

Recorded at the Request of/Return to:
SKAGIT LAW GROUP, PLLC
P. O. Box 336/227 Freeway Drive, Suite B
Mount Vernon, WA 98273



200511280001
Skagit County Auditor

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DEED COVENANT ESTABLISHING DEVELOPMENT FEES

GRANTORS: **BOUSLOG INVESTMENTS, LLC**, a limited liability company
formed under the laws of the State of Washington; and

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

NOV 23 2005

Amount Paid \$
By Skagit Co. Treasurer
Deputy

JBK INVESTMENTS, LLC, a limited liability company
formed under the laws of the State of Washington; and

OWNER'S ASSOCIATION OF BAY RIDGE BUSINESS PARK, a
non-profit corporation formed under the laws of the State of Washington

GRANTEE: **SKAGIT COUNTY FIRE PROTECTION DISTRICT NO. 6**

LEGAL DESCRIPTION:

Abbreviated form:

More on Page: 7 - 12

ASSESSOR'S PARCEL NO: P20983; P118502; P118505; P118507; P118509; P118511;
P122068; P122070; P122072; P122073; P122074; P122075;
P122077; P122078; P35354; P35357; P122632; P21031; P20979;
P35378; P35386

THIS DEED is for the establishment of covenants encumbering the lands of the Grantors with an obligation to pay Skagit County Fire Protection District No. 6 ("District No. 6") development fees for a portion of the capital costs associated with the planning, design, construction, furnishing, and equipping of a fire station within the Bayview Ridge Urban Growth

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ORIGINAL

Area meeting the current and planned future demands for fire protection services within the Bayview Ridge Urban Growth Area.

RECITALS

WHEREAS, Bayview Ridge Urban Growth Area is currently subject to a subarea planning process ("Subarea Plan") after adoption of which the amount of residential units and the amount of commercial/industrial development may increase; and

WHEREAS, the State of Washington Growth Management Act requires concurrency for the provisions of an Urban Level of Fire Protection Services within Urban Growth Areas; and

WHEREAS, **BOUSLOG INVESTMENTS, LLC**, and **JBK INVESTMENTS, LLC**, dba **BOUSLOG PROPERTIES** ("Bouslog Properties") own approximately one hundred sixty (160) acres of land currently zoned and/or likely to be zoned for future commercial/industrial development following adoption of the Subarea Plan referred to above (lands described in Exhibit "A" attached hereto and incorporated by this reference) and approximately one hundred seventy-five (175) acres of land zoned and/or likely to be zoned for future residential development following adoption of the Subarea Plan (lands described in Exhibit "B" attached hereto and incorporated by this reference), all within the Bayview Ridge Urban Growth Area; and

WHEREAS, the Port of Skagit County ("Port"), Bouslog Properties, and District No. 6 have agreed to cooperate in the construction and equipping of a new fire station by District No. 6 on lands contributed by Bouslog Properties on Bayview Ridge; and

WHEREAS, the Port and District No. 6 have entered into an Interlocal Cooperation Agreement for fire station construction and fire protection services dated on or about December 17, 2002, and recorded on December 19, 2002, under Skagit County Auditor's File No. 200212190019; and

WHEREAS, the Port by Interlocal Agreement and Bouslog Properties by deed covenant have agreed to establish a formula for the charging of development fees for commercial/industrial uses and residential uses as set forth herein; and

WHEREAS, the Owner's Association of Bay Ridge Business Park ("Business Park") was established by Bouslog Properties as a non-profit corporation to own, manage, and administer common areas and covenants established in that certain Declaration of Covenants, Conditions, Restrictions, and Reservations for Bay Ridge Business Park ("Declaration") recorded on December 8, 1997, under Skagit County Auditor's File No. 9712080099 and as amended and recorded on June 22, 2005, under Skagit County Auditor's File No. 200506220163; and as further amended and recorded on October 12, 2005, under Skagit County Auditor's File No. 200510120152.

DEED COVENANTS ESTABLISHING DEVELOPMENT FEES



NOW, THEREFORE, the following covenants ("Covenants") are hereby established by the Grantors by this deed for the benefit of District No. 6.

