

Return to: Skagit Surveyors & Engineers
806 Metcalf Street
Sedro-Woolley, WA 98284
Phone: (360) 855-2121



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Skagit County Auditor

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COVER SHEET
Natural Resource Land Easement Agreement

GRANTOR: Aloha Lumber Corporation

GRANTEE: Skagit County

LEGAL DESCRIPTION

Parcel A:

The South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ and the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 8, Township 35 North, Range 7 East, W.M. Situate in the County of Skagit, State of Washington.

Parcel B:

The South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 8, Township 35 North, Range 7 East, W.M. Situate in the County of Skagit, State of Washington.

ASSESSOR'S PROPERTY TAX PARCEL NUMBER: P42280, P42296, P42295 and P42294

When recorded return to:

Skagit County
Planning and Development Services
1800 Continental Place
Mount Vernon, WA 98273

25
SKAGIT COUNTY
Contract # C20080246

DEED OF NATURAL RESOURCE LAND EASEMENT

Page 1 of 25

THIS DEED OF NATURAL RESOURCE LAND EASEMENT (Easement) is granted this 8 day of February 2008, by Aloha Lumber Corporation (Grantor) to Skagit County, a political subdivision of the State of Washington.

I. RECITALS

A. Owner. Grantor is the sole owner in fee simple, subject to certain outstanding rights as described in Exhibit C (Existing Title Exceptions) attached to and made a part of this Easement by this reference, of that certain real property (the Land) in Skagit County, Washington legally described in Exhibit A (Legal Description) attached to and made a part of this Easement by this reference.

B. Conservation and Reserve Development—Natural Resource Land Easement. On July 15, 2005 Grantor applied to Skagit County to subdivide the Land pursuant to Skagit County's Conservation and Reserve Development (CaRD) program, SCC 14.18.300-330. The CaRD program is an alternative method for land divisions that promotes clustering of development rights and conservation of open space. Through submittal of a CaRD application, residential lots up to one acre in size may be created on the original parcel, subject to the density restriction of the particular zoning district, and the balance of the acreage not included shall be reserved in one or more of the following open space designations: Open Space Preservation Area (Os-PA), Open Space Natural Resource Land (Os-NRL), Open Space Urban Reserve (Os-UR), Open Space Rural Open (Os-RO), Open Space Recreational/Amenities (OS-RA), Open Space Reserve (Os-RSV). The resulting open space designations are determined under the CaRD provisions of the Skagit County Code. SCC 14.18.310. If all or a portion of Grantor's Land is designated natural resources land (RRc-NRL, Ag-NRL, IF-NRL, or SF-NRL), the open space resulting on the natural resource land pursuant to the CaRD provisions shall be designated either Os-NRL or Os-PA. All land designated Os-NRL shall be placed in a natural resource land easement (NRLE) and dedicated to Skagit County. Dedication of the Os-NRL must occur at the time Skagit County approves the NRLE application and the NRLE must be completed prior to the finalization of the CaRD.



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C. Size/Density:

The Land consists of approximately 118.29 acres (three subdivisional 40's) designated Rural Resource (RRc), permitting a total density of 4 dwelling units per 40 acres lots. See SCC 14.18.310(2) and the accompanying lot size table. Due to the subdivisional legal description, the requested and approved density is 13 lots (12 building lots and 1 non-building open space lot). The approved residential lot areas and open space areas are described and shown in Exhibit B, which is attached to and made a part of this Easement by this reference.

D. Land Subject to Natural Resource Land Easement:

24.2 (**) acres are designated Os-NRL. See Exhibit B. This Os-NRL land is subject to the terms of this Easement and shall be referred to as Open Space Area for purposes of this Easement.

E. Staff Review. Skagit County staff reviewed the application and determined that Grantor's application met the criteria and other requirements under the Skagit County Comprehensive Plan policies and development regulations applicable to the CaRD and NRLE programs.

F. Open Space Functions. For the purposes of this Easement, "Open Space Functions" refers to uses allowed either outright or by special use permit in the zoning district(s) (see Chapter 14.16 SCC, as now adopted, or hereafter amended and codified) pertaining to the subject property; provided, however, that residences, accessory dwelling units, and temporary manufactured homes shall only be within the areas designated as the residential lot area in Exhibit B and on the approved plat. If a use requires a special use permit, the special use permit shall first be obtained from Skagit County. Grantor and Skagit County intend that the Open Space Functions of the Open Space Area will be preserved and maintained by the continuation of land use activities existing at the time of the signing of this NRLE that do not significantly impair or interfere with the Open Space Functions and are or have been allowed under the Skagit County Code.

