

When recorded return to:
Skagit County Farmland Legacy Program
1800 Continental Place
Mount Vernon, WA 98273



Skagit County Auditor \$110.00
8/21/2013 Page 1 of 39 3:25PM

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

20133373
AUG 21 2013

SKAGIT COUNTY
Contract # C20130323
Page 1 of 39

Grantor: Garritt and Sheryl Kuipers

Grantee: SKAGIT COUNTY

Amount Paid \$ 4455.⁰⁰
Skagit Co. Treasurer

Legal Description Abbreviated form: Being a portion of the Southwest 1/4 of Section 35 Township 34 N. Range 3 E, W.M. and the Northwest 1/4 of Section 2 Township 33 N, Range 3 E, W.M., 16000 block, Kamb Road, Mount Vernon, WA 98273

LAND TITLE OF SKAGIT COUNTY

141267-SE

Additional legal at Exhibit A.

Assessor's Tax Parcel Number: 23194, 15299, 15297, 15296

GRANT DEED OF AGRICULTURAL CONSERVATION EASEMENT

THIS CONSERVATION EASEMENT DEED is made this 5¹⁹ day of July 2013, by Garritt and Sheryl Kuipers (hereinafter referred to as "Grantor"), having the address of 19020 Beavermarsh Road, Mount Vernon, Washington 98273, in favor of Skagit County, a political subdivision of the State of Washington, having an address at Skagit County Farmland Legacy Program, County Administration Building, 1800 Continental Place, Mount Vernon, WA (hereinafter "Grantee") for the purpose of forever conserving the agricultural productivity of the Protected Property and its value for resource preservation and as open space.

I. RECITALS

- A. Grantor is the sole owner in fee simple of that certain real property (the "Protected Property") in Skagit County, Washington, more particularly described in Exhibit A (Legal Description) and shown on Exhibit B (Baseline Documentation), which exhibits are attached to and incorporated into this Conservation Easement Deed by this reference. The Protected Property is approximately 117.36 acres in size and is predominately open farmland.
- B. The Protected Property is of significant agricultural value to Grantor, the people of Skagit County and the people of the State of Washington (collectively, "Conservation Values"). The Conservation Values include protection of agricultural productivity and protection of prime and important agricultural soils.
- C. The Protected Property is zoned Agricultural Natural Resource Land under the Skagit County Zoning Ordinance. Skagit County Zoning Ordinance 14.16.400 states that the goal of the

Agricultural Natural Resource Land zone is to "provide land for continued farming activities, conserve agricultural land, and reaffirm Agricultural use, activities and operations as the primary use of the district."

- D. The Protected Property is primarily open farmland that has been classified as "prime farmland" of local importance by the Natural Resources Conservation Service, U.S. Department of Agriculture, because they are: Skagit silt loam, Briscot fine sandy loam, Mount Vernon very fine sandy loam and Field silt loam.
- E. The specific Conservation Values, property characteristics, percentage of impervious surfaces, are further documented in an inventory of relevant features of the Protected Property; attached hereto as Exhibit B and incorporated into this Conservation Easement Deed by this reference ("Baseline Documentation"). The Grantor and Grantee agree that the natural characteristics, ecological features, and physical and man-made conditions of the Protected Property on the date of this Conservation Easement Deed including reports, maps, photographs, and other documentation that provide, collectively, an accurate representation of the Protected Property at the time of this grant is intended to serve as an objective information baseline for monitoring compliance with the terms of this Conservation Easement Deed.
- F. Grantor, as owner of the Protected Property, has the right to protect and preserve the Conservation Values of the Protected Property, and desires to transfer such rights to the Grantee in perpetuity.
- G. The foregoing recitals are incorporated into this Conservation Easement Deed by this reference.