1. **Development Fee for Commercial/Industrial Improvements.** The lands described in Exhibit "A" attached hereto and incorporated by this reference shall be subject to a development fee for commercial/industrial development. The development fee for each 1,000 square feet of commercial/industrial development is **Two Hundred Forty-four Dollars (\$244) or \$.244 per square foot**. The fee shall be due and payable at such time as the owner submits a building permit to the Skagit County Planning and Permit Center for the construction of improvements. If the land is located in the Business Park, then the owner/applicant shall also provide the Covenants Committee of the Business Park, if a Covenants Committee is appointed pursuant to Section 9.2 of the Declaration and Business Park ByLaws (if there is no Covenants Committee, then the Secretary of the Business Park), with a copy of its plans for the construction of improvements. The Business Park agrees to provide notice of its receipt of any plans for development to the Secretary of District No. 6 for the determination and billing of any development fee due District No. 6.

In the event that any of the lands identified in Exhibit "A" as zoned for commercial/industrial development are subsequently zoned for residential development following the recording of this Covenant, then the lands rezoned for residential development shall be subject to the development fee for residential improvements in Section 2.

2. **Development Fee for Residential Improvements.** The lands described in Exhibit "B" attached hereto and incorporated by this reference shall be subject to a development fee for residential development. Bouslog Properties, their successors and/or assigns agree to contribute a development fee for residential development for each individual apartment, duplex, triplex, etc., condominium unit, or single family residence ("Residential Unit"). The fee for each Residential Unit is **Three Hundred Eighty-Three Dollars (\$383)** and shall be due and payable at such time as Bouslog Properties, their successors and/or assigns obtain final plat approval for the Residential Units. Bouslog Properties, their successors and/or assigns further agree to include notice of the Residential Unit development fee in any plat submitted for the lands described in Exhibit "B."

In the event that any of the lands described in Exhibit "B" as zoned for residential development should, following the recording of this Covenant, be zoned for commercial/industrial development, then the lands rezoned for commercial/industrial development shall be subject to the development fee for commercial/industrial lands in Section 1.

3. **Enforcement Provision.** In the event the property owner fails to remit the applicable development fee to District No. 6 as required by the Covenants within thirty (30) days, then District No. 6 may initiate collection action to enforce the delinquent amounts. The sum shall bear interest at the rate of 12% per annum, and District No. 6 shall be entitled to its

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reasonable expenses incurred in connection with the enforcement and collection of the development fee, including court costs and reasonable attorneys' fees. Development fees for property within the Business Park shall constitute a lien on the property and District No. 6 shall, in addition to any other rights granted herein, have the right to enforce the lien as a special assessment pursuant to Section 10 of the Declaration for said Business Park.

4. **Subsequent Transfers.** Bouslog Properties agrees with respect to the lands described in Exhibit "A" (commercial/industrial lands) and Exhibit "B" (residential lands) to:

- a) Incorporate terms of these Covenants by reference in any deed or legal instrument by which it divests itself of any interest in all or a portion of such lands, including without limitation a leasehold interest;
- b) Describe these Covenants and append them to any executory contract for the sale of such lands;
- c) Give written notice to the Grantee of any transfer of all or part of such lands within thirty (30) days following the date of such transfer. Such notice to the Grantee shall include the name, address, and telephone number of the transferee or the transferee's representative.

Compliance with the provisions of this Section 4 shall relieve Bouslog Properties of any liability for the payment and collection of the development fees in the event the subsequent transferee fails to comply with the terms and conditions of these Covenants.

5. **Amendment.** These Covenants may be amended by the execution and delivery of amended deed covenants but only with the written consent of both Grantors and Grantee.

6. **Assignment.** This Deed is transferable, but Grantee may assign its rights and obligations under this Deed only to a municipal corporation or Washington State agency providing fire protection services within the Bayview Ridge Urban Growth Area. As a condition of such transfer, Grantee shall require that the transferee exercise its rights under the assignment consistent with the purpose of this Deed. Grantee shall notify Grantors in writing, at Grantors' last known addresses, in advance of such assignment. The failure of Grantee to give such notice shall not affect the validity of such assignment nor shall it impair the validity of this Deed or limit its enforceability in any way.

7. **Recording.** Grantors shall have the right to record this instrument in a timely fashion in the records of the Skagit County Auditor and may re-record it at any time as may be required to preserve its rights.