G. Conveyance. Grantor further intends, as owner of the Land, to convey to Skagit County the right to enforce preservation and protection of the Open Space Functions of the Open Space Area unless and until such time as this Easement is terminated as provided for herein.

H. Acceptance. Skagit County agrees, by accepting this grant to honor the intentions of Grantor and to preserve and protect the Open Space Functions of the Open Space Area for current and future generations to appreciate and enjoy.

II. CONVEYANCE AND CONSIDERATION

A. Terms and Conditions. For the reasons stated above, and in consideration of obtaining land division approval and the mutual covenants terms conditions, and



restrictions contained in this Easement, Grantor hereby voluntarily grants and quit claims to Skagit County, and Skagit County accepts, a Natural Resource Lands Easement over the Open Space Area of the Land as defined in this Easement. This Natural Resource Lands Easement is granted on the terms and conditions herein described and is subject to the reservation of rights contained herein, all of which rights, restrictions, reservations and obligations shall operate as covenants running with the Land. This grant is also subject to those items described in Exhibit C (Permitted Title Exceptions).

B. Conveyance of Real Property. This Deed of Natural Resource Land Easement is a conveyance of an interest in real property under the provisions of RCW 64.04.130.

C. Recitals. The foregoing recitals are incorporated into this Easement by reference.

III. PURPOSE

The purpose of this Easement is to assure that the Open Space Area will be retained as provided for in Section I.F. above until such time as this Easement is terminated and to prevent any use of, or activity in, the Open Space Area that will significantly impair or interfere with the Open Space Functions of the Open Space Area. Grantor and Skagit County intend that this Easement will confine the use of, or activity in, the Open Space Area to those uses and activities consistent with this purpose.

No general public access to any portion of the Open Space Area is conveyed by this Easement.

IV. RIGHTS CONVEYED TO SKAGIT COUNTY

To accomplish the purposes of this Easement, Grantor conveys the following rights to Skagit County:

A. Identification and Protection. To identify, preserve and protect the Open Space Functions of the Open Space Area during the term of this Easement.

B. Access.

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

2. To enter the Open Space Area at such other times as are necessary, if there is reason to believe that a violation of the terms of this Easement is occurring, for the purpose of enforcing the provisions of this Easement.

C. Injunction and Restoration. To enjoin any use of, or activity in, the Open Space Area that is inconsistent with the purposes of this Easement, and to undertake or cause to be undertaken the restoration of such portions or features of the Open Space Area as may be damaged by uses or activities con-



this Easement, consistent with Section IX.

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

V. PROHIBITED USES AND ACTIVITIES

Any use of, or activity in, the Open Space Area inconsistent with the purposes 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 section, the following uses of, or activities in, the Open Space Area, though not an exhaustive list, are inconsistent with the purposes of this Easement and shall be prohibited:

A. Subdivision and Development Rights. The legal subdivision of the Open Space Area for the purposes of development of the Open Space Area; the exercise of Grantor's development rights in the Open Space Area; the transfer of such development rights to any other portion of the Land as it now or hereafter may be bounded or described; and the use of such development rights for the purpose of calculating permissible lot yield of the Open Space Area or any other property; provided, however, that this Easement shall not be construed to preclude boundary line adjustments to revise lot lines on the Land and contiguous lands owned by the Grantor, with the written approval of the Director, Skagit County Planning and Development Services; and provided further that if full development rights allowed under the CaRD for that specific zoning district have not been exhausted, those rights may be allowed based on the original parcel's acreage.

B. Title Matters. The burdening of the Open Space Area during the term of this Easement by liens, leases, encumbrances, easements, restrictions, conditions, covenants, rights, rights-of-way and other matters affecting title to and use of the Open Space Area; except as determined to be consistent with the purposes of this Easement. Grantor must first notify the Director, Skagit County Planning and Development Services and receive his or her approval, as provided for in Section VII, before any such burdens are placed on the Open Space Area.

C. Construction. The placement or construction of any residential buildings, or other residential improvements of any kind except as expressly permitted in the applicable zoning district; and in accordance with Section I.F. of this Easement, the placement or construction of any commercial or industrial buildings, structures, or other improvements of any kind except as permitted in the applicable zoning district and consistent with the terms of this Easement.

D. Impervious surface. The total area covered by structures of any kind and impervious surfaces, such as asphalt, concrete or gravel, shall be limited to the lot coverage requirements for the applicable zoning district, if any, or five (5) percent of the Open Space Area, whichever is more restrictive.

E. Recreation. The following forms of recreation on the Open Space Area: golf courses; commercial use of motorized or mechanized recreational vehicles such as

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motorcycles, snowmobiles and dune buggies, and athletic fields. Recreational uses may only be permitted insofar as they are consistent with the purposes and terms of this Easement.