II. CONVEYANCE AND CONSIDERATION

- A. For the reasons stated above, in consideration of the mutual covenants, terms, conditions, and restrictions contained in this Conservation Easement Deed, and in consideration of payment of **\$250,000** by Grantee to Grantor, the receipt of which is acknowledged, Grantor hereby grants, conveys and warrants to Grantee a Conservation Easement in perpetuity over the Protected Property, consisting of certain rights in the Protected Property, as defined in this Conservation Easement Deed, subject only to the restrictions contained in this Conservation Easement Deed.
- B. This conveyance is a conveyance of an interest in real property under the provisions of RCW 64.04.130, subject only to the mutual covenants, terms, conditions and restrictions set forth in this Conservation Easement Deed and to title matters of record as of the date of this Conservation Easement Deed.
- C. Grantor expressly intends that this Conservation Easement run with the land and that this Conservation Easement shall be binding upon Grantor's personal representatives, heirs, successors, and assigns in perpetuity.

III. PURPOSE

It is the purpose of this Conservation Easement to ensure that the Protected Property will be retained forever for agricultural productivity and use, to ensure no net loss of agricultural lands and to protect prime and important agricultural soils, and to prevent any use of, or activity on, the Protected Property



that will significantly impair or interfere with its agricultural values, character, use or utility. To the extent that the preservation and protection of the additional Conservation Values of the Protected Property referenced in the above Recitals is consistent with the primary purpose of protecting the agricultural soils, agricultural viability and agricultural productivity of the Protected Property in perpetuity, it is also the purpose of this Conservation Easement to assure protection of Critical Areas, wetlands and Fish and Wildlife Protection Areas on the Protected Property, and to prevent any use of, or activity on, the Protected Property that will significantly impair or interfere with these natural values. Grantor intends that this Conservation Easement will confine the use of, or activity on, the Protected Property to such uses and activities that are consistent with the purpose described above (the "Purpose").

IV. RIGHTS CONVEYED TO GRANTEE

To accomplish the Purpose of this Conservation Easement, the following rights are conveyed to Grantee by this Conservation Easement Deed.

- A. **Protection:** To preserve and protect in perpetuity, and to enhance by mutual agreement, the Conservation Values of the Protected Property.
- B. **Access for Monitoring and Enforcement:**
1. To enter the Protected Property annually, upon prior written notice to Grantor, for the purpose of making a general inspection to monitor compliance with this Conservation Easement.
 2. To enter the Protected Property at such other times as are necessary if Grantee has a reason to believe that a violation of the Conservation Easement is occurring or has occurred, for the purpose of mitigating or terminating the violation and otherwise enforcing the provisions of this Conservation Easement Deed. Such entry shall be upon prior reasonable notice to Grantor, and Grantee shall not in any case unreasonably interfere with Grantor's use and quiet enjoyment of the Protected Property.
- C. **Injunction and Restoration:** To enjoin any use of, or activity on, the Protected Property that is inconsistent with the Purpose of this Conservation Easement, including trespasses by members of the public, and to require the restoration of such areas or features of the Protected Property as may be damaged by uses or activities inconsistent with the provisions of this Conservation Easement Deed, all in accordance with Section X.
- D. **Enforcement:** To enforce the terms of this Conservation Easement Deed, consistent with Section X.
- E. **Assignment:** To assign, convey or otherwise transfer Grantee's interest in the Protected Property in accordance with Section XV.

V. PERMITTED USES AND ACTIVITIES

- A. **General:** Grantor reserves for themselves and their personal representatives, heirs, successors and assigns, all rights accruing from ownership of the Protected Property, including the right to engage in, or permit or invite others to engage in, any use of, or activity on, the Protected



Property that is not inconsistent with the Purpose of the Conservation Easement and that is not specifically prohibited or otherwise limited by this Conservation Easement. Without limiting the generality of this subsection, Grantor specifically reserves for themselves and their personal representatives, heirs, successors, and assigns, the following uses and activities, which shall be limited in the manner provided below.

