



200512080012

Skagit County Auditor

12/8/2005 Page

1 of 50 9:16AM

When recorded return to:  
Skagit County Farmland Legacy Program  
County Administration Building  
1800 Continental Place  
Mount Vernon, WA 98273

LAND TITLE OF SKAGIT COUNTY

**GRANT DEED OF CONSERVATION EASEMENT #6800**

Grantor: NOLAN LEE and SHIRLEY LEE, husband and wife

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

Grantee: SKAGIT COUNTY

DEC 08 2005

Legal Description

Abbreviated form: a ptn of Sections 1&2-33-3 E W.M.

Additional legal at Exhibit A.

Amount paid \$ 13568.60  
By Skagit Co. Treasurer  
[Signature]

Assessor's Tax Parcel Number: P15232, P15234, P15235, P15237, P15238, P15239, P15244, P15273, P15274, P15279, P15290, P15309, P15310, P15311 (ptn), P15312, P15314, P15315, P15323, P15330, P15333, P116435

THIS GRANT DEED OF CONSERVATION EASEMENT ("Easement") is made this 22nd day of August, 2005, by Nolan and Shirley Lee [husband and wife], having an address at 18014 Skagit City Road, Mount Vernon, WA 98273 (collectively, hereinafter referred to as "Grantor"), in favor of Skagit County, a political subdivision of the State of Washington, having an address at Skagit County Farmland Legacy Program, 1800 Continental Place, Mount Vernon, WA 98273 (hereinafter referred to as "Grantee").

**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 B (Site Plan), which exhibits are attached to and incorporated into this Easement by this reference. The Protected Property is approximately 362.77 acres in size and is

*2 Originals - Farmland Legacy<sup>1</sup>*

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predominately open farmland. As of the Effective Date (as defined in Subsection XVIII.K) of this Easement, the Protected Property includes a 1-acre homesite, at the corner of Dry Slough and Skagit City Roads, containing a single-family residence with detached garage and mother-in-law house; a 3.5-acre farmstead at Skagit City Road containing a single-family residence and several agricultural structures; a 1-acre site, at Skagit City Road east of the farmstead, with a farm worker house, storage shed, old milk parlor, and graveled yard; a 1.5-acre site with a cattle feeding/loafing shed and silage bunker near the junction of the private dike and dike of Diking & Drainage District No. 22 along the North Fork of the Skagit River; a storage building and old restroom facility (remaining from farmworker housing) along Moore Road; and other accessory improvements - described in the Legal Description and shown on the Baseline Documentation.

- B.** The Protected Property is of significant agricultural 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 protection of prime and important agricultural soils.
- 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 Protected Property is primarily open farmland that has been classified as "prime farmland" of local importance by the Natural Resources Conservation Service, U.S. Department of Agriculture, because of the fertility of its Brisco fine sandy loam, Field silt loam, Mount Vernon very fine sandy loam, Sedro Woolley silt loam, Skagit silt loam, and Sumas silt loam soils.
- E.** The Protected Property includes Drainage District No. 22 ditches, as well as occasional private V-ditches. The entirety of the property, including areas around ditches, is currently under active agricultural management and the ditches are managed as drainage conveyances.
- F.** The specific Conservation Values and characteristics of the Protected Property are further documented in an inventory of relevant features of the Protected Property, dated February 18, 2005, attached hereto as Exhibit B 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. Grantor and Grantee have copies of the Baseline Documentation, and hereby acknowledge that the Baseline Document is accurate as of the date of execution. Exhibit B, included as part of the Baseline Documentation, contains a scaled site map delineating the location of the existing developed area and photographs of key features and improvements on the site at the time of this grant.
- G.** Grantor, as owner of the Protected Property, has the right to protect and preserve the Conservation Values of the Protected Property, and desires to transfer such rights to Grantee in perpetuity.
- H.** The purpose of the Farm and Ranch Lands Protection Program's (16 U.S.C. 3838 h and i) is to purchase conservation easements to protect prime, unique, and other productive soils from conversion to nonagricultural uses. Grantor and Grantee acknowledge that, under the authority of the Farm and Ranch Lands Protection Program, the Natural Resources Conservation Service

(hereinafter referred to as "NRCS" or the "United States") has contributed \$381,000.00 to purchase this conservation easement and thus entitles the United States to the rights identified herein.

- I. 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, and in consideration of payment of \$762,000.00 by Grantee to Grantor, the receipt of which is acknowledged, Grantor hereby grants, conveys and warrants to Grantee a conservation easement in perpetuity over the Protected Property, consisting of certain rights in the Protected Property, as defined in this Easement, subject only to the restrictions contained in this Easement.
- B. This conveyance is a conveyance of an interest in real property under the provisions of RCW 64.04.130, subject only to the mutual covenants, terms, conditions and restrictions set forth in this Easement and to title matters of record as of the Effective Date of this Easement.
- C. Grantor expressly intends that this Easement run with the land and that this Easement shall be binding upon Grantor's personal representatives, heirs, successors, and assigns in perpetuity.

## III. PURPOSE

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 protect prime and important agricultural soils, and to prevent any use of, or activity on, the Protected Property that will significantly impair or interfere with its agricultural values, character, use or utility. 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 the purpose described above (the "Purpose"). This Easement shall not be construed as affording to the general public physical access to the Protected Property.

## IV. RIGHTS CONVEYED TO GRANTEE

To accomplish the Purpose of this Easement, the following rights are conveyed to Grantee 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, 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, including trespasses by members of the public, and to require 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 Grantee's interest in the Protected Property in accordance with Section XV.

## V. PERMITTED USES AND ACTIVITIES

- A. **General.** Grantor 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 not inconsistent with the Purpose of the Easement and that is not specifically prohibited or otherwise limited by this Easement. Without limiting the generality of this subsection, Grantor specifically reserves for itself and its personal representatives, heirs, successors, and assigns, the following uses and activities, which shall be limited in the manner provided below.
- B. **Retained Uses.**
  - 1. **Agricultural.** Grantor retains the right to use the Protected Property for agricultural production, or to permit others to use the Protected Property for agricultural production, in accordance with applicable law. As used herein, "agricultural production" shall mean the production, processing, storage or retail marketing of crops, livestock, and livestock products. For purposes hereof, crops, livestock and livestock products include, but are not limited to, crops commonly found in the community surrounding the Protected Property; field crops; fruits; vegetables; horticultural specialties; livestock and livestock products; timber, wood and other wood products derived from trees; and aquatic plants and animals and their byproducts.
  - 2. **Customary Rural Commercial Enterprises.** Grantor retains the right to use the Protected Property for otherwise lawful and customary rural commercial enterprises, such as, but not limited to, processing, packaging and marketing of farm products; farm machinery repair; sawmills; and firewood distribution; provided that such uses are confined to locations within the "Farmstead Area" identified on the map attached as Exhibit B.
  - 3. **Recreational.** Grantor retains the right to use the Property for otherwise lawful recreational uses, including, but not limited to, hunting and fishing.
- C. **Construction of Buildings and Improvements.** Except as otherwise specifically provided for in this Easement, Grantor may undertake construction, reconstruction or other improvement of the Protected Property only as provided below. Grantor shall advise Grantee prior to undertaking any



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construction, reconstruction or other improvement on the Protected Property that requires a development permit from Skagit County as provided for in Section VIII, so as to enable Grantee to review the proposed activity for compliance with the terms and conditions of this Easement.

1. Fences. Existing fences may be repaired and replaced, and new fences may be built on the Protected Property, for purposes of reasonable and customary management and protection of crops, livestock and wildlife.
2. Existing Agricultural Structures and Improvements. Agricultural structures and improvements existing as of the Effective Date of this Easement may be repaired, reasonably enlarged and replaced at their current locations, which are shown on Exhibit B.
3. New Agricultural Structures and Improvements. New buildings and other structures and improvements to be used primarily for agricultural production (as defined above) and not to be used for any dwelling or Farm Support Housing (as defined below) may be built on the Protected Property within the "Farmstead Area" identified on Exhibit B. New buildings, structures or improvements proposed for locations outside the "Farmstead Area" may be built only with the permission of Grantee as provided for in Section VIII.
4. Existing Farm Support Housing. All dwellings or structures used to house farm tenants and employees and existing as of the Effective Date of this Easement, as shown on Exhibit B, may be repaired, reasonably enlarged and replaced at their current locations.
5. New Farm Support Housing. New dwellings or structures to be used primarily to house tenants or employees engaged in agricultural production on the Protected Property ("Farm Support Housing") may be built on the Protected Property, provided they are located within an area not larger than two (2) acres in size and located on Moore Road, near existing structures, to be approved by Grantee. The area is identified as "Farm Support Housing Area" on Exhibit B. Farm Support Housing shall not be subdivided from the Protected Property under any circumstances. New Farm Support Housing proposed for locations outside of the Farm Support Housing Area may be built only with the permission of Grantee as provided for in Section VIII.
6. Existing Single-Family Residential Dwellings. All single-family residential dwellings existing as of the Effective Date of this Easement may be repaired, reasonably enlarged and replaced at their current locations, which are shown on Exhibit B.
7. Utility Services and Septic Systems. Wires, lines, pipes, cables or other facilities providing electrical, gas, water, sewer, communications, or other utility services to the improvements permitted under this Easement may be installed, maintained, repaired, removed, relocated and replaced, and Grantor may grant easements over and under the Protected Property for such purposes. Septic or other underground sanitary systems serving the improvements permitted under this Easement may be installed, maintained, repaired or improved.
8. Ancillary Improvements. Other improvements, including, but not limited to, small-scale facilities for the generation and transmission of electrical power, may be built on the Protected Property only with the permission of Grantee as provided for in Section VIII.



