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RETURN TO: Public Utility District No. 1 of Skagit County 1415 Freeway Drive P.O. Box 1436 Mount Vernon, WA 98273-1436

PUD UTILITY EASEMENT

day of DETEMBER THIS AGREEMENT is made this GULL INDUSTRIES, INC, hereinafter referred to as "Grantor(s)", and PUBLIC UTILITY DISTRICT NO. 1 OF SKAGIT COUNTY, WASHINGTON, a Municipal Corporation, hereinafter referred to as "District". Witnesseth:

WHEREAS, Grantor(s) are the owners of certain lands and premises situated in the County of Skagit, and

WHEREAS, the District wishes to acquire certain rights and privileges along, within, across, under, and upon the said lands and premises.

NOW, THEREFORE, Grantor(s), for and in consideration of mutual benefits and other valuable consideration, receipt of which is hereby acknowledged, conveys and grants to the District, its successors or assigns, the perpetual right, privilege, and authority enabling the District to do all things necessary or proper in the construction and maintenance of a water and communication, lines or other similar public services related facilities, including the right to construct, operate, maintain, inspect, improve, remove, restore, alter, replace, relocate, connect to and locate at any time a pipe or pipes, line or lines or related facilities, along with necessary appurtenances for the transportation and control of water and electronic information on facilities over, across, along, in and under the following described lands and premises in the County of Skagit, State of Washington, to wit:

P23781, P23575, & P23577

EXHIBIT "A" - EASEMENT MAP

Those portions of Government 1 of Section 6, Township 34 North, Range 4 East, W.M. described as follows:

The South 30.00 feet of the West 536.49 feet of the East 576.49 feet of the South Half of the North Half of the Northeast Quarter of said Government Lot 1:

TOGETHER WITH the North 30.00 feet of the South 60.00 feet West 20.00 feet of the East 60.00 feet of South Half of the North Half of the Northeast Quarter of said Government Lot 1:

TOGETHER WITH that portion of said Government Lot 1 described as commencing at the Southeast corner of said South Half of the North Half of the Northeast Quarter of said Government Lot 1; Thence North 89° 25' 07" West, along the South line of North Half of the Northeast Quarter of said Government Lot 1 a distance of 40.00 feet to a point on the West line of the East 40.00 feet of said Government Lot 1. Thence North 0° 00' 04" West along said line, 30.00 feet to a point on the North line of the South 30.00 feet of said Government Lot 1; Thence North 89° 25' 07" West along the North line of said South 30.00 feet a distance of 244.34 feet to the TRUE POINT OF BEGINNING; Thence North 0° 19' 06" West 20.00 feet; Thence North 89° 25' 07" West 20.00 feet; Thence South 0° 34' 53" West 20.00 feet to a point on the North line of the South 30.00 feet of North Half of the Northeast Quarter of said Government Lot 1; Thence South 89° 25' 07" East along said line, 20.31 feet to the TRUE POINT OF BEGINNING. Situate in the County of Skagit, State of Washington

together with the right of ingress to and egress from said lands across adjacent lands of the Grantor; also, the right to cut and/or trim all timber, trees, brush, or other growth standing or growing upon the lands of the Grantor which, in the opinion of the District, constitutes a menace or danger to said line or to persons or property by reason of proximity to the line. The Grantor agrees that title to all brush, other vegetation or debris trimmed, cut, and removed from the easement pursuant to this Agreement is vested in the District.

SKAGIT COUNTY WASHINGTON REAL ESTATE EXCISE TAX

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Amount Paid \$6 Skagit Co. Treasurer Vham Deputy Grantors, their heirs, successors, or assigns hereby conveys and agrees not to construct or permit to be constructed structures of any kind on the easement area without written approval of the General Manager of the District. Grantors shall conduct their activities and all other activities on Grantor's property so as not to interfere with, obstruct or endanger the usefulness of any improvements or other facilities, now or hereafter maintained upon the easement or in any way interfere with, obstruct or endanger the District's use of the easement.

The Grantors also agree to and with the District that the Grantors lawfully own the land aforesaid, has a good and lawful right and power to sell and convey same, that same is free and clear of encumbrances except as indicated in the above legal description, and that Grantors will forever warrant and defend the title to said easement and the quiet possession thereof against the lawful claims and demands of all persons whomsoever.

Any mortgage on said land held by a mortgagee is hereby subordinated to the rights herein granted to the District; but in all other respects the mortgage shall remain unimpaired.

In Witness Whereof, the Grantor hereunto sets his hand and seal this day of DECEMBER, 2010.

WILLIAM LOW, SENIOR VP REAL ESTATE GULL INDUSTRIES, LLC

STATE OF WASHINGTON COUNTY OF KING

I certify that I know or have satisfactory evidence that WILLIAM LOW is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as SR. VP REAL ESTATE of GULL INDUSTRIES, INC to be the free and voluntary act for the uses and purposes mentioned in the instrument.

Notary Public in and for the State of WASHINGTON My appointment expires: 45/13

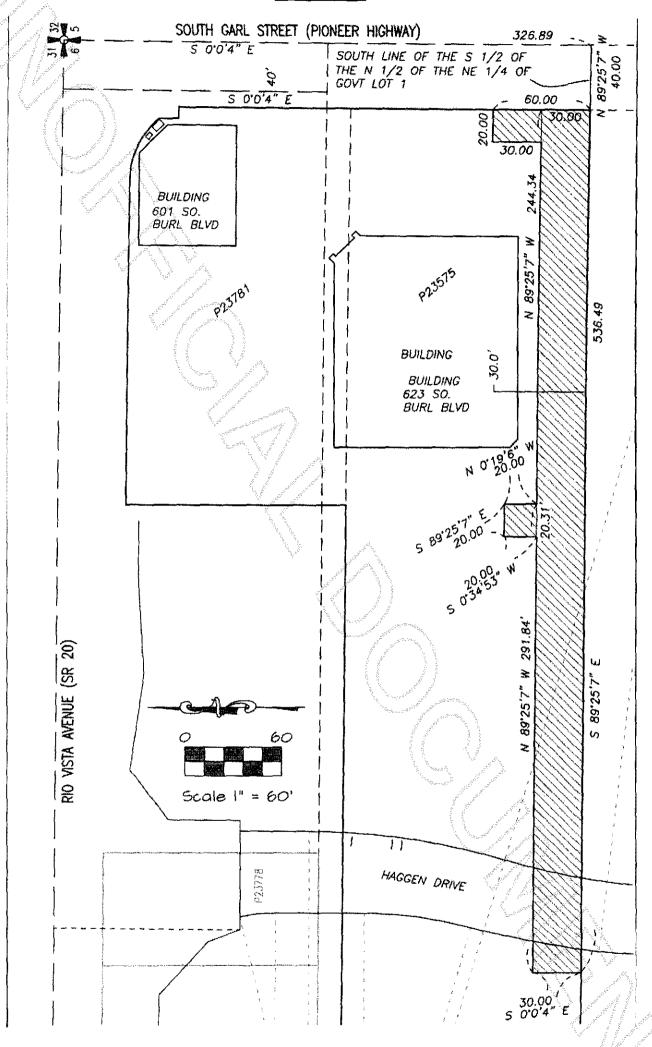
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EXHIBIT "A"



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