F. Erosion or Water Pollution. Any use or activity, not permitted by applicable local, state, or federal law, that causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters.

G. Waste Disposal. The disposal or storage of rubbish, garbage, debris, vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Open Space Area.

H. Commercial Signs. The placement of commercial signs, billboards, or other advertising material on the Open Space Area; except in connection with the on-site sale of agricultural products, sale or lease of the Open Space Area, or to state the conditions of access to the Open Space Area.

I. Mining. (This provision is only applicable on properties not located in a Mineral Resource Overlay.) The exploration for, or development and extraction of, minerals and hydrocarbons on or below the surface of the Open Space Area. 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 Open Space Area and will not interfere with the Open Space Functions of the Open Space Area.

VI. RESERVED RIGHTS

Grantor reserves for itself and its personal representatives, heirs, successors and assigns, any use of, or activity in, the Open Space Area that is not inconsistent with the purposes of this Easement and that is not prohibited by this Easement.

VII. NOTICE AND APPROVAL

A. Notice.

1. Grantor. Grantor to notify Skagit County and receive Skagit County's written approval prior to undertaking certain uses and activities within the Open Space Area (e.g., subsection V. B. (Title Matters)). This requirement includes any activities proposed for the Open Space Area which are not addressed through the preliminary plat approval process or development permits, such as alterations to existing features including utilities or roads. The purpose of requiring Grantor to notify Skagit County prior to undertaking these uses and activities is to afford Skagit County an opportunity to ensure that the use or activity in question is designed and carried out in a manner consistent with the purposes of this Easement. Whenever such notice is required, Grantor shall notify the Director of the Skagit County Planning and Development Services (or its successor agency) in writing not less than thirty (30) days prior to the date Grantor intends to undertake the use or activity in question. 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 Skagit County to make an informed judgment as to its consistency with the purposes of this Easement.

2. Skagit County. The general monitoring provision, subsection IV.B.1, of this Easement requires Skagit County to give notice to the Grantor prior to undertaking certain activities within the Open Space Area. Whenever such notice is required, Skagit County shall notify the Grantor in writing not less than thirty (30) days prior to the date Skagit County intends to undertake the use or activity in question, unless otherwise provided for by this Easement.

B. Approval. Where approval by Skagit County is required under this Easement, such approval shall be granted or withheld in writing within thirty (30) days of receipt of a written request for approval, and such approval shall not be unreasonably withheld.

1. Grantor. If Grantor must undertake emergency action to protect public health or safety in the Open Space Area or must act by and subject to compulsion of any governmental agency, Grantor may proceed with such action without Skagit County's approval only if Grantor notifies Skagit County prior to taking such action and Skagit County cannot provide its approval, with or without conditions, within such time as is reasonable under the circumstances.

2. Skagit County. Skagit County's approval may be withheld only upon a reasonable determination by Skagit County that the use or activity as proposed would be inconsistent with the purposes of this Easement. Skagit County's approval may include reasonable conditions that must be satisfied in undertaking the proposed use or activity.

3. Failure to Approve or Withhold Approval Within the Required Time. When approval is required under this Easement, and when such approval is not granted or withheld within the time period and manner set forth above in this section, approval of the permitted use or activity in question may be presumed.

C. Addresses. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing and either served personally or sent by first class mail, postage prepaid, addressed as follows:

To Grantor: **(list names and addresses of all persons having a property interest)**

Aloha Lumber Corporation
10260 S.W. Greenburg Road; Suite 1150
Portland, OR 97233

To Skagit County:

Skagit County
Planning and Development Services
1800 Continental Place
Mount Vernon, WA 98273



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

VIII. DISPUTE RESOLUTION

If a dispute arises between the parties concerning the consistency of any present or proposed use or activity with the purposes of this Easement, and the Grantor agrees not to proceed with the proposed use or activity pending resolution of the dispute, the parties shall meet to discuss the dispute and attempt its resolution. Thereafter, either party may refer the dispute to mediation or arbitration by request made in writing to the other. Within thirty (30) days of the receipt of such a request, the parties shall select a single mediator or arbitrator to hear the matter. The matter shall be settled in accordance with any Washington State mediation or arbitration statute then in effect, and a mediation or an arbitration award may be entered in any court having jurisdiction. If mediation or arbitration is pursued, the prevailing party shall be entitled, in addition to such other relief as may be granted, to a reasonable sum for all its costs and expenses related to such mediation or arbitration, including, without limitation, the fees and expenses of the mediator or arbitrator and attorney's fees, which shall be determined by the mediator or arbitrator or any court having jurisdiction that may be called upon to enforce or review the award. The parties agree not to proceed with the use or activity pending resolution of the dispute.