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- D. Roads and Paving.** Grantor may maintain, renovate, expand or replace roads or construct new roads that may be reasonably necessary and incidental to carrying out permitted uses and activities on the Protected Property; provided that any roads paved or otherwise covered with concrete, asphalt, or any other impervious paving material shall be subject to the surface coverage limitations set forth in Subsection VI.D.
- E. Composting, Use and Storage of Agricultural Wastes or other Waste Materials.** 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 are stored temporarily in appropriate containment for removal at reasonable intervals and in compliance with applicable federal, state, and local laws. Grantor may undertake the land application, storage and placement on the Protected Property of domestic septic effluent and municipal, commercial or industrial sewage sludge or liquid generated from such sources for agricultural purposes only in accordance with applicable law, and only if a qualified professional environmental consultant provides a report to Grantee certifying in writing that the application of such materials will not substantially diminish the viability and productivity of the agricultural soils on the Protected Property.
- F. Drainage structures.** Grantor may construct and maintain drainage structures, including ditches, tubes, pipes, pumps, gates or other facilities and appurtenances for enhancement of drainage systems in support of uses and activities permitted under this easement; provided that Grantor does not materially impair the natural course of the surface water drainage or runoff flowing over the Protected Property and that existing natural water courses, ponds, lakes and wetlands are preserved in their natural state.
- G. Forest Management.** Grantor may cut, remove or harvest trees, including clearing land for cultivation, use or livestock or commercial timber harvesting, only if consistent with applicable law and the conservation plan described in Section VII, consistent with generally accepted "Best Management Practices," as those practices may be identified from time to time by appropriate governmental or educational institutions, and in a manner not wasteful of soil resources or detrimental to water quality or conservation. Grantor may remove trees for sale, and cut or otherwise manage trees to control insects and disease, to prevent personal injury and property damage, to obtain firewood for domestic use in the buildings on the Protected Property, and to construct permitted improvements and fences on the Protected Property.
- H. Creation of Mortgage Liens.** Grantor may create consensual liens, whether by mortgage, deed of trust, or otherwise, for the purpose of indebtedness of Grantor, so long as such liens remain subordinate to the Easement.
- I. Emergencies.** Grantor 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.

## **VI. 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 Grantor 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 permitted in Section V.

- B. Subdivision and Development Rights.** The legal or *de facto* division, subdivision, platting, partitioning or planned unit development of the Protected Property is prohibited even if that portion of the Protected Property constitutes a separate legal parcel. This restriction does not prohibit boundary line adjustments with adjoining agricultural land, provided that such boundary line adjustments do not result in any net loss of acreage to the Protected Property and that no new parcel may be created by such boundary line adjustments. Any new land gained through a boundary line adjustment shall be made subject to the terms of this Easement. Grantor shall not exercise its development rights in the Protected Property, transfer such development rights to any other portion of the Protected Property as it is now or hereafter may be bounded or described or to any other property adjacent to the Protected Property or otherwise, nor use such development rights or the area of the Protected Property for the purpose of calculating permissible lot yield of the Protected Property or any other property.
- C. Construction.** The placement or construction of any buildings, structures, or other improvements of any kind is prohibited, except as permitted in Subsection V.C.
- D. Impervious surface.** The total area covered by structures of any kind and impervious surfaces, outside of any "Farmstead Area" or existing structures such as rooftops, asphalt, or concrete shall be limited to no more than two percent (2%) of the area of the Protected Property. The total area covered by gravel shall be subject to this 2% limitation unless Grantor obtains prior approval from Grantee as provided in Section VIII to increase the percentage of total surfaces covered by gravel and other impervious surfaces above the 2% limitation, provided that the total amount of gravel and other impervious surfaces shall never exceed two percent (2%) of the total area of the Protected Property.
- 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, including the use of manure lagoons or disposal of wastewater in manners inconsistent with the terms of this Easement.
- G. Waste Disposal.** Except as expressly permitted in Section V, the disposal or storage of rubbish, garbage, debris, vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Protected Property is prohibited.
- H. Commercial Signs.** The placement of commercial signs, billboards, or other advertising material on the Protected Property is prohibited; except if



products, sale or lease of the Protected Property, or to state the conditions of access to the Protected Property.

- 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 is limited to no more than one acre total of the Protected Property, and will not interfere with the Conservation Values of the Protected Property. Grantor shall use all practical means to mitigate any adverse effect on the Conservation Values of the Protected Property in carrying out any permitted extraction activities, and upon completion of said permitted extractive activities, Grantor shall promptly restore any portion of the Protected Property affected thereby as nearly as possible to its condition existing prior to commencement thereof.
- J. Kennels.** Kennels as defined in the Skagit County Zoning Ordinance are prohibited.
- K. Alteration of Wetlands and Watercourses.** The draining, filling, dredging, ditching or diking of wetland areas shown on Exhibit B, or any other action that would reduce the wetland area is prohibited, except as necessary to maintain existing drains consistent with the Purpose of this Easement and permitted by applicable law.

## VII. CONSERVATION PLAN

As required by Section 1238I of the Food Security Act of 1985, as amended, Grantor, and its heirs, successors, or assigns, shall conduct all agricultural operations on the Protected Property in a manner consistent with a conservation plan prepared in consultation with NRCS and approved by the Skagit County Conservation District. This conservation plan shall be developed using standards and specifications of the NRCS Field Office Technical Guide and 7 CFR Part 12 that are in effect on the date this Easement is executed. However, the Grantor may develop and implement a conservation plan that proposes a higher level of conservation and is consistent with NRCS Field Office Technical Guide standards and specifications. NRCS shall have the right to enter upon the Protected Property, with advance notice to Grantor, in order to monitor compliance with the conservation plan.

In the event of noncompliance with the conservation plan, NRCS shall work with the Grantor to explore methods of compliance and give the Grantor a reasonable amount of time, not to exceed twelve (12) months, to take corrective action. If Grantor does not comply with the conservation plan, NRCS will inform Grantee of Grantor's noncompliance. Grantee shall take all reasonable steps (including efforts at securing voluntary compliance and, if necessary, appropriate legal action) to secure compliance with the conservation plan following written notification from NRCS that (1) there is a substantial, ongoing event or circumstance of non-compliance with the conservation plan, (b) NRCS has worked with Grantor to correct such noncompliance, and (c) Grantor has exhausted its appeal rights under applicable NRCS regulations.

If the NRCS standards and specifications for highly erodible land are revised after the date of execution of this Easement based on an Act of Congress, NRCS will work cooperatively with Grantor to develop and implement a revised conservation plan. The provisions of this Section apply to the highly erodible land conservation requirements of the Farm and Ranchland Protection Program and are not intended to affect other natural resources conservation requirements to which Grantor may be or become subject.



## VIII. NOTICE

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

1. construction of any buildings, structures or improvements requiring a permit from Skagit County (as required under Subsection V.C);
2. application of domestic septic effluent or sewage sludge (as required under Subsection V.E);
3. grading activities requiring a permit from Skagit County (as required under Subsection V.D).

The purpose of requiring Grantor to notify Grantee prior to undertaking these permitted uses and activities is to afford Grantee an adequate opportunity to ensure that the use or activity in question is designed and carried out in a manner consistent with the Purpose and terms of this Easement. Whenever such notice is required, Grantor shall notify Grantee in writing not less than thirty (30) days prior to the date Grantor intends to undertake the use or activity in question. Grantor may notify Grantee at the time of permit application, for concurrent review, or may provide notice and initiate review prior to permit application, at the Grantor'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.

B. **Approval.** Where approval by one of the parties to this Easement is required (e.g., Subsection V.D, Impervious Surfaces), such approval shall be granted or denied in writing within thirty (30) days of receipt of a written notice of the proposed use or activity, and such approval shall not be unreasonably withheld. Grantee's approval may include reasonable conditions which, if satisfied, would be the minimum necessary to assure that the proposed use or activity would not be inconsistent with the Purpose of this Easement. Failure by a party to grant or deny approval within the time provided shall create a presumption of approval.

C. **Optional Consultation.** If Grantor is unsure whether a proposed use or activity is prohibited by this Easement, Grantor may consult Grantee by providing Grantee 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 Grantee to make an informed judgment as to the consistency with the Purpose of this Easement and to provide comments thereon to Grantor for the purposes of this Easement only. This Subsection does not itself impose a requirement of prior approval of the activity described in any such notice; however, if Grantee does not provide written objections within thirty (30) days after Grantee's receipt of Grantor's notice, Grantee shall be deemed to have approved the proposed use or activity.

D. **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:

Nolan and Shirley Lee  
18014 Skagit City Road  
Mount Vernon, WA 98273



To Grantee:

Skagit County Farmland Legacy Program  
Skagit County Administration Building  
1800 Continental Place  
Mount Vernon, WA 98273

To NRCS:

State Conservationist: Gus Hughbanks  
USDA - Natural Resources Conservation Service  
316 W. Boone Ave., Suite 450  
Spokane, WA 99201-2348

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

#### IX. DISPUTE RESOLUTION: GRANTEE'S REMEDIES

- A. **Preventive Discussions.** Grantor and Grantee will promptly give the other notice of problems or concerns arising in connection with the other's 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. ENFORCEMENT; GRANTEE'S REMEDIES

- A. **Notice of Violation, Corrective Action.** If Grantee determines that Grantor is in violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor 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 Grantee.
- B. **Grantor's Failure to Respond.** Grantee may bring an action as provided in Subsection X.C if Grantor:
1. Fails to cure the violation within thirty (30) days after receipt of a notice of violation from Grantee; 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. **Grantee's Action.**
1. **Injunctive Relief.** Grantee 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, ex parte as necessary, 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.** Grantee 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. Without limiting Grantor's liability in any way, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking corrective or restoration action on the Protected Property.

- D. **Emergency Enforcement.** If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Protected Property, Grantee may pursue its remedies under this section without prior notice to Grantor or without waiting for the period provided for cure to expire.
- E. **Scope of Relief.** Grantee's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Easement. Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of providing either actual damages or the inadequacy of otherwise available legal remedies. Grantee'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.** In the event Grantee must enforce the terms of this Easement, the costs of restoration necessitated by acts or omissions of Grantor, its agents, employees, contractors, family members, invitees or licensees in violation of the terms of this Easement and Grantee's reasonable enforcement expenses, including attorneys' and consultants' fees, shall be borne by Grantor or those of its personal representatives, heirs, successors, or assigns, against whom a judgment is entered. In the event that Grantee secures redress for an Easement violation without initiating or completing a judicial proceeding, the costs of such restoration and Grantee's reasonable expenses shall be borne by Grantor and those of its personal representatives, heirs, successors, or assigns who are otherwise determined to be responsible for the unauthorized use or activity.
- G. **Grantee's Discretion.** Grantee acknowledges its commitment to protect the Purpose of the Easement. Enforcement of the terms of the Easement shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement in the event of any breach of any terms of this Easement by Grantor, its agents, employees, contractors, family members, invitees or licensees shall not be deemed or construed to be a waiver by Grantee of such term or any of Grantee's rights under this Easement. No delay or omission by Grantee 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 Grantee's rights under this Easement. No grant by Grantee 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 Grantee's rights under this Easement.

