



201206270086

Skagit County Auditor

6/27/2012 Page 1 of 6 6:11:16AM

RETURN TO:

Jack R Wallace

PO Box 372

Burlington, WA 98233

Grantor/Grantee: J&L Wallace Family, LLC

Grantee/Grantor: Jack Wallace & Elizabeth Wallace, H & W

Abbreviated Legal Description: Pm Gov. Lot 1, 26-36-2

Additional Legal description on Exhibit A & Exhibit B

Assessor's Tax Parcel Number(s): P47123; P131127; P46981;

& P46968

EASEMENT AGREEMENT, RUNNING COVENANTS and AGREEMENT REGARDING PROPERTY LINES

THIS AGREEMENT is made this 26th day of June, 2012, between J&L Wallace Family LLC, a Washington limited liability company, (hereinafter "J&L"), and Jack Wallace and Elizabeth Wallace, husband and wife (hereinafter "Jack and Liz").

RECITALS:

A. J&L is the owner of a single family residence located at 11159 Blue Heron Road in Bow, WA, known as Skagit County Parcel 47123 and legally described on Exhibit "A" attached hereto ("J&L Parcel"). Jack and Liz own the single family residences located at 11163 and 11155 Blue Heron Road, known as Skagit County Parcels 131127, 46981 and 46968 and legally described on Exhibit "B" attached hereto ("Wallace Parcels"). The parties want to enter into this agreement for their mutual benefit to describe access and utility easements, to memorialize covenants and restrictions and to resolve issues concerning the locations of boundary lines. No monetary consideration is passing between the parties and no excise tax shall be due.

NOW, THEREFORE, the parties agree as follows:

1. **Utility Easement for Wallace Parcels.** J&L hereby grants to Jack and Liz a perpetual, nonexclusive easement for the construction and maintenance of underground water, propane and other utility lines, and a valve box located partially on the J&L Parcel, for the benefit of the Wallace Parcels to be located in the east 10 feet of the J&L Parcel. This easement includes all improvements to the property.

Page 1 of 3

JUN 27 2012

Amount Paid \$
Skagit Co. Treasurer
By Mam Deputy

to construct, maintain, inspect, improve, remove, restore, alter, replace, change the size of, connect to and locate at any time the utility lines and valve box installed in the easement J&L covenants to avoid damaging the underground lines or the valve box. Jack and Liz shall indemnify, defend and hold J&L harmless from and against any and all liability, cost and expense resulting from the utility easement serving the Wallace Parcels, and shall repair any damage to landscaping or other improvements caused by work in the easement.

2. **Access Easement for J&L Parcel.** J&L reserved an easement for access and utilities over and across the Westerly 20' of parcel #131127 for access to Black Brant Road in connection with a boundary line adjustment recorded under Skagit County Auditor's file number 201203150078, and the parties want to more fully describe the terms of said easement. The parties covenant and agree that Jack and Liz may construct a building on the edge of the easement without regard to any setback from the easement. If J&L should construct a road on said easement, then the road shall not be more than 10 feet in width and shall be located as far to the west within said easement as is reasonably possible. The parties agree that Jack and Liz may build a fence within said easement provided that the fence is no more than 2 feet inside of the east boundary of said easement path. J&L covenants to refrain from damaging the tree growing along the west boundary of the easement. J&L covenants to indemnify, defend and hold Jack and Liz harmless from and against any and all liability, cost and expense resulting from use of the access road serving the J&L Parcel. The parties agree that the terms stated herein shall modify the terms of the easement reserved by J&L in the Boundary Line Adjustment and that said terms and easement shall run with the land.

3. **Covenant Not to Build in East 25 Feet of J&L Parcel.** J&L covenants and agrees that no home, outbuilding or accessory structure shall be constructed within the east 25 feet of parcel #47123. The parties agree that this covenant shall run with the land.