IX. REMEDIES

A. Generally. The parties hereto may seek such relief in law or equity as they may deem necessary to enforce the terms of this Easement. Except as provided otherwise in this Easement, in the event of litigation between the parties hereto, declaratory or otherwise, in connection with this Easement, the prevailing party shall recover all costs and attorneys' fees actually incurred, including on appeal.

B. Notice of Failure. If Skagit County determines that the Grantor is in violation of the terms of this Easement, or that a violation is threatened, Skagit County shall give written notice to the Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Open Space Area resulting from any use or activity inconsistent with the Purpose of this Easement, to restore the portion of the Open Space Area so injured.

C. Grantor's Failure to Respond. Skagit County may bring an action as provided in Section IX.D. or pursue the alternative remedy provided in Section IX.E. if Grantor:

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

D. Skagit County's Action. Skagit County may bring an action at law or in equity in a court having jurisdiction to enforce the terms of this Easement:



1. To enjoin the violation, ex parte as necessary, by temporary or permanent injunction; and

2. To recover any damages to which it may be entitled for violation of the terms of this Easement or for injury to any Open Space Functions protected by this Easement, including damages for the loss of Open Space Functions; and

3. To require the restoration of the Open Space Area to the condition that existed prior to any such injury.

Without limiting Grantor's liability in any way, Skagit County shall first apply any damages recovered to the cost of undertaking corrective or restoration action in the Open Space Area.

E. Immediate Action Required. If Skagit County, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Open Space Functions of the Open Space Area, Skagit County may pursue its remedies under this section without prior notice to Grantor or without waiting for the period provided for cure to expire.

F. Nature of Remedy. Skagit County's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Easement. Skagit County shall be entitled to the injunctive relief described in this section in addition to such other relief to which Skagit County may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. Skagit County'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.

G. Costs of Restoration. In the event Skagit County must enforce the terms of this Easement, the costs of restoration necessitated by acts of Grantor, its agents, employees, contractors, family members, invitees or licensees in violation of the terms of this Easement 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 Skagit County secures redress for an Easement violation without initiating or completing a judicial proceeding, the costs of such restoration shall be borne by Grantor or those of its personal representatives, heirs, successors, or assigns who are otherwise determined to be responsible for the unauthorized use or activity. If Grantor prevails in any judicial proceeding initiated by Skagit County to enforce the terms of this Easement, Grantor's cost of suit, including attorney's fees, shall be borne by Skagit County.

H. Skagit County's Discretion. Skagit County acknowledges its commitment to protect the purposes of this Easement. Enforcement of the terms of this Easement shall be at the discretion of Skagit County, and any forbearance by Skagit County to exercise its rights under this Easement in the event of any breach of any terms of this Easement by Grantor shall not be deemed or construed to be a waiver by Skagit County of such term or of any right under this Easement. No delay or omission by Skagit County 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.

I. 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 Skagit County or its successors or assigns under or pertaining to this Easement based upon waiver, laches, estoppel, or prescription.

J. Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Skagit County to bring any action against Grantor to abate, correct, or restore any condition in the Open Space Area or to recover damages for any injury to or changes in the Open Space Area resulting from causes beyond Grantor's control, including, without limitation, natural changes, fire, flood, storm, or earth movement, or from acts of trespassers, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Open Space Area resulting from such causes.

X. COSTS AND LIABILITIES

Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to its ownership and use of the land and Open Space Area, including the payment of all taxes levied against the land by government authority as they become due. Skagit County agrees to bear all costs and liabilities of any kind related to its rights in the Open Space Area. Grantor and Skagit County agree to indemnify and hold each other harmless from all liability, including liability resulting from releases of hazardous substances or wastes under federal, state or local laws, arising out of their respective rights in and use of the Open Space Area of the Land. This indemnity shall extend to liability arising out of use by agents, contractors, subcontractors and employees of the indemnifying party. Any forbearance by Skagit County to exercise its rights under this Easement in the event of any breach of any terms of this Easement by Grantor, or any knowledge by Skagit County of such breach shall not be deemed or construed to extinguish or diminish Grantor's obligation to indemnify and hold Skagit County harmless under this paragraph.

XI. RECORDATION

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

XII. SUCCESSORS

The covenants, terms and restrictions of this Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successors, and assigns, and shall continue as a servitude running with the Land. Any subsequent transfer of interest in the Land shall be subject to the terms and conditions set out in this easement.

XIII. ASSIGNMENT

Skagit County agrees not to assign, transfer or encumber its interest in the Open Space Area granted herein nor delegate its duties under this Easement.