**H. Waiver of Certain Defenses.** Grantor acknowledges that it has carefully reviewed this Easement and has consulted with and been advised by counsel of its terms and requirements. In full knowledge of the provisions of this Easement, Grantor hereby waives any claim or defense it may have against Grantee or its successors or assigns under or pertaining to this Easement based upon waiver, laches, estoppel, or prescription; except to the extent the defense is based upon an approval or deemed approval by Grantee pursuant to Section VIII of this Easement. Except for the foregoing, Grantor specifically retains any and all rights it has under the law as owner of the Protected Property, including but not limited to the right to make claims against Grantee for any breach by Grantee of the terms of this Easement.

**I. Acts Beyond Grantor's Control.** Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor 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 Grantor's control, including, without limitation, natural changes, fire, flood, storm, earth movement or climate change, or from acts of trespassers, that Grantor could not reasonably have anticipated or prevented or from any prudent action taken by Grantor 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 Grantors could not reasonably have anticipated or prevented, Grantor agrees, at Grantee's option, to join in any suit, to assign its right of action to Grantee, or to appoint Grantee its attorney in fact, for the purpose of pursuing enforcement action against the responsible parties.

**J. Compliance Certificates.** Upon request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor, or to any party designated by Grantor, any document, including a certificate, that certifies, to the best of Grantee's knowledge, Grantor's compliance or lack of compliance with any obligation of Grantor 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 Grantee's most recent inspection. If Grantor requests more current documentation, Grantee shall conduct an inspection, at Grantor's expense, within thirty (30) days of receipt of Grantor's written request.

## **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, Liabilities and Insurance.** Grantor 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 insurance coverage. Grantor 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. Grantor 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 Grantor; provided that the Protected Property shall be deemed to be free of such liens if Grantor, as the case may be, is diligently challenging the application of such liens to the Protected Property.



**B. Taxes.** Grantor shall pay before delinquency or file timely appeal of all taxes, assessments, fees, charges of whatever description levied on or assessed against the Protected Property by competent authority (collectively "taxes"), including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. If Grantor fails to pay any taxes when due, Grantee is authorized, but in no event obligated, to make or advance such payment of taxes upon three (3) days prior written notice to Grantor, in accordance with any bill, statement, or estimate procured from the appropriate authority, without inquiry into the validity of the taxes or the accuracy of the bill, statement, or estimate, and the obligation created by such payment shall bear interest until paid by Grantor at the maximum rate allowed by law.

**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, there occurs, or has occurred, 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 should be responsible for remediation.

**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 Grantee or the United States to exercise physical or managerial control over the day-to-day operations of the Protected Property, or any of Grantor'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 hereby agrees to release and hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors and the personal representatives, heirs, successors, and assigns of each of them together with the United States (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorney's fees, 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, regardless of cause unless due solely to the negligence of any of the Indemnified Parties; 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 to accomplish, this Easement can only be terminated or 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 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, unless otherwise provided by Washington law at the time, in accordance with Subsection XIII.B, Valuation, of this Easement.

**B. Valuation.** In the event of an extinguishment pursuant to Subsection A, or the taking of all or part of the Protected Property by the exercise of the power of eminent domain, then Grantee and the United States, through the Department of Agriculture, are entitled to their proportional share each of gross sale proceeds or condemnation award representing an amount equal to the ratio of the appraised value of this Easement to the unrestricted fair market value of the Property as these values are determined on the date of this Deed. The proportional shares of the Grantee and the United States, through the Department of Agriculture, are 50% and 50% respectively, representing the proportion each party contributed to the purchase price of the Easement.

**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. Except as provided by applicable law, Grantor and Grantee agree that Grantee's share of the balance of the amount recovered shall be determined by the method described in Subsection B, with the remainder due to the Grantor. Due to its interest in this Easement, the United States must consent prior to the commencement of any condemnation action.



**D. Application of Proceeds.** Grantee 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 under the program (or successor program).

**E. Subsequent Transfers.** Grantor 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 Grantor divests itself of any interest in all or a portion of the Protected Property; and
4. Give written notice to Grantee 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 Grantee shall include the name, address, and telephone number of the prospective transferee or the prospective transferee's representative.

The failure of Grantor 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 of the United States of America.** In the event that Skagit County, Washington, 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 Skagit County, Washington 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 and the United States. The Grantee's consent shall not be given without prior consultation with the authorized representative of the United States Secretary of Agriculture. 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 no amendment shall be allowed that will diminish the effectiveness of this Easement in carrying out the Purpose of the Easement in any way and that only those am

of the Easement in carrying out the Purpose of the Easement shall be permitted. 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 Easement is transferable, but Grantee may assign its rights and obligations under this Easement only to the Grantee's judicial appointed successor and must obtain prior approval of the assignment from the United States. As a condition of such transfer, Grantee shall require that the transferee exercise its rights under the assignment consistent with the Purpose of this Easement. Grantee shall notify Grantor in writing, at Grantor's last known address, 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 Easement or limit its enforceability in any way.

#### XVI. RECORDING

Grantee 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. SUBORDINATION

At the time of conveyance of this Easement, the Protected Property is subject to that certain mortgage or deed of trust dated May 24, 1982, which was recorded under Auditor's File No. 8207130011 ("Mortgage" or "Deed of Trust"). The beneficiary of the Mortgage or Deed of Trust has agreed by separate instrument at Exhibit C hereto, which will be recorded concurrently with this Easement, to subordinate its rights in the Protected Property to this Easement to the extent necessary to permit Grantee to enforce the Purpose of the Easement in perpetuity and to prevent any modification or extinguishment of this Easement by the exercise of any rights of the beneficiary under the Mortgage or Deed of Trust.

At the time of conveyance of this Easement, the Protected Property is subject to that certain mortgage or deed of trust dated June 18, 1996, which was recorded under Auditor's File No. 9606190035 ("Mortgage" or "Deed of Trust"). The beneficiary of the Mortgage or Deed of Trust has agreed by separate instrument at Exhibit C hereto, which will be recorded concurrently with this Easement, to subordinate its rights in the Protected Property to this Easement to the extent necessary to permit Grantee to enforce the Purpose of the Easement in perpetuity and to prevent any modification or extinguishment of this Easement by the exercise of any rights of the beneficiary under the Mortgage or Deed of Trust.

At the time of conveyance of this Easement, the Protected Property is subject to that certain mortgage or deed of trust dated January 11, 2000, which was recorded under Auditor's File No. 200002030104 ("Mortgage" or "Deed of Trust"). The beneficiary of the Mortgage or Deed of Trust has agreed by separate instrument at Exhibit C hereto, which will be recorded concurrently with this Easement, to subordinate its rights in the Protected Property to this Easement to the extent necessary to permit Grantee to enforce the Purpose of the Easement in perpetuity and to prevent any modification or extinguishment of this Easement by the exercise of any rights of the beneficiary under the Mortgage or Deed of Trust.

#### XVIII. GENERAL PROVISIONS

- A. **Controlling Law.** The interpretation and performance of this Easement shall be governed by the laws of the State of Washington, except with respect to the laws of the United States.





Farm and Ranchland Protection Program which shall be governed by the laws of the United States.

- 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, heirs, successors, and assigns, and the above-named Grantee, its personal representatives, 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, heirs, 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. Joint and Several.** The obligations imposed by this Easement upon Grantor shall be joint and several.
- J. 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.
- K. Effective Date.** The effective date of this Easement is the date of recording in the records of Skagit County, Washington.



## **XIX. SCHEDULE OF EXHIBITS**

- A.** Legal Description of Property Subject to Easement.
- B.** Site Plan and Baseline Documentation.
- C.** Subordination Agreements.



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TO HAVE AND TO HOLD unto Grantee, its successors, and assigns forever.

IN WITNESS WHEREOF, the undersigned Grantor has executed this instrument this 9<sup>th</sup> day of Nov, 2005.

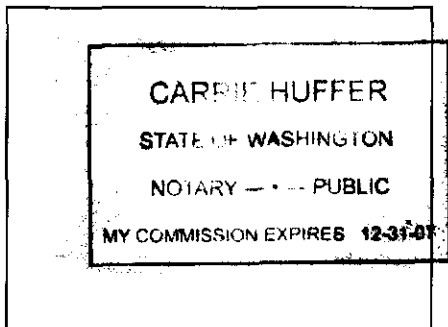
Nolan Lee  
Nolan Lee

Shirley Lee  
Shirley Lee

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that Nolan Lee & Shirley Lee is the person who appeared before me, and said person acknowledged that ~~he~~<sup>they are</sup> signed this instrument, on oath stated that ~~he~~<sup>they are</sup> was authorized to execute the instrument and acknowledged it as the or ~~to be~~ the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: November 9, 2005



(Use this space for notarial stamp/seal)

Carrie Huffer  
Notary Public  
Print Name Carrie Huffer  
My commission expires 12-31-07



The BOARD OF COUNTY COMMISSIONERS does hereby accept the above Grant Deed of Conservation Easement.

