

When Recorded Return To:

Sallye N. Quinn
Barron Smith Daugert, PLLC
Post Office Box 5008
Bellingham, WA 98227-5008



201303210108
Skagit County Auditor
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Grantor: Mark Knutzen Farms, Inc.

Grantee: Skagit Farmland, LLC

Abbreviated Legal Description: N ½ of Gov. Lot 2 & N ½ of SE ¼ of NW ¼, 31-35-4 E
W.M.; Gov. Lot 1, 31-35-4 E W.M.

Assessor's Property Tax Parcel/Account Nos.: 350431-0-002-0006, P38129, 350431-2-
003-0001, P38156, 350431-0-001-0007, P38128

LAND TITLE OF SKAGIT COUNTY

145412-0e

EASEMENT AGREEMENT

THIS EASEMENT AGREEMENT (the "Agreement") is made this 20th day of March, 2013 by and between Mark Knutzen, an individual and Mark Knutzen Farms, Inc., a Washington corporation (collectively "Grantor"), and Skagit Farmland, LLC, a Washington limited liability company (the "Grantee").

WHEREAS, Grantor is the Owner of certain real property more particularly described on the attached Exhibit A incorporated herein by reference (the "Grantor Property").

WHEREAS, Grantee is the Owner of certain real property more particularly described on the attached Exhibit B incorporated herein by reference (the "Grantee Property"). The Grantor Property and the Grantee Property are adjacent parcels of property located in Skagit County, Washington.

WHEREAS, the term "Owner" means the record holder of fee simple title to either the Grantor Property or the Grantee Property.

WHEREAS, the Grantor, pursuant to the terms and conditions contained herein, desires to grant the Grantee an easement for ingress, egress, and utilities over that portion of the Grantor Property more particularly described on the attached Exhibit C (the "Easement Area");

WHEREAS, the Owners desire to enter into this Agreement and set forth their respective rights and obligations pertaining thereto.

NOW, THEREFORE, the Owners, for good and valuable consideration, receipt and sufficiency of which is hereby acknowledged, do hereby mutually agree, agree to be bound, and covenant as follows:

1. **Grant of Ingress and Egress Easement.** The Grantor hereby grants to Grantee, its agents, employees, guests, licensees, invitees, successors and assigns, for the benefit of the Grantee Property, a nonexclusive perpetual easement for ingress, egress and maintenance over, on and across the Easement Area as more particularly shown on the attached Exhibit D.

2. **Grant of Concrete Slab Easement.** The Grantor hereby grants to Grantee, its successors and assigns for the benefit of the Grantee Property an exclusive perpetual easement for that portion of concrete slab currently extending across the parties's mutual property line and located within the Easement Area as more particularly shown on the attached Exhibit D.

3. **Grant of Utility Easement.** The Grantor hereby grants to Grantee, its agents, successors and assigns for the benefit of the Grantee Property a nonexclusive perpetual easement over, under, on and across the Easement Area for all existing utilities located in the Easement Area that benefit the Grantee Property, including without limitation the existing power poles, overhead power lines and underground power lines located within the Easement Area. The Easement granted by this Section 3 shall allow Grantee the right to repair, maintain, replace and upgrade all existing easements if reasonably necessary. However, in no event shall Grantee have the right to increase either the number or type of utilities by virtue of the Easement granted by this Section 3.

4. **Maintenance.** The Grantee shall be responsible for any maintenance and repair of the Easement Area, unless such maintenance or repair is required because of the negligence or intentional misuse or misconduct of the Grantor or its agents, employees, guests, licensees and invitees.

5. **Grantor's Use of Easement Area.** All right, title and interest which may be used and enjoyed without interfering with the easement rights conveyed are reserved to the Grantor.

6. **Indemnification.** Grantee shall indemnify, defend and hold harmless the Grantor from any and all liabilities, claims, damages, expense (including without limitation, reasonable attorneys' fees before and at trial and reasonable attorneys' fees on appeal), judgments, proceedings, and causes of action of any kind whatsoever for injury to or death of any person or damage to any property resulting from or in any way connected with use of the Easements granted herein by the Grantee, its agents, employees, guests, licensees and invitees.

7. **Term.** The Easements granted herein shall continue in perpetuity.

8. **Attorneys Fees.** In the event any suit, action or arbitration proceeding is commenced by a party under this Agreement to enforce its terms or to seek damages or equitable relief in connection with the breach of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs to be fixed by the court or arbitrator, including such fees and costs as may be incurred in any appellate or bankruptcy proceedings.

9. **Persons Bound.** This Agreement shall inure to the benefit of and be upon the Owners, their heirs, successors, assigns and personal representatives, and upon any person acquiring either the Grantor Property or the Grantee Property, or any portion thereof, or any interest therein, whether by operation of law or otherwise. Notwithstanding the foregoing, if any Owner sells or transfers all or any portion of its interest in either the Grantor Property or the Grantee Property, such Owner shall, upon the sale or conveyance of title, be released and discharged



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from all of its obligations as Owner in connection with the property sold by it arising under this Agreement after the sale or conveyance of title but shall remain liable for all obligations arising under this Agreement prior to the sale or conveyance of title.

