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NOTICE OF CONTINUANCE

Land Classified as Current Use or Forest Land

Chapter 84.34 and 84.33 Revised Code of Washington

Grantor(s) LONGVIEW FIBRE COMPANY

Grantee(s) MICHAEL HONACK AND GWENDOLYN GRACE

Legal Description SEE ATTACHED EXHIBIT "A" S 6, 7
T 34
R 5

Assessor's Property Tax Parcel or Account Number P50881 360506-3-003-0008& P 50916 360507-2-002-0000

Reference Numbers of Documents Assigned or Released CF-75

If the new owner(s) of land that is classified as current use or designated as forest land wish to continue the classification or designation of this land, the new owner(s) must sign below. All new owners must sign. If the new owner(s) do(es) not desire to continue the classification or designation, all additional or compensating tax calculated pursuant to RCW 84.34.108 or RCW 84.33.140, shall be due and payable by the seller or transferor at the time of sale. To determine if the land qualifies to continue classification or designation, the county assessor may be consulted.

Name of New Owner(s) Michael Honack
Gwendolyn Grace

Address 705 Hawks Hill Road
Scotts Valley CA 95066

Phone No. 831-461-1910 Excise Tax No.

File No. Levy Code

Date of Sale or Transfer 6 / 30 / 2006 Date of Notice 6 / 15 / 06

Interest in Property: [X] Fee Owner [ ] Contract Purchaser [ ] Other

For tax assistance, visit http://dor.wa.gov or call (800) 647-7706. To inquire about the availability of this document in an alternate format for the visually impaired, please call (360) 705-6715. Teletype (TTY) users may call (800) 451-7985.

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3. TIMBER LAND MEANS any parcel or contiguous parcels of land in the same ownership of five or more acres devoted primarily to the growing and harvesting of forest crops for commercial purposes. Timber land means the land only and does not include a residential home site. The term includes land used for incidental uses that are compatible with the growing and harvesting of timber but no more than ten percent of the land may be used for such incidental uses. It also includes the land on which appurtenances necessary for the production, preparation, or sale of the timber products exist in conjunction with land producing these products.

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

1. If the owner has filed the proper notice of request to withdraw the classified land and the land has been classified for a minimum of ten years he/she shall pay an amount equal to the difference between the tax computed on the basis of "current use" and the tax computed on the basis of true and fair value plus interest at the same statutory rate charged on delinquent property taxes. The additional tax and interest shall be paid for the preceding seven years.
2. If land is removed from classification because of a change to a non-conforming use, land is removed prior to the minimum ten year period, or land is removed because the owner(s) failed to comply with the two year notice of withdrawal he/she shall be liable to pay the additional tax and interest described in 1 above plus a penalty of twenty percent of the additional tax and interest. The additional tax, interest, and penalty shall be paid for the preceding seven years.
3. The additional tax, interest, and/or penalty shall not be imposed if the withdrawal or removal from classification resulted solely from:
   a. transfer to a government entity in exchange for other land located within the state of Washington;
   b. a taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power, said entity having manifested its intent in writing or by other official action;
   c. a natural disaster such as a flood, windstorm, earthquake, or other calamity rather than by virtue of the act of the landowner changing the use of the classified land;
   d. official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present classified use of the land;
   e. transfer of land to a church when the land would qualify for exemption pursuant to RCW 84.36.020;
   f. acquisition of property interests by a state or federal agency, county, city, town, metropolitan park district; metropolitan municipal corporation, nonprofit historic preservation corporation as defined in RCW 64.04.130, or nonprofit nature conservancy corporation or association as defined in RCW 84.34.250;
   g. removal of classified farm and agricultural land on which the principal residence of the farm operator or owner or housing for employees;
   h. removal of land from classification after enactment of a statutory exemption that qualifies the land for exemption and receipt of notice from the owner to remove the land from classification;
   i. the creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;
   j. the creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040;
   k. The sale or transfer within two years after the death of an owner with at least a fifty percent interest in the land if the land has been continuously assessed and valued as designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993. The date of death shown on a death certificate is the date used.