Dated: August 22, 2005

SKAGIT COUNTY, WASHINGTON

Don Munks  
Don Munks, Chairman

Kenneth A. Dahlstedt, Commissioner

Ted W. Anderson  
Ted W. Anderson, Commissioner

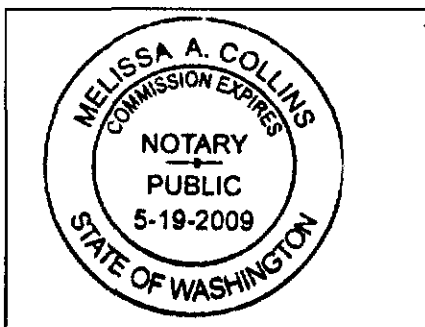
Approved as to Form

M. Miller  
Melinda Miller, Deputy  
Prosecuting Attorney

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT )

I certify that I know or have satisfactory evidence that Don Munks, Ted W. Anderson are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the \_\_\_\_\_ of \_\_\_\_\_ to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 8/22/05



(Use this space for notarial stamp/seal)

Melissa A. Collins  
Notary Public  
Print Name Melissa A. Collins  
My commission expires 5-19-2009

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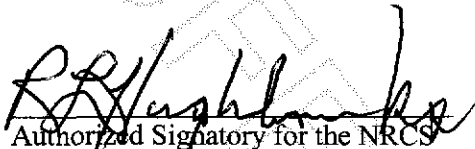


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SKAGIT COUNTY  
Contract # C20050361

ACCEPTANCE OF PROPERTY INTEREST BY THE NATURAL RESOURCES CONSERVATION SERVICE

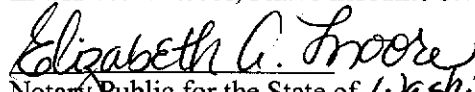
The Natural Resources Conservation Service, an agency of the United States Government, hereby accepts and approves the foregoing conservation easement deed, and the rights conveyed therein, on behalf of the United States of America.

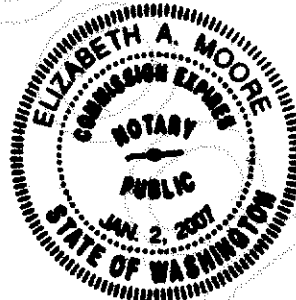
  
Authorized Signatory for the NRCS

State of Washington  
County of Spokane

On this 8<sup>th</sup> day of August, 2005, before me, the undersigned, a Notary Public in and for the State, personally appeared R.L. HUGHBANKS known or proved to me to be the person whose signature appears above, and who being duly sworn by me, did say that s/he is the State Conservationist of the Natural Resources Conservation Service, United States Department of Agriculture, is authorized to sign on behalf of the agency, and acknowledged and accepted the rights conveyed by the deed to be her/his voluntary act and deed.

In witness whereof, I have hereunto set my hand and official seal the day and year first above written.

  
Notary Public for the State of Washington  
Residing at Spokane, WA  
My Commission Expires June 2, 2007



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## **EXHIBIT A**

### **Legal Description**

#### **Parcel "A"**

That portion of the North  $\frac{1}{2}$  of the Government Lot 4 in Section 1, Township 33 North, Range 3 East, W.M., lying Easterly of Dry Slough, EXCEPT dike and ditch rights of way as described in deed to Diking District No. 2, recorded March 29, 1921, in Volume 114 of Deeds, page 508, records of Skagit County, Washington, AND EXCEPT County road.

Situate in the County of Skagit, State of Washington.

#### **Parcel "B"**

The West  $\frac{1}{2}$  of Government Lot 3, EXCEPT the County Road right of way along the North line thereof. ALSO that portion of the South  $\frac{1}{2}$  of Government Lot 4, lying Easterly of Dry Slough, EXCEPT Diking District No. 2 rights of way, ALSO EXCEPT County Road right of way known as the Dry Slough Road; AND ALSO EXCEPT that 30 foot wide strip of land conveyed to Skagit County for road purposes by deed dated October 16, 1952, and recorded November 19, 1952, under Auditor's File No. 482137. ALSO the North  $\frac{1}{2}$  of the North  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$ , all in Section 1, Township 33 North, Range 3 East, W.M.

Situate in the County of Skagit, State of Washington.

#### **Parcel "C"**

The North  $\frac{1}{2}$  of the Northwest  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 1, Township 33 North, Range 3 East, W.M., EXCEPT that portion thereof conveyed to Skagit County for road purposes by Deed recorded May 16, 1952, under Auditor's File No. 475219.

Situate in the County of Skagit, State of Washington.

#### **Parcel "D"**

That portion of Government Lot 4, Section 1, Township 33 North, Range 3 East, W.M., lying Westerly of Dry Slough, EXCEPT County Roads, AND EXCEPT dike right of way.

Situate in the County of Skagit, State of Washington.

#### **Parcel "E"**

The East  $\frac{1}{2}$  of Government Lot 3, Section 1, Township 33 North, Range 3 East, W.M., EXCEPT the South 20 feet of the East 20 feet, AND EXCEPT the North 297 feet of the East 416 feet thereof, AND EXCEPT road and ditch rights of way.

Situate in the County of Skagit, State of Washington.

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**Parcel "F"**

Government Lot 2 of Section 1, Township 33 North, Range 3 East, W.M., EXCEPT the following tracts:

- 1.) Part platted as "SKAGIT CITY," as per plat recorded in Volume 2 of Plats, page 111, records of Skagit County, Washington.
- 2.) The West 10 rods of the North 16 rods.
- 3.) Tract deeded by Louis E. Nelson and wife, to Sophia Swanberg by deed dated February 26, 1901 and recorded in Volume 42 of Deeds, page 93, described in said deed as follows:

Beginning at the Northeast corner of the Baptist Church lot in the Town of Skagit City on the line of the County Road;  
thence West about 162 feet on the North line of said Baptist Church lot to the Northwest corner of said lot and to the picket fence;  
thence in a Northerly direction about 408 feet to the orchard fence of Louis E. Nelson;  
thence running East along said orchard fence about 162 feet to the County Road;  
thence running South parallel with said County road about 408 feet to the point of beginning, the said tract of land being in Lot 2, Section 1, Township 33 North, Range 3 East, W.M.

- 4.) County road, ditch and dike rights of way.
- 5.) The South 20 feet thereof.
- 6.) That portion of Government Lot 2, Section 1, Township 33 North, Range 3 East, W.M., lying Westerly of and Southerly of the Skagit City and Fir Road, and Easterly of the Westerly line of the "SKAGIT CITY," as per plat recorded in Volume 2 of Plats, page 111, records of Skagit County, Washington, extended North to the Southwesterly margin of said Skagit City and Fir Road, EXCEPT that portion thereof as deeded to Sophia Swanberg by deed dated February 26, 1901, and recorded in Volume 42 of Deeds, page 93, described as follows:

Beginning at the Northeast corner of the Baptist Church lot in the Town of Skagit City on the line of the County road;  
thence West about 162 feet on the North line of said Baptist Church lot to the Northwest corner of said lot and to the picket fence;  
thence in a Northerly direction about 408 feet to the orchard fence of Louis E. Nelson;  
thence running East along said orchard fence about 162 feet to the County Road;  
thence running South parallel with said County Road about 408 feet to the point of beginning, the said tract of land being in Lot 2, Section 1, Township 33 North, Range 3 East, W.M., EXCEPT any portion thereof lying South of the North line of said Sophia Swanberg Tract extended Westerly, AND EXCEPT roads.

- 7.) That portion of Government Lot 2, Section 1, Township 33 North, Range 3 East, W.M., lying Easterly of the Skagit City Road, and lying Northerly of the Easterly extension of the North line of the "SKAGIT CITY," as per plat recorded in Volume 2 of Plats, page 111, records of Skagit County, Washington.

(Said North line of Skagit City being further described as being a line 489 feet North of and parallel to the South line of said Government Lot 2.)

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Situate in the County of Skagit, State of Washington.

**Parcel "G"**

The South  $\frac{1}{2}$  of the North  $\frac{1}{2}$  of the Southeast  $\frac{1}{4}$  of the Northwest  $\frac{1}{4}$  of Section 1, Township 33 North, Range 3 East, W.M., EXCEPT ditch rights of way.

Situate in the County of Skagit, State of Washington.

**Parcel "H"**

The North 20 acres of Government Lot 5, Section 1, Township 33 North, Range 3 East, W.M., EXCEPT any portion thereof lying within the South  $\frac{1}{2}$  of said Government Lot 5, AND EXCEPT dike and ditch rights of way, AND EXCEPT a strip of land 24 feet wide West from the base of the dike conveyed to Skagit County for road purposes by Deeds dated April 2, 1912, and recorded under Auditor's File Nos. 90689 and 90883, AND ALSO EXCEPT the following described tract:

Beginning at a point 246 feet South of the Southeast corner of Lot 1, Block "D," "SKAGIT CITY," as per plat recorded in Volume 2 of Plats, page 111, records of Skagit County, Washington;  
thence West 57 feet;  
thence North 56 feet;  
thence West 159 feet;  
thence South 114 feet; thence East  $253\frac{1}{2}$  feet;  
thence North 58 feet;  
thence West  $37\frac{1}{2}$  feet to the point of beginning, AND ALSO EXCEPT the following described tract:

Beginning at a point 303 feet South and 4 feet East of the said Southeast corner of Lot 1, Block "D," "SKAGIT CITY," above referred to;  
thence West 220 feet;  
thence South 60 feet;  
thence East 220 feet;  
thence North 60 feet to the point of beginning, AND ALSO EXCEPT the following described tract:

Beginning at a point 190 feet South and 43 feet East of the Southeast corner of Lot 1, Block "D," "SKAGIT CITY";  
thence West 100 feet;  
thence South 56 feet;  
thence East 100 feet;  
thence North to the point of beginning.

ALSO EXCEPT the following described tract:

Beginning at the intersection of the South line of that certain tract described as Parcel "B," as conveyed to Jerry W. Stuber and Alice D. Stuber, husband and wife, by instrument dated April 4, 1968, and recorded June 26, 1968, under Auditor's File No. 715198 and the centerline of the County road;  
thence West along the South line of said Stuber tract a distance of 281 feet;  
thence North 203 feet;  
thence East to the centerline of said County road;  
thence Southerly along the centerline of said County road to the point of beginning, EXCEPT that portion thereof lying within the County road.

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AND ALSO EXCEPT any and all property lying outside dike.

Situate in the County of Skagit, State of Washington.

**Parcel "J"**

That portion of Government Lot 9, Section 2, Township 33 North, Range 3 East, W.M., lying East of the County Road,

EXCEPT that portion of the South 22 rods and 11 feet (374 feet) of Government Lot 9, Section 2, Township 33 North, Range 3 East, W.M., lying Westerly of the following described line:

Beginning at the Southeast corner of said Government Lot 9 (South  $\frac{1}{4}$  corner);  
thence North  $89^{\circ}00'37''$  West 727.10 feet along the South line of said Government Lot 9 to the true point of beginning of said line;  
thence North  $03^{\circ}40'12''$  East 374.41 feet to the North line of said South 22 rods and 11 feet and the terminus of said line.