XIV. MODIFICATION

The parties may modify this Easement by mutual agreement; provided that the modification is consistent with the purposes of this Easement. Any such modification shall be in writing, signed by all parties and recorded in the official records of Skagit County, Washington.

XV. DURATION AND TERMINATION

Under this program, the dedication of the Open Space Area to "Open Space-Natural Resource Lands (OS-NRL)" may only be extinguished upon a declaration in a court of competent jurisdiction finding that the land no longer has long term commercial significance for the production of food, agricultural products, timber or extraction of minerals or by a change in the Comprehensive Plan Map designation and then only after all of the required criteria are successfully applied allowing for such a change. (See Section XV, Duration and Termination).

A. Easement Duration. This Easement shall extend in perpetuity from the date of its grant to Skagit County unless it is terminated as provided in subsection B below.

B. Easement Termination. This Easement will terminate at such time that the Land no longer has long-term commercial significance for the production of food, agriculture products, timber or extraction of minerals and the land designation of the property is changed on the Comprehensive Plan Map to a non-natural resource lands (NRL) land designation. In the case of lands zoned Ag-NRL and IF-NRL, restrictions defined in this Easement the finding that it is no longer possible to commercially use the Land for the production of food, agriculture products, timber, or extraction of minerals shall be made by a court of competent jurisdiction.

Upon termination of this easement, Skagit County shall grant a release returning the Easement back to Grantor. Skagit County shall record this release in a timely fashion in the official records of Skagit County, Washington.

XVI. GENERAL PROVISIONS

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

B. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the effecting the purposes of this Easement and the policy and purposes of RCW 64.04.130, Chapter 84.34 RCW, and the Skagit County Comprehensive Plan, as may be amended from time to time. If any provision in this instrument is found to be ambiguous, an interpretation



consistent with the purposes 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 Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in a modification that complies with Section XIV of this Easement.

E. "Grantor" - "Skagit County". The terms "Grantor" and "Skagit County," 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 Skagit County and its successors.

G. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

XVII. SCHEDULE OF EXHIBITS

- A. Legal Description of the Land.
- B. Drawing and Area Photograph of NRLE
- C. Existing Title Exceptions.

TO HAVE AND TO HOLD unto Skagit County and its successors.

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IN WITNESS WHEREOF, the undersigned executes this Deed of Natural Resource Land Easement this 8 day of February, 2008.

[Signature]
(Signature)

Ewan Rose
(Printed Name)

Vice President, Aloha Lumber Corporation
(Title)
(corporation's name, Inc.)



Oregon
State of Washington)
County of Skagit Washington) ss.

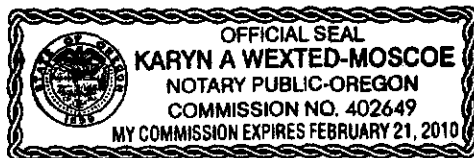
Easement
SKAGIT COUNTY WASHINGTON
RECORDS & CLERK

APR 09 2008

Amount Paid \$ 0
Skagit Co. Treasurer
By [Signature] Deputy

On this 8th day of February, 2008, before me personally appeared Ewan W. Rose, to me known to be the Vice President (indicate president, vice president, secretary, treasurer, or other authorized officer or agent) of the Aloha Lumber Corporation, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

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



[Signature]
(Signature)

Notary Public
(Title)

Residing in Sherwood, OR

My appointment expires February 21, 2010

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SKAGIT COUNTY hereby accepts the above Deed of Natural Resource Lands Easement.

Dated this 8 day of April, 2008.

SKAGIT COUNTY BOARD OF COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

Don Munks
Don Munks, Chairman

Kenneth A. Dahlstedt
Kenneth A. Dahlstedt, Commissioner

Sharon D. Dillon
Sharon D. Dillon, Commissioner

State of Washington)
) ss.
County of Skagit)

I certify that I know or have satisfactory evidence that Don Munks
and Kenneth Dahlsedt and Sharon Dillon is/are the person(s) who
appeared before me, and said person(s) acknowledged that he and/or she signed this
instrument, on oath stated that he and/or she was authorized to execute the instrument,
and acknowledged it as a member of the Board of Commissioners of Skagit County to be
the free and voluntary act of such party for the uses and purposes mentioned in the
instrument.

