Olympia Avenue between the said East line of Lot 4 in Block 11, extended, and the center line of Samish Street;



200503170064
Skagit County Auditor

3/17/2005 Page 13 of 21 11:06AM

DESCRIPTION CONTINUED:

PARCEL "D" Continued:

ALSO, the West ½ of vacated Samish Street between Olympia Avenue and Swinomish Avenue;

ALSO, the North ½ of vacated Swinomish Avenue between the West line of Block 9, extended South and the center line of Samish Street;

EXCEPT that portion thereof lying West of the Northerly extension of the East line of Lot 4 in Block 8;

ALSO, vacated Mill Street between Olympia Avenue and Swinomish Avenue;

ALSO, that portion of South ½ of vacated Swinomish Avenue and the North ½ of vacated alley abutting on Lots 1 through 3, in Block 8;

ALSO, the West ½ of vacated Mill Street abutting on Lot 1 in Block 8;

ALSO, vacated alley in Block 9.

Situate in the County of Skagit, State of Washington.

PARCEL "E":

That portion of the Northeast ¼ of the Southwest ¼ of Section 9, Township 34 North, Range 3 East, W.M., described as follows:

Beginning at the Northeast corner of Lot 12, in Block 11, "PLAN OF FREDONIA", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington;
thence North to the North line of said Northeast ¼ of the Southwest ¼;
thence West to the Northwest corner thereof;
thence South to the North line of said Block 10;
thence East along the North line of said Block 10 to the point of beginning.

Situate in the County of Skagit, State of Washington.



200503170064

Skagit County Auditor

DESCRIPTION CONTINUED:

PARCEL "F":

Lots 1 through 10, Block 7, "PLAN OF FREDONIA", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington;

TOGETHER WITH the vacated North ½ of the alley adjoining;

AND TOGETHER WITH the vacated East ½ of Mill Street adjoining Lot 10 in said Block and adjoining the vacated North ½ of said alley.

AND TOGETHER WITH the vacated South ½ of Swinomish Avenue adjoining said lots and adjoining the vacated East ½ of Mill Street;

ALSO, Lots 12 through 20, Block 7, "PLAN OF FREDONIA", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington.

TOGETHER WITH the vacated South ½ of the alley adjoining.

Situate in the County of Skagit, State of Washington.

PARCEL "G":

Lot 11, Block 7, "PLAN OF FREDONIA", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington;

TOGETHER WITH the vacated South ½ of the alley adjoining;

AND TOGETHER WITH the vacated East ½ of Mill Street adjoining said lot and adjoining the vacated South ½ of said alley.

Situate in the County of Skagit, State of Washington.

PARCEL "H":

Lots 18, 19, and 20, Block 8, "PLAN OF FREDONIA", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington;

TOGETHER WITH that portion of the vacated South ½ of the alley adjoining said premises, which upon vacation reverted to said property by operation of law;



200503170064
Skagit County Auditor

3/17/2005 Page 15 of 21 11:06AM

DESCRIPTION CONTINUED:

PARCEL "H" Continued:

AND TOGETHER WITH that portion of the West ½ of vacated Mill Street, which upon vacation reverted to said premises by operation of law.

EXCEPT from Parcel "D" and Parcel "E" above, the following described tract:

That portion of Lots 3 and 18, Block 8, "PLAN OF FREDONIA", as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington.

TOGETHER WITH a portion of the vacated alley adjoining;

AND TOGETHER WITH a portion of vacated Swinomish Avenue contiguous to the North line of Block 8 and being more particularly described as follows:

Beginning at the Northwest corner of Block 10 of said "PLAN OF FREDONIA", as shown on that certain record of Survey Map recorded under Auditor's File No. 200006020092, records of Skagit County, Washington;

thence South 00°05'33" West a distance of 827.94 feet (called 828 feet on said PLAN OF FREDONIA) along the West line of said PLAN OF FREDONIA to the Southwest corner of Lot 13, Block 8, of said PLAN OF FREDONIA;

thence North 89°46'33" East a distance of 149.75 feet along the South line of said Block 8 to the Southwest corner of Lot 18, Block 8, and being the true point of beginning;

thence North 00°35'11" East a distance of 105.00 feet along the West line of said Lot 18 to the Northwest corner thereof;

thence North 00°13'27" West a distance of 8.00 feet to the centerline of the vacated alley in said Block 8;

thence North 89°46'33" East a distance of 0.23 feet along the centerline of said vacated alley;

thence North 00°13'27" West a distance of 8.00 feet to the Southwest corner of Lot 3, Block 8;

thence North 00°35'11" East a distance of 105.00 feet along the West line of said Lot 3 to the Northwest corner thereof;

thence North 00°13'27" West a distance of 40.00 feet to the centerline of vacated Swinomish Avenue;

thence North 89°46'33" East a distance of 1.13 feet along the centerline of said vacated Swinomish Avenue;

thence North 00°13'27" West a distance of 28.0 feet, more or less, to an existing wire fence;



200503170064

Skagit County Auditor

3/17/2005 Page 16 of 21 11:06AM

DESCRIPTION CONTINUED:

PARCEL "H" Continued:

thence South 86°23'42" East a distance of 7.5 feet, more or less, along said fence line to a Northwest fence corner thereof;
thence South 01°18'59" West a distance of 67.5 feet to an angle point in said fence line;
thence South 00°09'20" West a distance of 226.0 feet, more or less, along said fence to the South line of said Lot 18, Block 8, at a point bearing North 89°46'33" East from the true point of beginning;
thence South 89°46'33" West a distance of 8.5 feet, more or less, to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "I":

That portion of the North ½ of vacated Swinomish Avenue contiguous to the South line of Block 9, PLAN OF FREDONIA, as per plat recorded in Volume 2 of Plats, page 25, records of Skagit County, Washington, being more particularly described as follows:

Beginning at the Northwest corner of Block 10 of said PLAN OF FREDONIA as shown on that certain Record of Survey map recorded under Skagit County Auditor's File No. 200006020092; thence South 00°05'33" West 521.96 feet along the West line of said PLAN OF FREDONIA to the Southwest corner of said Block 9 and being the true point of beginning; thence continue South 0°05'33" West 1.8 feet, more or less, along said West line, to an existing wire fence; thence South 86°23'42" East 152.7 feet, more or less, along said fence line, to a point bearing South 0°13'27" East from the Southwest corner of Lot 18, Block 9; thence North 0°13'27" West 12.0 feet, more or less, to said Southwest corner of Lot 18 at a point bearing North 89°46'33" East from the true point of beginning; thence South 89°46'33" West 152.39 feet along said South line of Block 9 to the true point of beginning.

Situate in the County of Skagit, State of Washington.



200503170064

Skagit County Auditor

Exhibit -C

BAYVIEW AIRPORT - PERIMETER DESCRIPTION

Those portions of Sections 33 and 34, Township 35 North, Range 3 East, W.M., and of Sections 3, 4 and 10, Township 34 North, Range 3 East, W.M., described as follows:

Beginning at the intersection of the South line of the County Road along the North line of Section 34, Township 35 North, Range 3 East, W.M., and the West line of said Section 34;
thence East, along said South line of the County Road, a distance of 208 feet;
thence South to a point 300 feet North of the South line of the North $\frac{1}{4}$ of the North $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 34;
thence East, along a line which is 300 feet North of said South line, a distance of 291 feet to the East line of the West $\frac{1}{2}$ of the North $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 34;
thence South, along the East line of said West $\frac{1}{2}$ of the North $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 34;
thence East, along said South line, to the East line of the Northwest $\frac{1}{4}$ of said Section 34;
thence South, along said East line, to the center of said Section 34;
thence East, along the East/West center line of said Section 34, to the East line of the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of said Section 34;
thence South, along said East line, and along the East line of the West $\frac{1}{2}$ of the East $\frac{1}{2}$ of Section 3, Township 34 North, Range 3 East, W.M., to the North line of Ovenell Road;
thence West, along the North line of Ovenell Road, a distance of 100 feet;
thence Northwesterly to a point on the North line of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 3 that is 150 feet West of the Northeast corner thereof;
thence West, along the North line of the Southwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ to the Northwest corner thereof;
thence South, along the North/South center line of said Section 3 and the North/South center line of Section 10, Township 34 North, Range 3 East, W.M., to the Southeast corner of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 10;
thence South $0^{\circ}21'30''$ West, along the East line of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 10, a distance of 379.7 feet to the center of Higgins Slough;
thence South $83^{\circ}45'00''$ East, along the center of said slough, a distance of 56.1 feet;
thence South $77^{\circ}49'00''$ East a distance of 171.0 feet;
thence South $54^{\circ}30'00''$ East a distance of 67.0 feet;
thence South $46^{\circ}17'30''$ East a distance of 479.0 feet to the Northerly line of the Great Northern Railway right-of-way;
thence South $73^{\circ}20'30''$ West, along said Northerly line, to the North/South center line of said Section 10;
thence Southwesterly, along Northerly right-of-way line, to the East line of the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 10, a distance of 687.7 feet, as measured along the North line, of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 10;



200503170064
Skagit County Auditor

thence North, along said East line of the West 687.7 feet, to the North line of said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$;
 thence West, along the North line thereof, a distance of 687.7 feet to the Northwest corner thereof;
 thence North, along the West line of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 10, to the North line thereof, which point is also the South line of Section 3, Township 34 North, Range 3 East, W.M.;
 thence West, along the South line of Sections 3 and 4 of said Township 34 North, Range 3 East, W.M., to the Southwest corner of said Section 4;
 thence North, along the West line of said Section 4, to the Southwest corner of a tract conveyed to PACCAR Inc., a Delaware corporation, by deed recorded December 21, 1979, under Auditor's File No. 7912210064, said point being South $1^{\circ}18'41''$ West a distance of 746.70 feet from the West $\frac{1}{4}$ corner of said Section 4;
 thence South $88^{\circ}37'12''$ West, a distance of 3,139.05 feet; along the South line of said PACCAR, Inc. tract, to the Southeast corner thereof;
 thence North $0^{\circ}37'03''$ East, along the East line of said PACCAR, Inc. tract, a distance of 3,159.99 feet;
 thence North $88^{\circ}39'12''$ West a distance of 120.01 feet;
 thence North $0^{\circ}37'13''$ East a distance of 320.36 feet to the North line of said Section 4;
 thence North $88^{\circ}37'12''$ West, along the North line of said Section 4, a distance of 2,601.20 feet to the Northwest corner of said Section 4;
 thence North, along the West line of Section 33, Township 35 North, Range 3 East, W.M., to the North line of the South $\frac{1}{4}$ of the North $\frac{1}{4}$ of the North $\frac{1}{4}$ of said Section 33;
 thence East, along said North line, to the East line of said Section 33;
 thence North, along said East line, to the point of beginning.

EXCEPTING THEREFROM those portions above described which lie within the rights-of-way of the County Roads known as Ovenell Road, Farm-to-Market Road, Josh Wilson Road, Peterson Road and Higgins Airport Way.