B. Retained Uses:

1. **Agricultural:** Grantor retains the right to use the Protected Property for agricultural production, or to permit others to use the Protected Property for agricultural production, in accordance with applicable law. As used herein, "agricultural production" shall mean the production, processing, storage or retail marketing of crops, livestock, and livestock products. For purposes hereof, crops, livestock and livestock products include, but are not limited to, crops commonly found in the community surrounding the Protected Property; field crops; fruits; vegetables; horticultural specialties; livestock and livestock products; timber, wood and other wood products derived from trees; and aquatic plants and animals and their byproducts.
2. **Recreational:** Grantor retains the right to use the Protected Property for otherwise lawful recreational uses, including but not limited to, hunting and fishing to the extent that it does not interfere with the general purpose of this easement to protect the conservation values of the property. Undeveloped recreational uses, and the leasing of such uses for economic gain, may be permitted insofar as they are consistent with the Purpose and terms of this Conservation Easement. This section shall be consistent with Section VI.
3. **Existing Barns and Structures:** Grantor may retain the use of the existing farm structures if present. Grantor shall be allowed to continue using the existing barns for the storage of agricultural products and those products associated with agricultural production.

C. Construction of Buildings and Improvements: Except as otherwise specifically provided for in this Conservation Easement Deed, Grantor may undertake construction, reconstruction or other improvement of the Protected Property only as provided below. Grantor shall advise Grantee prior to undertaking any construction, reconstruction or other improvement on the Protected Property that requires a development permit from Skagit County as provided for in Section VIII, so as to enable Grantee to review the proposed activity for compliance with the terms and conditions of this Conservation Easement Deed.

1. **Fences:** Existing fences may be repaired and replaced, and new fences may be built on the Protected Property, for purposes of reasonable and customary management and protection of crops, livestock and wildlife.
2. **Ancillary Improvements:** Other improvements, including, but not limited to, small-scale facilities, including solar and wind generators, for the generation and transmission of electrical power to support the agricultural uses on the Protected Property, may be built on the Protected Property, within the Building Envelope/Farmstead Complex, only with the permission of Grantee as provided for in Section VIII and subject to the impervious surface limitation in Section VI.D.



3. **Utility Services and Septic Systems:** Wires, lines, pipes, cables or other facilities providing electrical, gas, water, sewer, communications, or other utility services to the improvements permitted under this Conservation Easement Deed may be installed, maintained, repaired, removed, relocated and replaced, and Grantor may grant easements over and under the Protected Property for such purposes. Septic or other underground sanitary systems serving the improvements permitted under this Conservation Easement Deed may be installed, maintained, repaired or improved.
4. **Existing Agricultural Structures and Improvements (site specific):** There are no existing structures.
5. **New Agricultural Structure:** New buildings shall only be agricultural structures, that are an integral part of the farm operation (as defined above) and may not be used for any dwelling or farm support housing. They are subject to the impervious surface requirements in Section VI.D.
- D. **Roads and Paving:** Grantor may maintain, renovate, expand or replace roads or construct new roads that may be reasonably necessary and incidental to carrying out permitted uses and activities on the Protected Property; provided that any roads paved or otherwise covered with concrete, asphalt, or any other impervious paving material shall be subject to the surface coverage limitations set forth in Subsection VI.D.
- E. **Composting, Use and Storage of Agricultural Wastes or other Waste Materials:** Grantor may compost, use and store agricultural waste and by products on the Protected Property, consistent with the Purpose of this Conservation Easement, provided that any such wastes are stored temporarily in appropriate containment for removal at reasonable intervals and in compliance with applicable federal, state, and local laws.
- F. **Drainage Structures:** Grantor may construct and maintain drainage structures, including ditches, tubes, pipes, pumps, gates or other facilities and appurtenances for enhancement of drainage systems in support of uses and activities permitted under this Conservation Easement; provided that Grantor does not materially impair the natural course of the surface water drainage or runoff flowing over the Protected Property and that existing natural water courses are preserved in their natural state.
- G. **Wetland or Pond Restoration and Creation:** Ponds must support agricultural operations such as irrigation, livestock water supplies, or fire control. Wetlands must be used to treat agricultural waste or support critical habitat needs for wildlife species. The size of the ponds and wetlands must be supported by appropriate documentation in the NRCS Conservation Plan case file in accordance to NRCS standards and specifications and are subject to all local and state controls and regulations.
- H. **Creation of Mortgage Liens:** Grantor may create consensual liens, whether by mortgage, deed of trust, or otherwise, for the purpose of indebtedness of Grantor, so long as such liens remain subordinate to the Conservation Easement.
- J. **Emergencies:** Grantor may undertake other activities necessary to protect public health or safety on the Protected Property, or that are actively required by and subject to compulsion of any governmental agency with authority to require such activity; provided that any such activity shall