EXCEPTING the County Road along the South side thereof, AND EXCEPT dike and ditch rights of way.

ALSO that portion of the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , of Section 2, Township 33 North, Range 3 East, W.M., described as follows:

Beginning at the Southwest corner of said Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ;  
thence East 40 rods;  
thence North 40 rods;  
thence East to the bank of Dry Slough;  
thence Northerly following the bank of said slough to the North line of the Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  aforesaid;  
thence West to the Northwest corner of said Southwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ ;  
thence South to the point of beginning, EXCEPT County road, dike and ditch rights of way,

All being in Section 2, Township 33 North, Range 3 East, W.M., in Skagit County, State of Washington.

Situate in the County of Skagit, State of Washington.

**Parcel "K"**

Government Lot 10 and that portion of the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  lying Westerly of Dry Slough, EXCEPT a strip of land 100 feet wide along the North line of said Lot 10 and said portion of the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$ , EXCEPT dike right of way.

ALSO, Government Lots 1, 11, 12, and that portion of the Southeast  $\frac{1}{4}$  of the Northeast  $\frac{1}{4}$  lying North of Dry Slough, ALL in Section 2, Township 33 North, Range 3 East, W.M., EXCEPT that portion of Government Lot 12 lying Southeasterly of Dry Slough, AND EXCEPT dike right of way.

Situate in the County of Skagit, State of Washington.

A-4

**Parcel "L"**

Government Lot 5 and the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  and the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  of Section 1, Township 33 North, Range 3 East, W.M., EXCEPT the North 20 acres of said Lot 5, EXCEPT the South 330 feet of the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  and the South 330 feet of the East 660 feet of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$ , AND EXCEPT the West 6 feet of the Northeast  $\frac{1}{4}$  of the Southwest  $\frac{1}{4}$  and road, dike and ditch rights of way, EXCEPT the following described tract:

Beginning at a point on the Westerly right of way line of the County road running in a general Northerly-Southerly direction through said Government Lot 5, at a point 282 feet South of the South line of the North 20 acres of said Government Lot;  
thence West parallel to the South line of said North 20 acres a distance of 309 feet;  
thence Northerly along a line equal distant from the Westerly line of said County road and parallel and concentric thereto to the South line of said North 20 acres of said Government Lot;  
thence East along the South line of said North 20 acres to the Westerly right of way line of said County road;  
thence Southerly along said Westerly line on a curve to the left to a point of tangency;  
thence continuing Southerly along said Westerly line to the point of beginning.

ALSO EXCEPT that portion of Government Lot 5 and the Northwest  $\frac{1}{4}$  of the Southeast  $\frac{1}{4}$  of Section 1, Township 33 North, Range 3 East, W.M., lying East of the following described line:

Beginning at a point on the Westerly margin of the County Road known as Skagit City Road said point being the Southeast corner of that certain parcel of land conveyed to Ted C. Johnson and Christine J. Johnson by instrument recorded November 30, 1992, in Book 1139 of Deeds, pages 289 and 290, records of Skagit County, Washington, under Auditor's File No. 9211300209;  
thence Westerly, along the South line of said Johnson parcel, 300 feet, more or less, to the intersection with a North-South fence line, as it existed April 20, 1999, and the true point of beginning of said line;  
thence Southerly along said fence line and its Southerly extension, if any, to the intersection with the North line of that certain parcel of land conveyed to Sanford Stuber and Margaret Stuber, by instrument recorded June 10, 1966, under Skagit County Auditor's File No. 683975, said intersection being approximately 496 feet, more or less, West of the centerline of said County Road, and the terminus of this line description.

TOGETHER WITH a 30 foot Easement for ingress and egress for agricultural purposes as granted by Easement recorded February 3, 2000, under Auditor's File No. 200002030106, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

## **EXHIBIT B**

### **Site Plan & Baseline Documentation**

See Attached Photographs and Baseline Documentation Acknowledgment.

Further baseline, through appraisal dated February 25, 2005, and Conservation Plan dated February 4, 2005, can be viewed at Skagit County Farmland Legacy Program office.



200512080012

Skagit County Auditor



### **BASELINE DOCUMENTATION ACKNOWLEDGMENT**

This letter between Skagit County's Farmland Legacy Program (hereafter "FLP") and the following named Landowner(s) (hereafter "Landowner"), acknowledges that the attached baseline documentation, consisting of site and aerial photograph(s) provided by Skagit County's GIS/Mapping Services, truly and accurately represents the subject property identified in this easement document. This letter further acknowledges that the appraisal conducted by Timmers Appraisal Services dated February 25, 2005, and that the Conservation Plan Map from the Conservation Plan developed by the USDA-NRCS accurately represent property conditions at the time of easement encumbrance:

Name: Nolan & Shirley Lee

Address: 18014 Skagit City Road

Mount Vernon, WA 98273

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2005.

Landowner(s): Nolan Lee

on behalf of Nolan Lee

and Shirley Lee

Farmland Legacy Program \_\_\_\_\_

Title Program Director

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Skagit County Auditor

Description of photographs and aerial photos attached:

1. 2001 Aerial Photograph identifying subject property.
2. Plat Map identifying project area (courtesy Timmers Appraisal Services, February 18, 2005).
3. Topographical Map of project area and vicinity (courtesy Timmers Appraisal Services, February 18, 2005).
4. Soil Map of project area and vicinity (courtesy Timmers Appraisal Services, February 18, 2005).
5. Looking Southwest from dike at subject residential homesite located at junction of Dry Slough Road and Skagit City Road (courtesy Timmers Appraisal Services photograph, November 30, 2004).
6. Looking South at farmstead from Skagit City Road (courtesy Timmers Appraisal Services photograph, November 30, 2004).
7. Looking Southeast from Skagit City Road at farm worker house (courtesy Timmers Appraisal Services photograph, November 30, 2004).
8. Restroom building from previous farm worker housing at Moore Road (courtesy Timmers Appraisal Services photograph, November 30, 2004).
9. Looking Northeast from Dry Slough Road across North portion of subject property (courtesy Timmers Appraisal Services photograph, November 30, 2004).
10. Looking South across subject property from Skagit City Road (courtesy Timmers Appraisal Services photograph, November 30, 2004).
11. Looking at North Fork Skagit River along West boundary of subject property (courtesy Timmers Appraisal Services photograph, November 30, 2004).
12. Looking Northeast to cattle shed from dike along North Fork Skagit River (courtesy Timmers Appraisal Services photograph, November 30, 2004).
13. Looking North from crossing between subject property's ponds (courtesy Timmers Appraisal Services photograph, November 30, 2004).
14. Looking East along Moore Road from location on dike. The two-acre site which is divided off for a future home site is in the foreground (courtesy Timmers Appraisal Services photograph, November 30, 2004).
15. Farm and Ranchland Protection Program Conservation Plan Map (courtesy USDA-NRCS, February 2005).

See Appraisal Dated February 25, 2005, conducted by Timmers Appraisal Services;  
Conservation Plan Dated February 2005, developed by USDA-NRCS.

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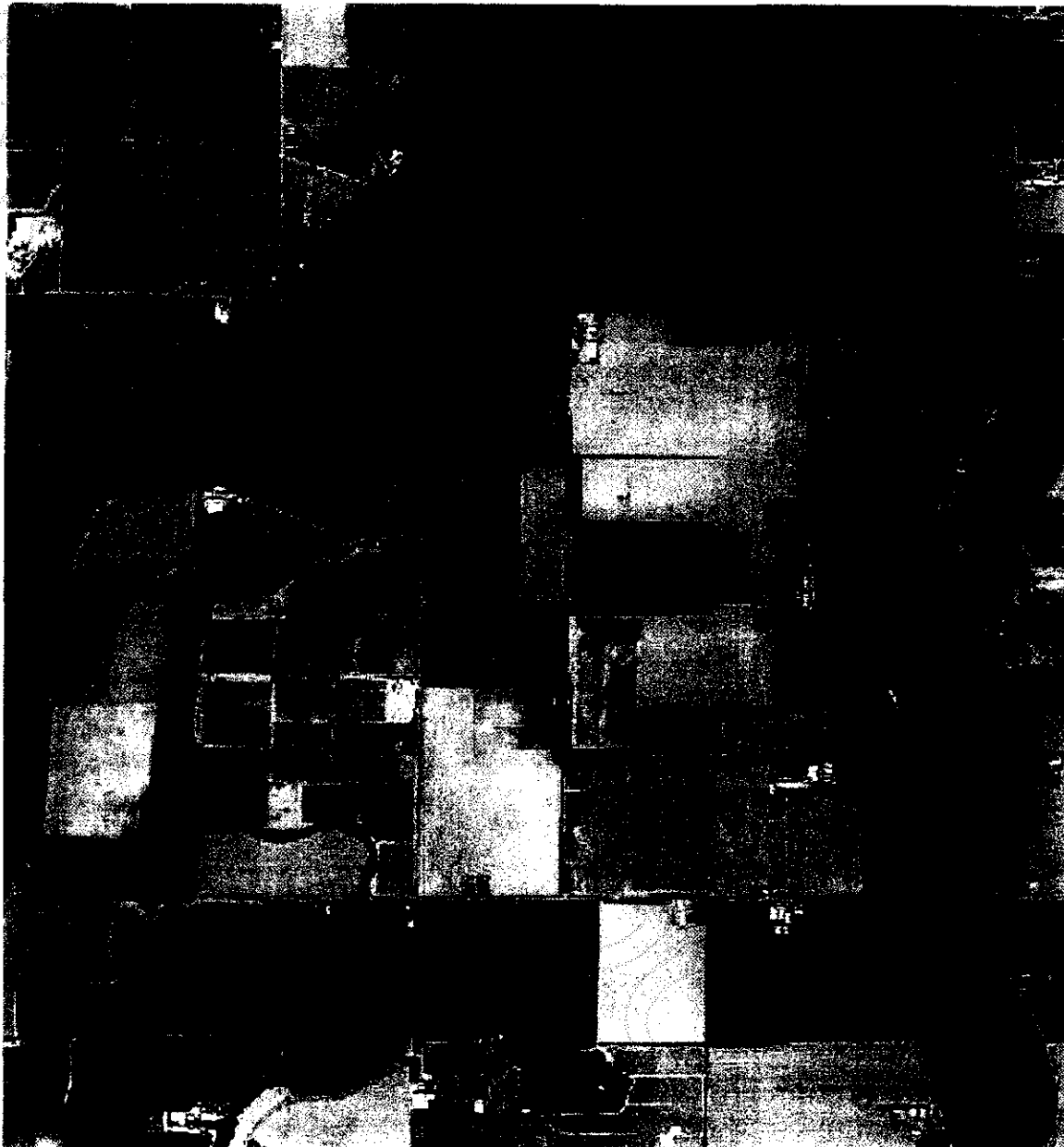
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## 2001 Aerial Photograph – Subject Property