Situate in the County of Skagit, State of Washington

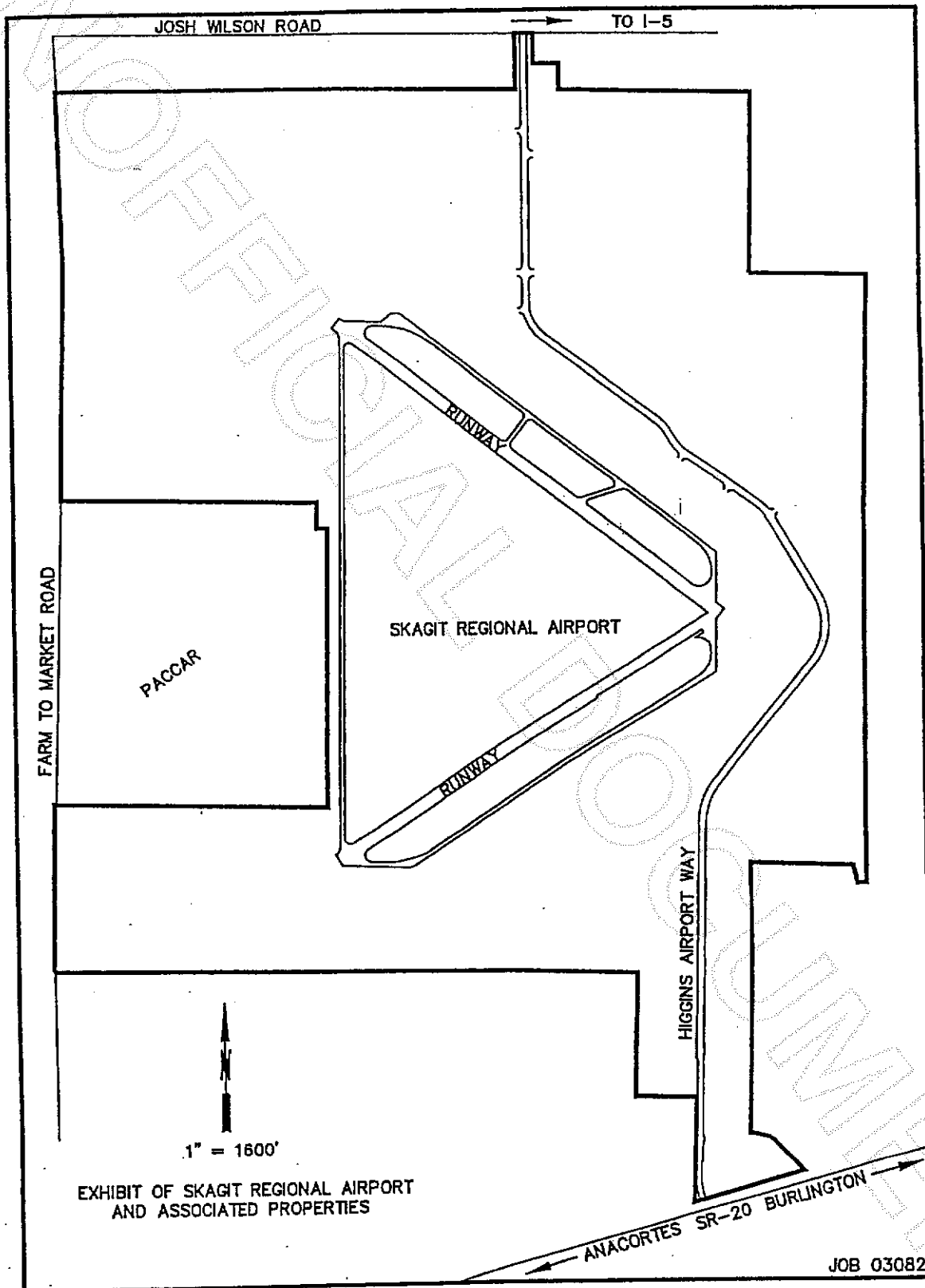
NOTE: A portion of the property described above has been included within a Binding Site Plan known as "SKAGIT REGIONAL AIRPORT BINDING SITE PLAN PHASE 1", as approved August 22, 1986, and recorded August 25, 1986, in Volume 7 of Short Plats, pages 111 through 120, under Auditor's File No. 8608250002, records of Skagit County, Washington; being a portion of Section 34, Township 35 North, Range 3 East, W.M.

END OF EXHIBIT C



200503170064
 Skagit County Auditor

EXHIBIT D



200503170064

Skagit County Auditor