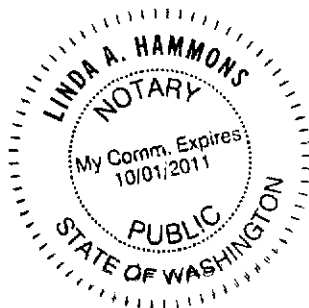
Dated: April 8, 2008

Linda Hummer
(Signature)

Assistant Clerk of the Board
(Title)

Residing in Shaghit County

My appointment expires 10/01/2011



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Attest:

Linda Hammens, Assistant
JoAnne Giesbrecht
Clerk of the Board

Approved as to content:

Gary Christensen
Gary Christensen,
Director, Planning and Development Services

Approved as to Form:

A. O. Denny - for
A. O. Denny,
Civil Deputy Prosecuting Attorney

Billie Kadrmas - for
Billie Kadrmas,
Risk Manager

Trisha Logue
Trisha Logue,
Budget Director

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**EXHIBIT A
LEGAL DESCRIPTION**

Parcel A:

The south $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ and the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 8, Township 35 North, Range 7 East, W.M.

Parcel B:

The South $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ if the Southeast $\frac{1}{4}$ of Section 8, Township 35 North, Range 7 East, W.M.

Situate in the County of Skagit, State of Washington

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EXHIBIT B
DRAWING AND AERIL PHOTOGRAPH OF NRLE

SKAGIT COUNTY
Contract # C20080246

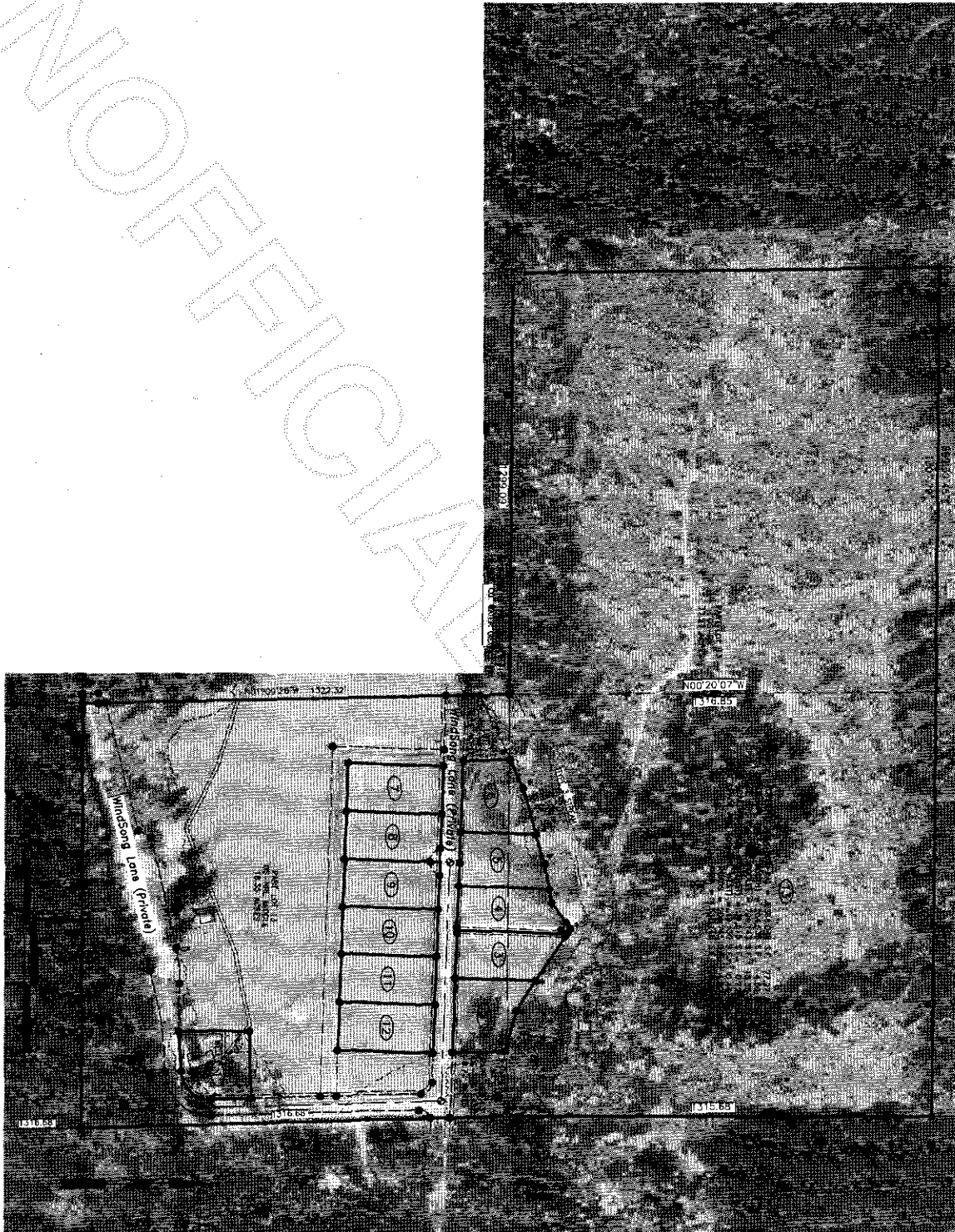
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WindSong Ranch Estates
 In the SE1/4 of the NE1/4, the SW1/4 of the NE1/4, and the NE1/4 of the SE1/4,
 of Section 8, Twp. 35 N., Rng. 7 E., W.M.