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

1. OPEN SPACE LAND MEANS EITHER:

   a. any land area so designated by an official comprehensive land use plan adopted by any city or county and zoned accordingly; or

   b. any land area, the preservation of which in its present use would: (i) conserve and enhance natural or scenic resources; (ii) protect streams or water supply; (iii) promote conservation of soils, wetland, beaches, or tidal marshes; (iv) enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space; (v) enhance recreation opportunities; (vi) preserve historic sites; (vii) preserve visual quality along highway, road, and street corridors or scenic vistas; or (viii) retain in its natural state tracts of land not less than one acre situated in an urban area and open to public use on such conditions as may be reasonably required by the legislative body granting the open space classification; or

   c. any land that meets the definition of farm and agricultural conservation land. "Farm and agricultural conservation land is either; (i) land that was previously classified as open space farm and agricultural land that no longer meets the criteria of farm and agricultural land, and that is reclassified as open space and under RCW 84.34.020(1); or (ii) land that is traditional farmland that is not classified under chapter 84.33 or 84.34 RCW, that has not been irrevocably devoted to a use inconsistent with agricultural uses, and that has a high potential for returning to commercial agriculture.

2. FARM AND AGRICULTURAL LAND MEANS EITHER:

   a. any parcel of land or contiguous parcels of land in the same ownership of twenty or more acres: (i) devoted primarily to the production of livestock or agricultural commodities, for commercial purposes; or (ii) enrolled in the federal conservation reserve program or its successor administered by the United States department of agriculture; or (iii) other similar commercial activities as may be established by rule; or

   b. any parcel of land or contiguous parcels of land in the same ownership of at least five acres but less than twenty acres devoted primarily to agricultural uses which has produced a gross income equal to two hundred dollars or more per acre per year for three out of the five calendar years preceding the date of application for classification under chapter 84.34 RCW; or

   c. any parcel of land that is less than five acres devoted primarily to agricultural uses which has produced a gross income equal to fifteen hundred dollars or more per year for three out of the five calendar years preceding the date of application for classification under chapter 84.34 RCW; or

   d. any land on which the principal place of residence of the farm operator or owner of land or housing for employees is sited if the farm and agricultural land is classified pursuant to RCW 84.34.020 (e) if the residence or housing is on or contiguous to the classified parcel, and the use of the residence or housing is integral to the use of the classified land for agricultural purposes.

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

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

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

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

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

a. transfer to a government entity in exchange for other forest land located within the state of Washington;
b. a taking through the exercise of the power of eminent domain, or sale or transfer to an entity having the power of eminent domain in anticipation of the exercise of this power;
c. a donation of fee title, development rights, or the right to harvest timber, to a government agency or organization qualified under RCW 84.34.210 and 64.04.130 for the purposes enumerated in those sections or the sale or transfer of fee title to a governmental entity or a nonprofit nature conservancy corporation, as defined in RCW 64.04.130, exclusively for the protection and conservation of lands recommended for state natural area preserve purposes by the natural heritage council and natural heritage plan as defined in chapter 79.70 RCW. At such time as the land is not used for the purposes enumerated, the compensating tax specified in subsection (11) of this section shall be imposed upon the current owner;
d. the sale or transfer of fee title to the parks and recreation commission for park and recreation purposes;
e. official action by an agency of the state of Washington or by the county or city within which the land is located that disallows the present use of such land;
f. the creation, sale, or transfer of forestry riparian easements under RCW 76.13.120;
g. the creation, sale, or transfer of a fee interest or a conservation easement for the riparian open space program under RCW 76.09.040;
h. the sale or transfer within two years after the death of an owner with at least a fifty percent interest in the land if the land has been continuously assessed and valued as designated forest land under chapter 84.33 RCW or classified under chapter 84.34 RCW since 1993. The date of death shown on a death certificate is the date used.

The agreement to tax according to use of the property is not a contract and can be annulled or canceled at any time by the Legislature (RCW 84.34.070).

Property Owner — Date: June 15, 2006

Address — 4/15/2006

Property Owner — Date: June 19, 2006

Address

Property Owner — Date

Address

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Exhibit "A"

Legal Description

Parcel "A":

Government Lot 7 and that portion of the Southeast ¼ of the Southwest ¼ of Section 6, Township 36 North, Range 5 East, W.M., lying Westerly of Secondary State Highway No. 1-A (also known as the Sedro-Wooley-Wickersham Highway).

Situate in the County of Skagit, State of Washington.

Parcel "B":

That portion of the Northeast ¼ of the Northwest ¼ of Section 7, Township 36 North, Range 5 East, W.M., lying Westerly of Secondary State Highway No. 1-A (also known as the Sedro-Wooley-Wickersham Highway).

Situate in the County of Skagit, State of Washington.

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