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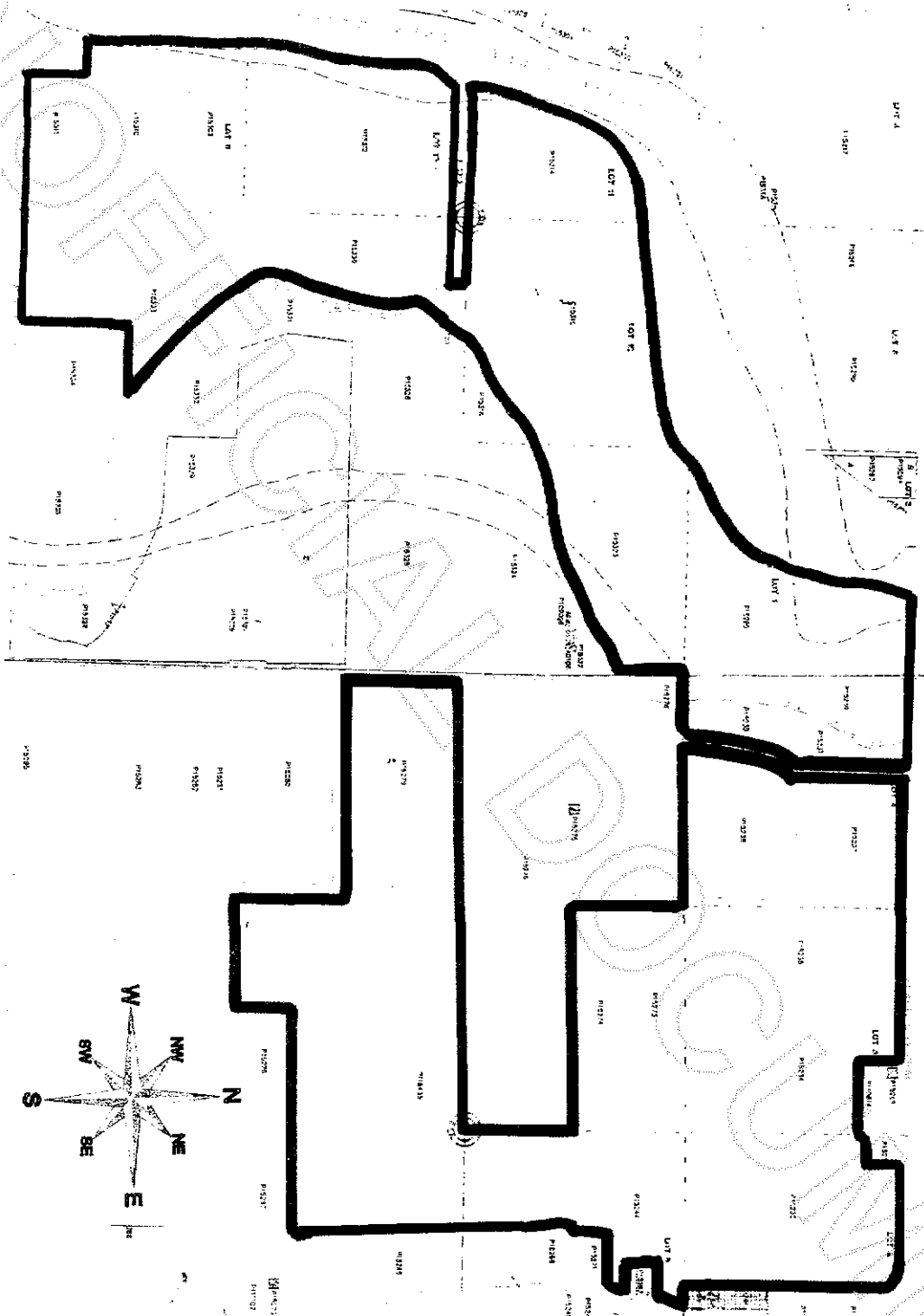
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**Timmers Appraisal Services**  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington



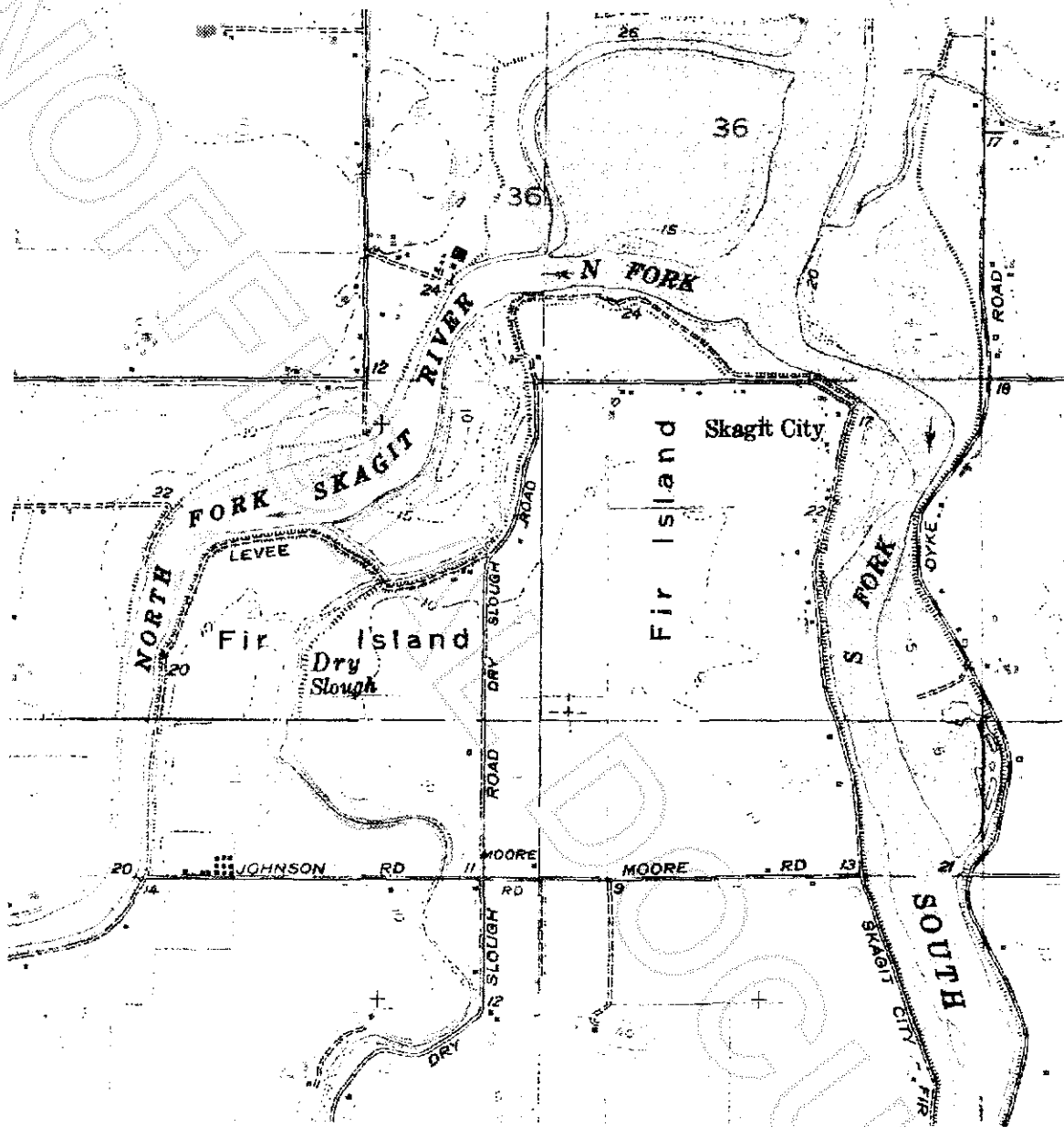
SKAGIT COUNTY  
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## Plat Map

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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington

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## Topographical Map

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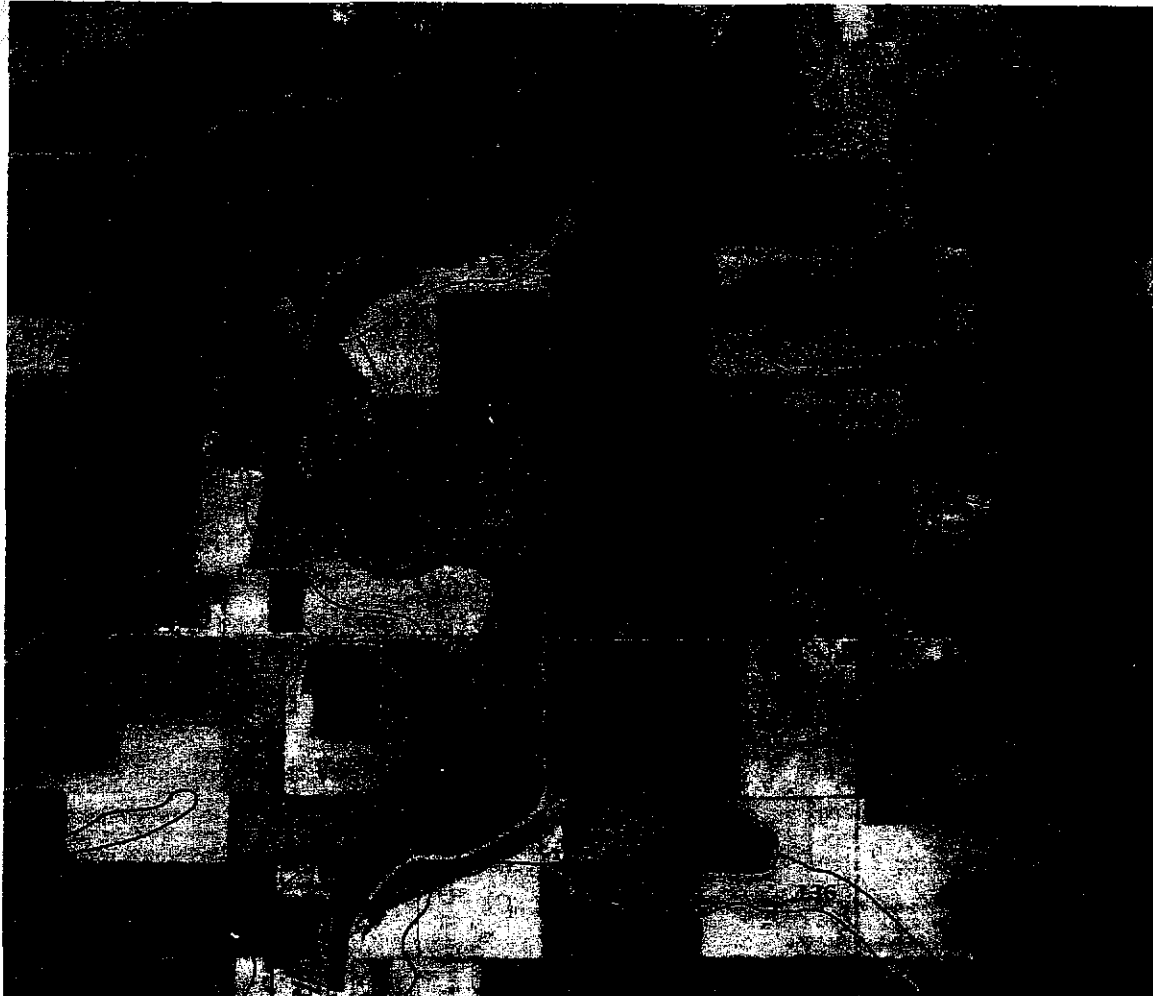


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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington





## Soil Map

123 = Skagit silt loam; 136 = Sumas silt loam; 96 = Mt. Vernon very fine sandy loam

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**Timmers Appraisal Services**  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington



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## Subject Property Photograph



Looking southeast from dike at subject residential home site located at junction of Dry Slough Road and Skagit City Road.

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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington

**Subject Property Photograph**



Looking south at farmstead from Skagit City Road.

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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington



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## Subject Property Photograph



Looking southeast from Skagit City Road at farm worker house.

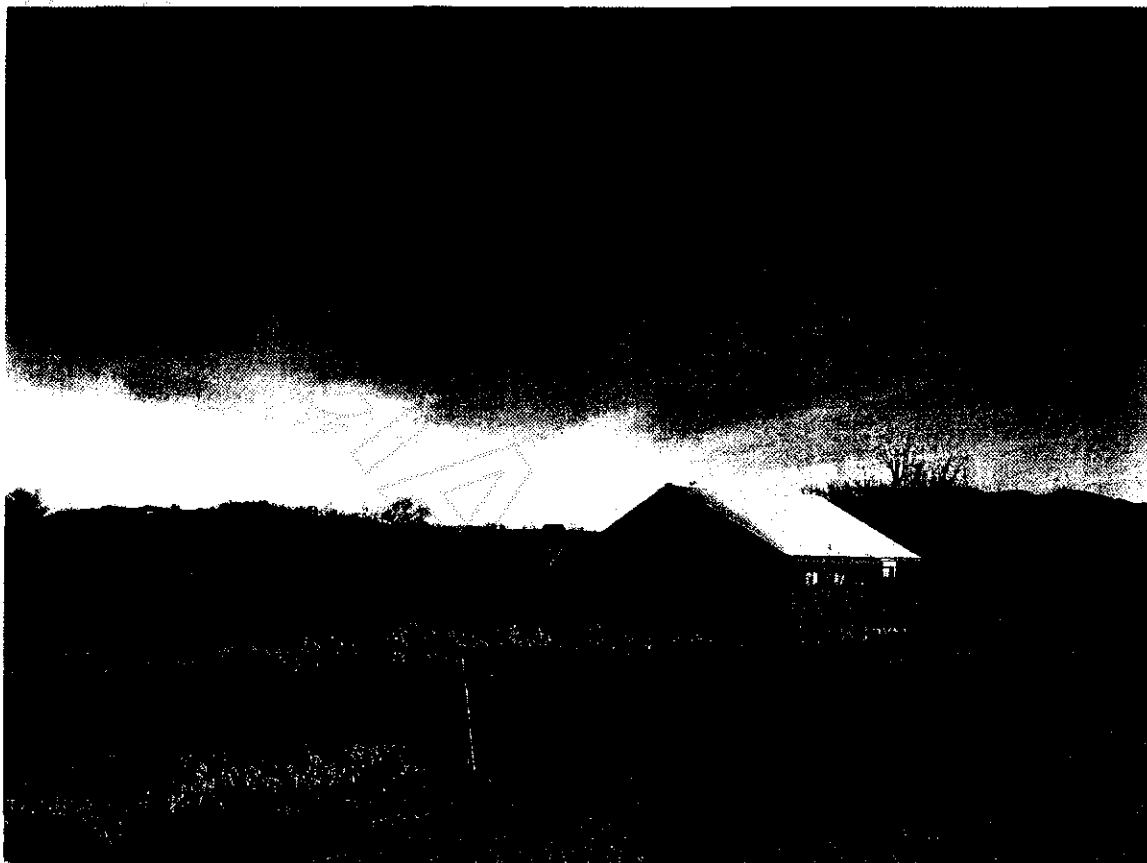
SKAGIT COUNTY  
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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington

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## Subject Property Photograph



Restroom building from previous farm worker housing at Moore Road.

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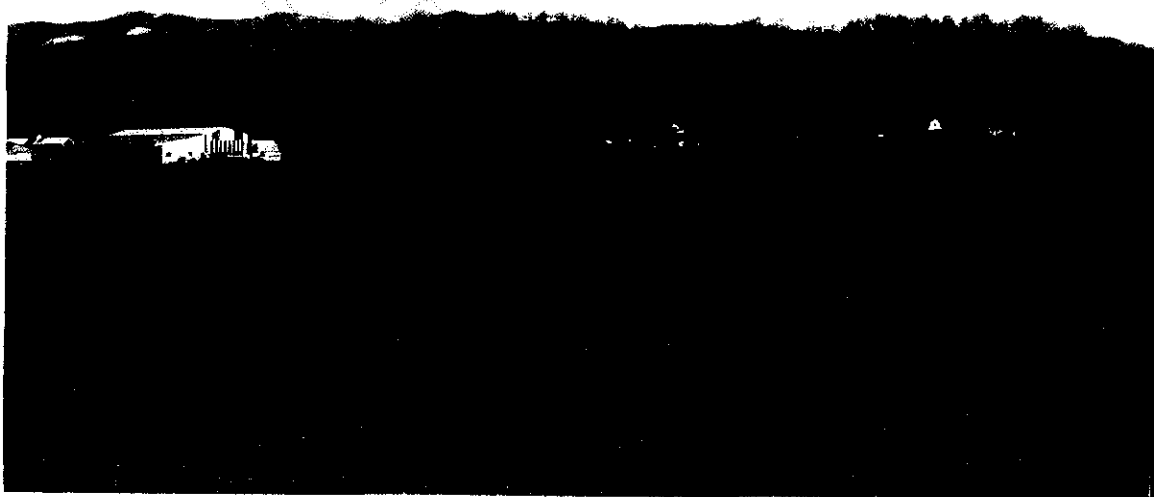


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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington

**Subject Property Photograph**



Looking northeast from Dry Slough Road across north portion of subject property.

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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington

**Subject Property Photograph**



Looking south across subject property from Skagit City Road.

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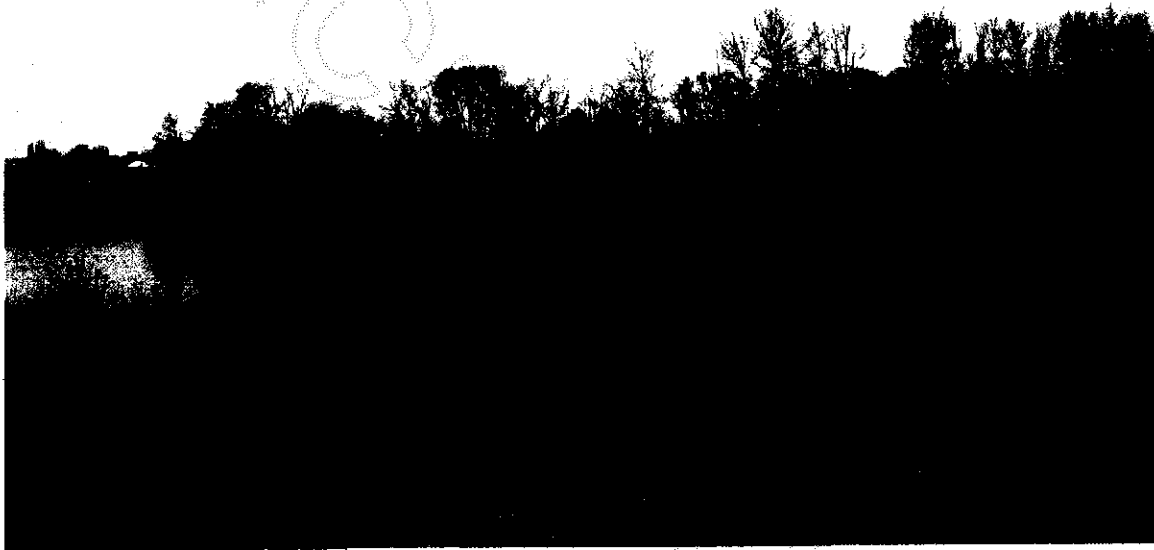


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**Timmers Appraisal Services**  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington

## Subject Property Photograph



Looking at North Fork Skagit River along west boundary of subject property.