8. **Miscellaneous Provisions.**

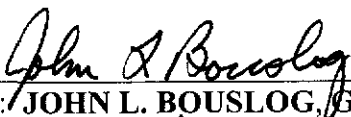
**DEED COVENANTS ESTABLISHING
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- a) **Controlling Law.** The interpretation and performance of this Deed shall be governed by the laws of the State of Washington.
- b) **Liberal Construction.** Any general rule of construction to the contrary notwithstanding, the Covenants shall be liberally construed in favor of giving effect to the Purpose of imposing and collecting the development fees due District No. 6.
- c) **Severability.** If any provision of this Deed, or its application to any person or circumstance, is found to be invalid, the remainder of the provisions of this Deed, 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) **Successors and Assigns.** The Covenants, terms, conditions, and restrictions herein shall be binding upon, and inure to the benefit of, the parties to this Deed and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity.
- e) **Joint and Several.** The obligations imposed herein upon Grantor shall be joint and several.
- f) **Counterparts.** The parties may execute this instrument in two or more counterparts, which may 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.

GRANTORS:


BOUSLOG INVESTMENTS, LLC


By: **JOHN L. BOUSLOG**, General Manager
Date: 10/28/05

JBK INVESTMENTS, LLC


By: **BARBARA BAZANT**, General Manager
Date: 10/18/05

**OWNER'S ASSOCIATION OF
BAY RIDGE BUSINESS PARK**


By: **JOHN L. BOUSLOG**, President
Date: 10/28/05

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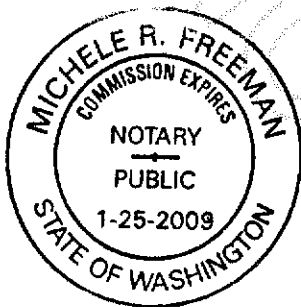


STATE OF WASHINGTON
COUNTY OF SKAGIT

SS.

I certify that I know or have satisfactory evidence that **JOHN L. BOUSLOG** 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 General Manager of BOUSLOG INVESTMENTS, L.L.C., and President of the OWNER'S ASSOCIATION OF BAY RIDGE BUSINESS PARK to be the free and voluntary acts of such parties for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 28th day of October, 2005.



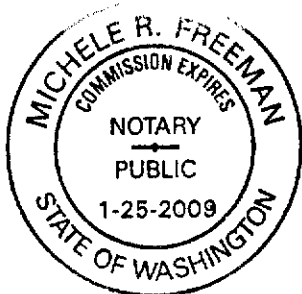
Michele R. Freeman
Printed Name Michele Freeman
NOTARY PUBLIC in and for the State of Washington
My Commission Expires January 25, 2009

STATE OF WASHINGTON
COUNTY OF Skagit

SS.

I certify that I know or have satisfactory evidence that **BARBARA BAZANT** is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the General Manager of JBK INVESTMENTS, L.L.C., to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 18th day of October, 2005.



Michele R. Freeman
Printed Name Michele R. Freeman
NOTARY PUBLIC in and for the State of Washington
My Commission Expires January 25, 2009

DEED COVENANTS ESTABLISHING
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\\SERVER\\SHARED\\HOME\\BRIAN\\A - K\\BOUSLOG PROPERTIES\\FIRE PROTECT DIST #6\\DEED



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EXHIBIT "A"

(Legal Description of lands currently or following adoption of the Subarea Plan for the Bayview Ridge Urban Growth Area to be zoned for commercial/industrial development including Bayview Ridge Community Center (BR-CC))

PARCEL A:

That portion of Government Lot 4, Section 2, Township 34 North, Range 3 East of the Willamette Meridian, lying Southerly of the State right-of-way, commonly known as Peterson Road, as conveyed to the State of Washington by Deed dated July 5, 1938 and recorded September 6, 1938, under Auditor's File No. 305470, records of Skagit County, Washington;

EXCEPT the East 30.00 feet thereof;

AND EXCEPT the following described tract:

Beginning at a point 330.00 feet East and 30.00 feet South of the Northwest corner of said Government Lot 4;

Thence South 330.00 feet;

Thence East 132.00 feet;

Thence North 330.00 feet;

Thence West 132.00 feet to the point of beginning;

AND ALSO EXCEPT that portion of said Government Lot 4, Section 2, Township 34 North, Range 3 East of the Willamette Meridian, being more particularly described as follows:

Commencing at the Northeast corner of Government Lot 3 (North Quarter corner) of said Section 2, Township 34 North, Range 3 East of the Willamette Meridian;

Thence North 88°15'23" West along the North line of said Government Lot 3 for a distance of 1,329.87 feet, more or less, to the Northwest corner thereof (also being the Northeast corner of Government Lot 4 said Section 2, Township 34 North, Range 3 East of the Willamette Meridian);