4. **Boundary Lines.** J&L and Jack and Liz want to resolve any dispute or ambiguity concerning the locations of boundaries between their properties. J&L and Jack and Liz acknowledge and agree that the north-south fence line dividing their properties, and the east-west fence along the south boundary of the J&L Parcel, are on the Wallace Parcel, and that the boundary is agreed to be one inch west of the north-south fence and one inch north of the east-west fence. J&L hereby grants to Jack and Liz an easement for the encroachment of underground concrete supporting the fence posts, and for the repair, maintenance and replacement of said fences. These agreed upon lines shall supersede and take precedence over the record boundary lines should they be different, and shall be binding on the party's heirs, successors and assigns.

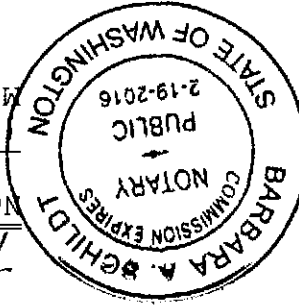
5. The covenants and easements stated herein are independent of each other. This Agreement shall be construed and enforced under the laws of the State of Washington. If either party shall commence legal action to enforce or otherwise seek redress under or for breach of this Agreement, the prevailing party in such action shall be entitled to recover its costs and reasonable attorneys' fees therein, including costs and fees incurred in any appellate proceeding.

J&L Wallace Family LLC

By: _____

Jack R Wallace, managing member





Page 3 of 3

Notary Public
BARBARA A. SCHILDT
(Print or Type Name of Notary)
My Appointment Expires: 2/19/16

Barbara A. Schildt

DATED: June 26, 2012.

I certify that I know or have satisfactory evidence that JACK R. WALLACE is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Managing Member of J&L WALLACE FAMILY, LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

STATE OF WASHINGTON)
COUNTY OF SKAGIT)



Notary Public
BARBARA A. SCHILDT
(Print or Type Name of Notary)
My Appointment Expires: 2/19/16

Barbara A. Schildt

DATED: June 26, 2012.

I certify that I know or have satisfactory evidence that Jack Wallace and Elizabeth Wallace, husband and wife, are the persons who appeared before me, and said persons acknowledged that they signed this instrument and acknowledged it to be their free and voluntary act for the uses and purposes mentioned in the instrument.

STATE OF WASHINGTON)
COUNTY OF SKAGIT)

Jack Wallace
Jack Wallace
Elizabeth A. Wallace
Elizabeth A. Wallace

EXHIBIT A

Grantor/Grantee: J&L Wallace Family, LLC
Grantor/Grantee: Jack Wallace & Elizabeth Wallace H & W

The East 100 feet of the following described property:

That portion of Government Lot 1, Section 26, Township 36 North, Range 2 East, W.M., described as follows:

Beginning at a point on the shore of Bellingham Bay, which is North 1°42'41" East 1,156.5 feet from the Southeast corner of said Lot 1 (said point being called the Northeast corner of Government Lot 1);
thence South 1°42'41" West, along said Section line, 462.00 feet;
thence due West 379.5 feet;
thence North 1°42'41" East, parallel with the East line of said Section 26, a distance of 425.6 feet, more or less, to the high water line;
thence Northeasterly along said high water line to the point of beginning.

TOGETHER WITH the East 100 feet of the following described Second Class Tidelands:

Beginning at a point 1 chain North of the meander corner between Sections 25 and 26, Township 36 North, Range 2 East, W.M.;
thence North 2°37' West 10.70 chains;
thence North 85°53' West 26.17 chains;
thence North 2°37' West 15.30 chains;
thence South 72°49' West 7.95 chains;
thence South 53°07' West 27.71 chains;
thence South 2°37' East 11.40 chains;
thence North 87°23' East 56.60 chains to the point of beginning.

EXCEPT that portion thereof lying West of the East line extended Northerly of that certain tract conveyed by deed dated July 10, 1929 and recorded July 11, 1929, under Auditor's File No. 224939, records of Skagit County, Washington.