10. **Covenants Run With the Land.** The benefits and burdens of and the obligations set forth in this Agreement are intended to and shall run with the land and shall be binding upon and inure to the benefit of the Grantor Property and the Grantee Property and the present and future owners thereof and the heirs, assigns, successors, tenants and personal representatives of the parties hereto.

11. **Recording.** Upon mutual execution, this Agreement shall be recorded in the real property records of Skagit County, Washington.

12. **No Public Dedication.** Nothing herein shall be deemed to be a gift or dedication of any portion of the Grantee Property or the Grantor Property to the general public or for the general public or for any public purpose whatsoever, it being the intention of the parties that this Agreement shall be strictly limited to and for the purposes herein expressed.

13. **Miscellaneous.** This Agreement (including the attached exhibits): (i) represents the entire understanding of the parties with respect to the subject matter covered; (ii) supersedes all prior and contemporaneous oral understandings with respect to such subject matter; (iii) may only be amended in a writing signed by both parties; (iv) shall be executed in two or more counterparts so that each party may retain a fully executed original; (v) shall be governed by the internal laws of the State of Washington without reference to its conflict of laws provisions; (vi) failure of either party at any time to require performance of any provision of this Agreement shall not limit such party's right to enforce such provision, nor shall any waiver of any breach of any provision of this Agreement constitute a waiver of any succeeding breach of such provision or a waiver of such provision itself; and (vii) any provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision of this Agreement, and the remaining provisions shall nevertheless remain in full force and effect.

EXECUTED as of the date first above written.

GRANTOR:

Mark Knutzen Farms, Inc.

By: Mark Knutzen
Mark Knutzen, President

Mark Knutzen
Mark Knutzen

~~GRANTOR:~~

Skagit Farmland, LLC

By: Steve Brinn
Steve Brinn, Manager

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

MAR 21 2013

Amount Paid \$ /
Skagit Co. Treasurer
By MB Deputy



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STATE OF WASHINGTON)

)ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Mark Knutzen 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 authorized agent Mark Knutzen Farms, Inc., a Washington corporation to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: March 20, 2013

Karen Ashley

Printed Name: Karen Ashley

Notary Public in and for the state of Washington

Washington residing at Sedro-Woolley

My Commission Expires: 9-11-2014

STATE OF WASHINGTON

COUNTY OF ~~WHATCOM~~

Skagit

I hereby certify that I know or have satisfactory evidence that Mark Knutzen is the person who appeared before me and acknowledged that ~~he/she~~ signed this instrument and that it is ~~his/her~~ free and voluntary act for the uses and purposes therein mentioned.

Dated: March 20, 2013

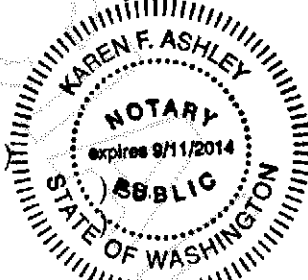
Karen Ashley

Printed Name: Karen Ashley

Notary Public in and for the state of Washington

Washington residing at Sedro-Woolley

My Commission Expires: 9-11-2014



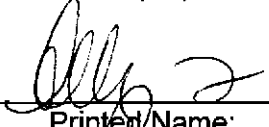
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STATE OF WASHINGTON)
)ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that STEVE BRINN 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 a manager of SKAGIT FARMLAND, 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.

Dated: 3/20/13


Printed Name: Sallye Quinn
Notary Public in and for the state of
Washington residing at Bellingham Wa
My Commission Expires: 10/19/2012



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EXHIBIT A
LEGAL DESCRIPTION

Grantor Property

Government Lot 1 of Section 31, Township 35 North, Range 4 East, W.M., EXCEPT the as built and existing County roads running along the West line and the North line thereof, commonly known as Pulver Road and Wilson Road; and ALSO EXCEPT ditch right of way as condemned in Skagit County Superior Court Cause No. 3604.

Situate in the County of Skagit, State of Washington.



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EXHIBIT B
LEGAL DESCRIPTION

Grantee Property

The North ½ of Government Lot 2, EXCEPT the as built and existing County Road running along the West line thereof known as Pulver Road; ALSO, the North ½ of the Southeast ¼ of the Northwest ¼ of Section 31, Township 35 North, Range 4 East, W.M.

Situate in County of Skagit, State of Washington.



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EXHIBIT C
EASEMENT AREA

UNOFFICIAL DOCUMENT



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EASEMENT DESCRIPTION

The West 675 feet of the South 40 feet of the following described tract of land:

Government Lot 1, Section 31, Township 35 North, Range 4 East, W.M., EXCEPT roads.

All situate in the County of Skagit, State of Washington.



DENNY D. NEGRO
Registered Professional Land Surveyor
License No. 37532
Date: March 18, 2013



EXHIBIT D
EASEMENT SKETCH



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NW SEC COR
FOUND 3/4" IP

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1292.57 (19.60 CH)

GOV'T LOT 1

40' X 675' EASEMENT