be conducted so that interference with the Conservation Values of the Protected Property is avoided, or, if avoidance is not possible, minimized to the extent possible.

VI. PROHIBITED USES AND ACTIVITIES

- A. **General:** Any use of, or activity on, the Protected Property inconsistent with the Purpose of this Conservation 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 subsection, the following uses of, or activities on, the Protected Property, though not an exhaustive list, are inconsistent with the Purpose of this Conservation Easement and shall be prohibited, except as permitted in Section V.
- B. **Subdivision and Development Rights:**
1. The legal or de facto division, subdivision, platting, partitioning, or planned unit development of the Protected Property is prohibited. Legally-created lots of record existing at the time of recording of this Conservation Easement may be conveyed separately but no other tracts of land may be alienated into separate ownership.
 2. The boundary line adjustment of any lot, parcel, or tract that is encumbered, wholly or partially, by this Conservation Easement may only be permitted by amendment of this Conservation Easement per Section XIV.
 3. The boundary of the Protected Property may only be changed by amendment of this Conservation Easement per Section XIV.
 4. Grantor may not exercise its development rights in the Protected Property, transfer such development rights to any other portion of the Protected Property as it is now or hereafter may be bounded or described or to any other property adjacent to the Protected Property or otherwise, nor use such development rights or the area of the Protected Property for the purpose of calculating permissible lot yield of the Protected Property or any other property.
- C. **Construction:** The placement or construction of any buildings, structures, or other improvements of any kind is prohibited, except as permitted in Subsection V.C.
- D. **Impervious Surface:** The total area covered by structures of any kind and impervious surfaces, such as rooftops, asphalt, or concrete shall be limited to no more than two percent (2%) of the area of the Protected Property, inclusive of any and all impervious surfaces prior to the established Conservation Easement and the addition of any and all future creations of impervious surfaces on any portion of the original Protected Property. The total area covered by gravel shall be subject to this 2% limitation.
- E. **Recreation:** The following forms of recreation are prohibited on the Protected Property: golf courses; commercial use of motorized or mechanized recreational vehicles such as motorcycles, snowmobiles, and dune buggies; commercial overnight camping; athletic fields; use of the property for any commercial public recreation; and other developed recreational uses of the property which require special buildings, structures, or facilities.



- F. Erosion or Water Pollution:** Any use or activity that causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters is prohibited, including the use of manure lagoons or disposal of wastewater in manners inconsistent with the terms of this Conservation Easement Deed.
- G. Waste Disposal:** Except as expressly permitted in Section V, the disposal or storage of rubbish, garbage, debris, vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Protected Property is prohibited.
- H. Commercial Signs:** The placement of commercial signs, billboards, or other advertising material on the Protected Property is prohibited; except in connection with the on-site sale of agricultural products, sale or lease of the Protected Property, or to state the conditions of access to the Protected Property.
- I. Mining:** The exploration for, or development and extraction of, minerals and hydrocarbons on or below the surface of the Protected Property is prohibited. 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 Protected Property, and is limited to no more than one acre total of the Protected Property, and will not interfere with the Conservation Values of the Protected Property. Grantor shall use all practical means to mitigate any adverse effect on the Conservation Values of the Protected Property in carrying out any permitted extraction activities, and upon completion of said permitted extractive activities, Grantor shall promptly restore any portion of the Protected Property affected thereby as nearly as possible to its condition existing prior to commencement thereof.
- J. Motorized vehicles:** Grantor may not use motor vehicles on the Protected Property or grant permission for such use except as necessary in the accomplishment of the agricultural, forestry, habitat management, law enforcement and public safety, or other permitted uses of the Protected Property, provided that no use of motorized vehicles may create impacts that are detrimental to the productivity of the soils on the Protected Property and the purposes of this Conservation Easement; however, notwithstanding the foregoing, use of snowmobiles on snow is allowed on the Protected Property.
- K. Alteration of Wetlands and Watercourses:** The draining, filling, dredging, ditching or diking of wetland areas or any other action that would reduce the wetland area is prohibited, except as necessary to maintain existing drains consistent with the Purpose of this Conservation Easement and permitted by applicable law.
- L. Water Rights:** Grantor shall not transfer, encumber, sell, lease or otherwise separate any water rights historically used on or otherwise appurtenant to the Protected Property or change the historic use of such water rights without the permission of Grantee as provided for in Section VIII. Grantor shall not abandon or allow the abandonment of, by action or inaction, any of the water rights without the permission of Grantee.