ALSO EXCEPT that portion lying Southerly of the following described line:

Commencing at the Southwest corner of Government Lot 2, Section 25, Township 36 North, Range 2 East, W.M., which is also the Southeast corner of Government Lot 1;
thence North along the West line of said Government Lot 2 a distance of 530.6 feet, more or less, to the Southwest corner of that certain tract conveyed to Terence McCarty by deed dated April 6, 1883 and recorded July 9, 1883, in Volume 3 of Deeds, page 653, records of Skagit County, Washington, said point being the TRUE POINT OF BEGINNING of this line description;
thence West along the Westerly extension of the South line of said McCarty Tract to the West line of said the above described property and the TERMINUS of this line description.

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over, under, across and through the West 20 feet of the last excepted tract above described.



201206270086

Skagit County Auditor

EXHIBIT B

Grantor/Grantee: J&L Wallace Family, LLC
Grantee/Grantor: Jack Wallace & Elizabeth Wallace H & W

PARCEL "A":

The West 1/3 of the following tract in Lot 2, Section 25, Township 36 North, Range 2 East, W.M.

Beginning at the Northwest corner of said Lot 2;
thence North 86° East along high water line 349.8 feet;
thence South 44.22 feet;
thence South 3° West 206.25 feet;
thence South 86° West 342.87 feet;
thence North 250.8 feet to the point of beginning.
EXCEPT the East 8 feet thereof.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

Tide lands of the second class situate in front of the following meander line:

Beginning at the meander corner between Sections 25 and 26, Township 36 North, Range 2 East, W.M., running thence North 79° East 2 chains to the terminal point as conveyed by the State of Washington by deed recorded in Volume 53, page 618, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "C":

That portion of Government Lot 2, Section 25, Township 36 North, Range 2 East, W.M., described as follows:

Beginning at the Southwest corner of said subdivision;
thence North along the West line of said Government Lot 2, a distance of 530.6 feet, more or less, to the Southwest corner of that certain tract conveyed to Terence McCarty, by deed dated April 6, 1883 and recorded July 9, 1883, in Volume 3 of Deeds, page 653, records of Skagit County, Washington;
thence East along the South line of said McCarty Tract, a distance of 24 feet;
thence South parallel with the West line of said Government Lot 2, a distance of 176 feet;
thence West parallel with the South line of said McCarty tract a distance of 24 feet to the West line of said Government Lot 2;
thence North along said West line a distance of 176 feet to the point of beginning.
EXCEPT road rights of way.

EXHIBIT B

Grantor/Grantee: J&L Wallace Family, LLC
Grantee/Grantor: Jack Wallace & Elizabeth Wallace H & W

PARCEL "D"

That portion of the following described Tract "A" which lies Southerly of the following described line:

Commencing at the Southwest corner of Government Lot 2, Section 25, Township 36 North, Range 2 East, W.M., which is also the Southeast corner of Government Lot 1; thence North along the West line of said Government Lot 2 a distance of 530.6 feet, more or less, to the Southwest corner of that certain tract conveyed to Terence McCarty by deed dated April 6, 1883 and recorded July 9, 1883, in Volume 3 of Deeds, page 653, records of Skagit County, Washington, said point being the TRUE POINT OF BEGINNING of this line description; thence West along the Westerly extension of the South line of said McCarty Tract to the West line of said Tract "A" and the TERMINUS of this line description.

TRACT "A":

The East 100 feet of the following described property:

That portion of Government Lot 1, Section 26, Township 36 North, Range 2 East, W.M., described as follows:

Beginning at a point on the shore of Bellingham Bay, which is North 1°42'41" East 1,156.5 feet from the Southeast corner of said Lot 1 (said point being called the Northeast corner of Government Lot 1); thence South 1°42'41" West, along said Section line, 462.00 feet; thence due West 379.5 feet; thence North 1°42'41" East, parallel with the East line of said Section 26, a distance of 425.6 feet, more or less, to the high water line; thence Northeastly along said high water line to the point of beginning.

Situate in the County of Skagit, State of Washington.