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**EXHIBIT C
EXISTING TITLE EXCEPTIONS**

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Schedule "B-1"

Order No.: 116300-P
Policy No.: G-1103-6164

EXCEPTIONS:

A. AN EASEMENT AFFECTING THE PORTION OF SAID PREMISES AND FOR THE PURPOSES STATED HEREIN, AND INCIDENTAL PURPOSES:

For: Electric transmission and distribution line, together with right of ingress and egress and subject to covenant against blasting within 300 feet
In Favor Of: Puget Sound Power & Light Company
Recorded: November 18, 1955
Auditor's No.: 527377
Affects: Portion in the Northeast ¼ of the Southeast ¼ ; exact location undisclosed

B. A release of damages that might accrue by reason of the construction, operation, and maintenance of a railway executed by George Peterson, et ux, in favor of John D. Bird, by an instrument dated September 12, 1928, and recorded October 4, 1928, under Auditor's File No. 216982, and recorded in Volume 148 of Deeds, page 249.
(Affects the Northeast ¼ of the Southeast ¼)

C. BOUNDARY LINE AGREEMENT AND THE TERMS AND CONDITIONS THEREOF

By and Between: Philip E. Zeidner, M.D., individually and as Trustee for the Retirement Trust for the Benefit of Philip E. Zeidner, M.D., wwi Katy Zeidner
And: Donald J. Dando and Amy M. Dando, husband and wife
Dated: May 2, 1983
Recorded: May 26, 1983
Auditor's No.: 8305260009
Regarding: An old fence is constructed in a North-South direction in the vicinity of the East boundary of Parcel A and the West boundary of Parcel B described therein.

(Copy Attached)

- Continued -

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EXCEPTIONS CONTINUED:

D. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee: Puget Sound Power & Light Company, a Washington corporation
Purpose: The right to construct, operate, maintain, repair, replace and enlarge one or more electric transmission and/or distribution lines
Area Affected: A right-of-way 10 feet in width having 5 feet of such width on each side of a centerline described as follows: As constructed beginning at a point on the West line of the above-described property that is 80 feet, more or less, North of the Southwest corner thereof; thence at the approximate bearings and distances of: South 70° East, 210 feet; North 70° East, 386 feet; North 80° East, 207 feet; South 50° East, 120 feet to its terminus.
Dated: July 20, 1984
Recorded: July 31, 1984
Auditor's No.: 8407310027

E. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee: Donald L. Bradley, a single man
Purpose: For ingress, egress and utilities, 20 feet in width
Area Affected: The location of said Easement commences at the South boundary of said Parcel B (described therein), where the North end of that public road known as "Pinelli Road" meets said South boundary; thence proceeds Northerly and Easterly along the location of an existing private lane, to the point where said private lane intersects with that certain roadway of Scott Paper Company, approximately midway between the North and South boundaries of said Parcel "A" (described therein)
Dated: January 7, 1985
Recorded: January 21, 1985
Auditor's No.: 8501210006

- Continued -



EXCEPTIONS CONTINUED:

F. UNDERGROUND UTILITY EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee: Puget Sound Power & Light Company, a Washington corporation
Purpose: The right to construct, operate, maintain, repair, replace and enlarge an underground electric transmission and/or distribution system upon and under the Right-of-Way together with all necessary or convenient appurtenances therefore, which may include but are not limited to the following: underground conduits, cables, communication lines; vaults, manholes, switches, and transformers; and semi-buried or ground mounted facilities. Following the initial construction of its facilities, Grantee may from time to time construct such additional facilities as it may require.
Area Affected: The Northeast ¼ of the Southeast ¼ of Section 8, Township 35 North, Range 7 East, W.M.
Dated: Not disclosed
Recorded: June 16, 1993
Auditor's No.: 9306160097

Contains covenant prohibiting structures over said easement or other activity which might endanger the underground system.