Thence South 0°22'46" West along the East line of said Government Lot 4 for a distance of 30.01 feet, more or less, to the Southerly right-of-way margin of said Peterson Road;

Thence North 88°15'23" West along said Southerly margin of Peterson Road for a distance of 60.02 feet, more or less, to a point on the West line of the East 60.00 feet of said Government Lot 4 and being the true point of beginning;

Thence continue North 88°15'23" West along said Southerly right-of-way margin of Peterson Road, for a distance of 250.07 feet;

Thence South 1°44'37" West for a distance of 237.50 feet;

Thence South 88°15'23" East parallel with the North line of said Government Lot 4 for a distance of 255.73 feet, more or less, to said West line of the East 60.00 feet of Government Lot 4 at a point bearing South 0°22'46" West from the true point of beginning;

Thence North 0°22'46" East along said West line of the East 60.00 feet for a distance of 237.57 feet, more or less, to the true point of beginning.

PARCEL A continues



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Exhibit "A" Page 1 of 4

EXHIBIT "A"
(continued)

PARCEL A (continued)

TOGETHER WITH the North Half of the Southwest Quarter of the Northwest Quarter of Section 2, Township 34 North, Range 3 East of the Willamette Meridian;

EXCEPT the East 446.00 feet of the South 264.00 feet thereof;

AND EXCEPT the East 30.00 feet of the North 407.55 feet thereof.

Situated in Skagit County, Washington

PARCEL C:

The South Half of the Southwest Quarter of the Northwest Quarter of Section 2, Township 34 North, Range 3 East of the Willamette Meridian.

Situated in Skagit County, Washington



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EXHIBIT "A"
(continued)

PARCEL E:

The East Half of the Southeast Quarter of Section 34, Township 35 North, Range 3 East of the Willamette Meridian;

EXCEPT that portion lying within the Peterson Road along the South line thereof;

AND EXCEPT that portion thereof conveyed to Fisher and Sons, Inc. by deed recorded August 18, 1997, under Auditor's File No. 9708180087, records of Skagit County, Washington;

AND ALSO EXCEPT that portion thereof conveyed to Jones Washington I, L.L.C. by Deed recorded April 22, 2004, under Auditor's File No. 200404220152, records of Skagit County, Washington;

AND ALSO EXCEPT that portion thereof described as follows:

Commencing at the Southeast corner of said Section 34;
Thence North 88°20'14" West along the South line of said Section 34, a distance of 645.76 feet, more or less, to the Northerly extension of the centerline of a 60.00 foot wide easement as shown on Skagit County Short Plat No. 96-012, approved October 2, 1996 and recorded under Auditor's File No. 9610110054 in Volume 12 of Short Plats, page 155, records of Skagit County, Washington;
Thence North 1°27'22" East, a distance of 1,041.74 feet;
Thence North 88°20'48" West, a distance of 675.96 feet to the West line of said East Half of the Southeast Quarter of Section 34;
Thence North 1°27'22" East along said West line a distance of 904.61 feet to the true point of beginning;
Thence South 88°20'48" East, a distance of 1,329.84 feet to the East line of said Section 34;
Thence North 1°41'43" East along said East line, a distance of 738.75 feet to the Northeast corner of said East Half of the Southeast Quarter of Section 34;
Thence North 88°58'01" West along the North line thereof, a distance of 1,332.95 feet to the Northwest corner of said East Half of the Southeast Quarter of Section 34;
Thence South 1°27'22" West along the West line thereof, a distance of 724.33 feet to the true point of beginning.

Situated in Skagit County, Washington



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EXHIBIT "A"
(continued)

PARCEL G:

Lots 2A, 2B, 2C, 2D, 2E, 2F, 2G and 2H of Bay Ridge Business Park Binding Site Plan, BSP No. PL-03-0706, approved June 8, 2004, and recorded July 9, 2004, under Auditor's File No. 200407090108, records of Skagit County, Washington; being a portion of the East Half of the Northeast Quarter of Section 3, Township 34 North, Range 3 East of the Willamette Meridian.

EXCEPT that portion of Lot 2H, described as follows:

Beginning at the Northeast corner of said Section 3, as shown on Skagit Regional Airport Binding Site Plan, Phase 2, Division 1, as approved January 22, 2002, and recorded January 22, 2002, under Auditor's File No.