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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington



**Subject Property Photograph**



Looking northeast to cattle shed from dike along North Fork Skagit River.

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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington

## Subject Property Photograph



Looking north from crossing between subject property's ponds.

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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington

## Subject Property Photograph



Looking east along Moore Road from location on dike. The two-acre site which is divided off for a future home site is in the foreground.

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Timmers Appraisal Services  
Conservation easement on Lee property – 363 acres  
Skagit City, Dry Slough and Moore Roads, Skagit County, Washington



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Nolan Lee

# Farr.. and Ranchland Protection Program Conservation Plan Map

Date: 02/04/2005

NRCS  
Steve Nissley



## Legend

SKAGIT COUNTY  
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Planned Land Units Labels  
Planned Land Units



1000 0 1000 2000 F



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## EXHIBIT C

When recorded return to:

Skagit County Farmland Legacy Program  
1800 Continental Place  
Mount Vernon, WA 98273

Grantor: NOLAN LEE and SHIRLEY LEE, husband and wife  
Grantee: SKAGIT COUNTY

Legal Description: W 40RDS OF LOT 3 LESS RD; S 20RDS OF N 40RDS OF SE1/4 NW1/4  
Additional legal at Exhibit A - Parcel "B"

Assessor's Tax Parcel Number: P15235, P15274

Reference number(s) of related/assigned/released documents: \_\_\_\_\_  
Reference(s) to document(s) appears on page(s) \_\_\_\_\_

### SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER INSTRUMENT.

The undersigned subordinator agrees as follows:

1. Northwest Farm Credit Services, FLCA ("Subordinator") (mortgage previously held by The Federal Land Bank of Spokane) is the owner and holder of a mortgage dated May 24, 1982, which was recorded under Auditor's File No. 820713011, and then assigned to Northwest Farm Credit Services, ACA, amended June 25, 1999 and recorded under Auditor's File No. 9907060072, records of Skagit County; then assigned to Northwest Farm Credit Services, FLCA, amended June 23, 2005, and recorded under Auditor's File No. 200506230127;
2. Skagit County ("Grantee") is the holder of a conservation easement dated 11-9-05, 2005, executed by Grantor (as hereinafter defined) which will be recorded concurrently with this Subordination Agreement;
3. Nolan Lee and Shirley Anne Lee, husband and wife, ("Grantor"), are the owners of all the real property described in the conservation easement identified above in Paragraph 2.

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SKAGIT COUNTY  
Contract # C20050361

4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged the Subordinator does hereby unconditionally subordinate the lien of the mortgage identified above in Paragraph 1 to the conservation easement identified above in Paragraph 2.
5. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the conservation easement in favor of Easement Holder above referred to and shall supersede and cancel any prior agreements as to such, or any subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provided for the subordination of the lien or charge thereof to a mortgage to be thereafter executed.
6. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. Where the word mortgage appears herein it shall also be considered as deed of trust, and gender and number of pronouns considered to conform to undersigned.

Executed this 5<sup>th</sup> day of July, 2005.

SUBORDINATOR

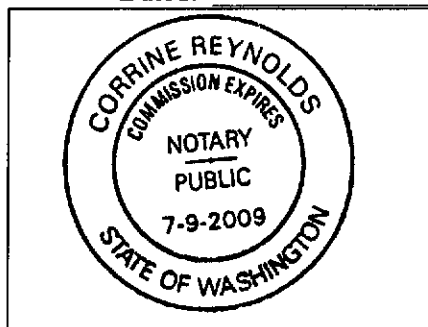
Tricia Chastain

Northwest Farm Credit Services, FLCA

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Tricia Chastain is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Authorized Agent of Northwest Farm Credit Services, FLCA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 7-5-05



(Use this space for notarial stamp/seal)

Corrine Reynolds  
Notary Public  
Print Name Corrine Reynolds  
My commission expires 7-9-09

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Skagit County Auditor

SKAGIT COUNTY  
Contract # C20050361

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When recorded return to:

Skagit County Farmland Legacy Program

1800 Continental Place

Mount Vernon, WA 98273

Grantor: NOLAN LEE and SHIRLEY LEE, husband and wife

Grantee: SKAGIT COUNTY

Legal Description: N 20 RDS OF SE1/4 OF NW1/4; N 40 RDS LT 5 LESS TRS & RD LESS PTN  
OUT SIDE DIKE LESS TAX 12

Additional legal at Exhibit A – Parcels "G," "H"

Assessor's Tax Parcel Number: P15273, P15244

Reference number(s) of related/assigned/released documents: \_\_\_\_\_

Reference(s) to document(s) appears on page(s) \_\_\_\_\_

### SUBORDINATION AGREEMENT

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER INSTRUMENT.

The undersigned subordinator agrees as follows:

1. Northwest Farm Credit Services, ACA ("Subordinator") is the owner and holder of a mortgage dated June 18, 1996, which was recorded under Auditor's File No. 9606190035, records of Skagit County, and then assigned to Northwest Farm Credit Services, FLCA, amended June 23, 2005, and recorded under Auditor's File No 200506230126.
2. Skagit County ("Grantee") is the holder of a conservation easement dated 11-9-05, 2005, executed by Grantor (as hereinafter defined) which will be recorded concurrently with this Subordination Agreement;
3. Nolan Lee and Shirley Anne Lee, husband and wife, ("Grantor"), are the owners of all the real property described in the conservation easement identified above in Paragraph 2.
4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged the Subordinator does hereby unconditionally subordinate the lien of the mortgage identified above in Paragraph 1 to the conservation easement identified above in Paragraph 2.

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5. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the conservation easement in favor of Easement Holder above referred to and shall supersede and cancel any prior agreements as to such, or any subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provided for the subordination of the lien or charge thereof to a mortgage to be thereafter executed.

6. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. Where the word mortgage appears herein it shall also be considered as deed of trust, and gender and number of pronouns considered to conform to undersigned.

Executed this 5th day of JULY, 2005.

SUBORDINATOR

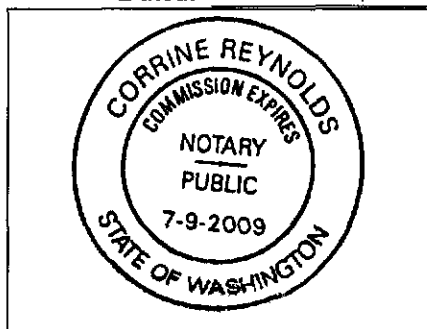
Tricia Chastain

Northwest Farm Credit Services, FLCA

STATE OF WASHINGTON )  
 ) ss.  
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Tricia Chastain is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Authorized Agent of Northwest Farm Credit Services, FLCA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 7-9-05



(Use this space for notarial stamp/seal)

Corrine Reynolds  
Notary Public  
Print Name Corrine Reynolds  
My commission expires 7-9-09



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Skagit County Auditor

SKAGIT COUNTY  
Contract # C20050361

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When recorded return to:

Skagit County Farmland Legacy Program

1800 Continental Place

Mount Vernon, WA 98273

Grantor: NOLAN LEE and SHIRLEY LEE, husband and wife

Grantee: SKAGIT COUNTY

Legal Description

Abbreviated form: N1/2 NW1/4 SW1/4 LESS RD DK 22 O/S#14 AF#8602280017 1987

Additional legal at Exhibit A – Parcel "C."

Assessor's Tax Parcel Number: P15279

Reference number(s) of related/assigned/released documents: \_\_\_\_\_

Reference(s) to document(s) appears on page(s) \_\_\_\_\_

**SUBORDINATION AGREEMENT**

NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER INSTRUMENT.

The undersigned subordinator agrees as follows:

1. Milton R. Polmateer, also known as Milton Ray Polmateer, ("Subordinator") is the owner and holder of a contract of sale agreement dated January 11, 2000, which was recorded under Auditor's File No. 200002030104, records of Skagit County;
2. Skagit County ("Grantee") is the holder of a conservation easement dated 11-9-05, 2005, executed by Grantor (as hereinafter defined) which will be recorded concurrently with this Subordination Agreement;
3. Nolan Lee and Shirley Lee, husband and wife, ("Grantor"), are the owners of all the real property described in the conservation easement identified above in Paragraph 2.
4. In consideration of benefits to Subordinator from Owner, receipt and sufficiency of which is hereby acknowledged the Subordinator does hereby unconditionally subordinate the lien of the mortgage identified above in Paragraph 1 to the conservation easement identified above in Paragraph 2.

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SKAGIT COUNTY

Contract # C20050361

5. This Agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the conservation easement in favor of Easement Holder above referred to and shall supersede and cancel any prior agreements as to such, or any subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provided for the subordination of the lien or charge thereof to a mortgage to be thereafter executed.
6. The heirs, administrators, assigns and successors in interest of the Subordinator shall be bound by this agreement. Where the word mortgage appears herein it shall also be considered as deed of trust, and gender and number of pronouns considered to conform to undersigned.

Executed this 21<sup>st</sup> day of July, 2005.

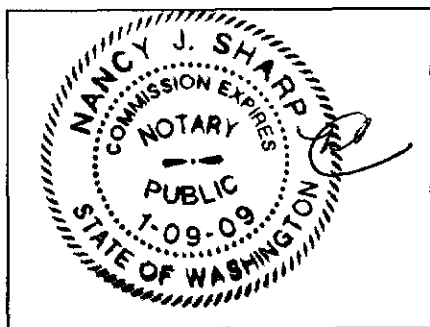
SUBORDINATOR

Milton R. Polmateer  
Milton R. Polmateer

STATE OF WASHINGTON )  
                                  Thurston ss.  
COUNTY OF ~~SKAGIT~~

I certify that I know or have satisfactory evidence that  
Milton R. Polmateer is the person who appeared before me, and said person  
acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute  
the instrument and acknowledged it as the \_\_\_\_\_ of  
\_\_\_\_\_ to be the free and voluntary act of such party for the uses  
and purposes mentioned in the instrument.

Dated: 7/21/2005



(Use this space for notarial stamp/seal)

Nancy Sharp  
Notary Public  
Print Name Nancy Sharp  
My commission expires 01-09-09



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Skagit County Auditor

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SKAGIT COUNTY  
Contract # C20050361