G. RECIPROCAL COMMUNITY DRIVEWAY EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

By and between: Phillip E. Zeidner, M.D., individually and as Trustee for the Retirement Trust for the Benefit of Philip Zeidner, M.D., wwi Katy Zeidner
And: Donald J. Dando and Amy M. Dando, husband and wife
Recorded: October 28, 1993
Auditor's File No.: 9310280159

"constructing a common drive along the West boundary of subject property, approximately 30 feet on each party's side of the true boundary line."

H. MATTERS DISCLOSED BY RECORD OF SURVEY

Filed: December 22, 1994
Volume/Page: Volume 16 of Surveys, at page 121
Auditor's File No.: 9412220024

I. TERMS AND CONDITIONS OF PROTECTED CRITICAL AREA SITE PLAN:

Recorded: February 16, 2005
Auditor's No.: 200502160067

- Continued -



EXCEPTIONS CONTINUED:

J. PROTECTED CRITICAL AREA SITE PLAN AND/OR EASEMENT, AND THE TERMS AND CONDITIONS THEREOF:

Executed By: Aloha Lumber Corporation
Recorded: April 28, 2005
Auditor's File No.: 200504280008

Said instrument is a re-recording of Auditor's File No. 200502160067.

K. LOT CERTIFICATION AND THE TERMS AND CONDITIONS THEREOF:

Recorded: June 29, 2005
Auditor's File No.: 200506290078

L. TITLE NOTIFICATION, AND THE TERMS AND CONDITIONS THEREOF:

Between: Skagit County
And: Aloha Lumber Corp.
Recorded: July 11, 2005
Auditor's File No.: 200507110186
Regarding:

This parcel lies within an area or within 500 feet of land designated as natural resource land (agricultural, forest or mineral resource land of long-term commercial significance) by Skagit County. A variety of natural resource land commercial activities occur or may occur in the area that may not be compatible with non-resource uses and may be inconvenient or cause discomfort to area residents. This may arise from the use of chemicals; or from spraying, pruning, harvesting or extraction with associated activities, which occasionally generates traffic, dust, smoke, noise, and odor. Skagit County has established natural resource management operations as a priority use on designated natural resource lands, and area residents should be prepared to accept such incompatibilities, inconveniences or discomfort from normal, necessary natural resource lands operation when performed in compliance with best management practices and local, state and federal law. In the case of mineral lands, application might be made for mining-related activities including extraction, washing, crushing, stockpiling, blasting, transporting and recycling of minerals. If you are adjacent to designated natural resource lands, you will have setback requirements from designated natural resource lands consistent with SCC 14.16.810.

M. RECOMMENDATION ON PRELIMINARY PLAT (PP-05-0457):

Recorded: December 14, 2005
Auditor's No.: 200512140138

- Continued -



EXCEPTIONS CONTINUED:

N. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee: Puget Sound Energy, Inc., a Washington Corporation
Purpose: The right to construct, operate, maintain, repair, replace, improve, remove, enlarge, and use the easement area for underground facilities
Area Affected: A strip of land ten feet in width with five feet on each side of the centerline of grantee's facilities as now constructed, to be constructed, extended or relocated
Dated: July 6, 2006
Recorded: July 17, 2006
Auditor's No.: 200607170159

O. MATTERS DISCLOSED BY RECORD OF SURVEY:

Recorded: July 28, 1983
Auditor's File No.: 8307280021

P. EASEMENT AND THE TERMS AND CONDITIONS THEREOF:

Grantee: Water District No. 1
Purpose: Pipe lines and appurtenances
Area Affected: A portion of the Northeast ¼ of the Southeast ¼
Dated: April 24, 1989
Recorded: April 25, 1989
Auditor's No.: 8904250085

We note a Revocation of said easement recorded July 7, 1989 under Auditor's File No. 8907070063, records of Skagit County, Washington, executed by Philip E. Zeidner and Kathryn J. Zeidner, husband and wife.

- Continued -



EXCEPTIONS CONTINUED:

Q. EXCEPTIONS AND RESERVATIONS CONTAINED IN DEED:

From: The State of Washington
Executed By: David Tozer Company, a Minnesota corporation
Recorded: October 22, 1917
Auditor's No.: 121746
Affects: The South 1/4 of the Northeast 1/4
Purpose: The Grantor excepts and reserves all oils, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working mines, etc., provided that no rights shall be exercised until provision has been made for full payment of all damages sustained by reason of such entry; Together With the right, upon paying reasonable compensation, to acquire rights of way for transporting and moving products from other lands, contained in Deed

As Follows: Any and all minerals or mining rights which have been heretofore reserved or excepted from any conveyance of any said lands by any of the grantors in any of the deeds now of record in the office of the County Clerk and Recorder of said Skagit County, under which the said party of the first part claims title to any of the lands above described.