200201220163, records of Skagit County, Washington;

Thence South 0°18'24" West, along the East line of said Section (called South 0°16'51" West on said Skagit County Short Plat No. 96-012), 2,725.88 feet to the East Quarter corner of said Section (also being the Southeast corner of said Lot 4, Skagit County Short Plat No. 96-012);

Thence North 88°19'14" West, along the East-West centerline of said Section, 747.19 feet, more or less, to a point on the Southeasterly line of the Southeast Runway Protection Zone for Runway 10/28 and being the true point of beginning;

Thence continue North 88°19'14" West along said East-West centerline 570.34 feet, more or less, to the Southwest corner of said Southeast Quarter of the Northeast Quarter;

Thence North 0°13'06" East along the West line of said subdivision, 1,159.60 feet, more or less, to the Northeasterly line of said Runway Protection Zone;

Thence South 60°53'48" East along said Northeasterly line, 1,179.29 feet, more or less, to an angle point in said Runway Protection Zone at a point bearing North 37°38'02" East from the true point of beginning;

Thence South 37°38'02" West along said Southeasterly line of the Runway Protection Zone, 761.08 feet, more or less, to the true point of beginning.

Situated in Skagit County, Washington



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EXHIBIT "B"

(Legal Description of lands currently or following adoption of the Subarea Plan for the Bayview Ridge Urban Growth Area to be zoned residential development including Bayview Ridge Residential (BR-R))

PARCEL B:

That portion of Government Lot 3 in Section 2, Township 34 North, Range 3 East of the Willamette Meridian, lying Southerly of the State Road right-of-way commonly known as Peterson Road as conveyed to the State of Washington by deed dated July 5, 1938, under Auditor's File No. 305470, records of Skagit County, Washington;

EXCEPT that portion thereof lying within the East 1,000 feet of the North 378 feet of said Government Lot 3;

AND EXCEPT the East 16 feet of the remainder.

Situated in Skagit County, Washington

PARCEL D:

That portion of the East Half of the Southeast Quarter of Section 34, Township 35 North, Range 3 East of the Willamette Meridian, described as follows:

Commencing at the Southeast corner of said Section 34;

Thence North 88°20'14" West along the South line of said Section 34, a distance of 645.76 feet, more or less, to the Northerly extension of the centerline of a 60.00 foot wide easement as shown on Skagit County Short Plat No. 96-012, approved October 2, 1996 and recorded under Auditor's File No. 9610110054 in Volume 12 of Short Plats, page 155, records of Skagit County, Washington;

Thence North 1°27'22" East, a distance of 1,041.74 feet;

Thence North 88°20'48" West, a distance of 675.96 feet to the West line of said East Half of the Southeast Quarter of Section 34;

Thence North 1°27'22" East along said West line a distance of 904.61 feet to the true point of beginning;

Thence South 88°20'48" East, a distance of 1,329.84 feet to the East line of said Section 34;

Thence North 1°41'43" East along said East line, a distance of 738.75 feet to the Northeast corner of said East Half of the Southeast Quarter of Section 34;

Thence North 88°58'01" West along the North line thereof, a distance of 1,332.95 feet to the Northwest corner of said East Half of the Southeast Quarter of Section 34;

Thence South 1°27'22" West along the West line thereof, a distance of 724.33 feet to the true point of beginning.

Situated in Skagit County, Washington



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EXHIBIT "B"
(continued)

PARCEL H:

Lots 2A and 2D, REVISED SKAGIT COUNTY SHORT PLAT NO. 23-82, approved October 26, 1982 and recorded October 27, 1982, in Volume 6 of Short plats, page 19, under Auditor's File No. 8210270059, records of Skagit County, Washington; being a portion of the Southwest Quarter of Section 35, Township 35 North, Range 3 East of the Willamette Meridian;

EXCEPT that portion of said Lot 2A lying Easterly of Sunrise Lane as shown on the face of said Short Plat;

ALSO EXCEPT that portion beginning at the Southwest corner of Lot A2 as shown on Short Plat No. 37-82, revised, as recorded in Volume 8 of Short Plats, page 71, records of Skagit County, Washington;

Thence North 89°22'20" East along the South line of said Lot A2, a distance of 436.74 feet to the West line of Sunrise Lane as shown on said short plat;

Thence South 0°32'30" East along the West line thereof, a distance of 200.00 feet;

Thence South 89°22'20" West parallel to the South line of said Lot A2, a distance of 436.74 feet to a point which lies South 0°32'30" East from the point of beginning;

Thence North 0°32'30" West, a distance of 200.00 feet to the point of beginning.

Situated in Skagit County, Washington



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