VII. CONSERVATION PLAN

Grantor agrees to maintain the Protected Property for long-term agricultural productivity. No activities violating sound agricultural soil and water conservation management practices shall be permitted. All



agricultural operations shall be conducted in accordance with applicable law. Conservation Plan not required.

VIII. NOTICE

- A. **Notice:** The following permitted uses and activities require Grantor to notify Grantee in writing prior to undertaking the use or activity:
1. Construction of any buildings, structures or improvements requiring a permit from Skagit County (as required under Subsection V.C); and
 2. Grading activities requiring a permit from Skagit County (as required under Subsection VI.D); and
 3. Certain activities requiring a permit from Skagit County (as required under Subsection VI.D); and
 4. The transfer of any interest in all or a portion of the Protected Property no later than forty-five (45) days prior to the date of such transfer (as required under Subsection XIII.C).

The purpose of requiring Grantor to notify Grantee prior to undertaking these permitted uses and activities is to afford Grantee an adequate opportunity to ensure that the use or activity in question is designed and carried out in a manner consistent with the Purpose and terms of this Conservation Easement Deed. Whenever such notice is required, Grantor shall notify Grantee in writing not less than thirty (30) days prior to the date Grantor intends to undertake the use or activity in question. Grantor may notify Grantee at the time of permit application, for concurrent review, or may provide notice and initiate review prior to permit application, at the Grantor's discretion. 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 Grantee to make an informed judgment as to its consistency with the Purpose of this Conservation Easement.

- B. **Approval:** Where approval by one of the parties to this Conservation Easement Deed is required, such approval shall be granted or denied in writing within thirty (30) days of receipt of a written notice of the proposed use or activity, and such approval shall not be unreasonably withheld. Grantee's approval may include reasonable conditions which, if satisfied, would be the minimum necessary to assure that the proposed use or activity would not be inconsistent with the Purpose of this Conservation Easement.
- C. **Optional Consultation:** If Grantor is unsure whether a proposed use or activity is prohibited by this Conservation Easement Deed, Grantor may consult Grantee by providing Grantee a written notice describing the nature, scope, design, location, timetable, and any other material aspect of the proposed use or activity in sufficient detail to permit Grantee to make an informed judgment as to the consistency with the Purpose of this Conservation Easement and to provide comments thereon to Grantor for the purposes of this Conservation Easement only. This Subsection does not itself impose a requirement of prior approval of the activity described in any such notice; however, if Grantee does not provide written objections within thirty (30) days after Grantee's receipt of Grantor's notice, Grantee shall be deemed to have approved the proposed use or activity.



D. 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 certified mail, postage prepaid, addressed as follows:

To Grantor: Garritt and Sheryl Kuipers
19020 Beaver Marsh Road
Mount Vernon, WA 98273

To Grantee: Skagit County Farmland Legacy Program
County Administration Building
1800 Continental Place
Mount Vernon, WA 98273

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



IX. DISPUTE RESOLUTION: GRANTEE'S REMEDIES

- A. **Preventive Discussions:** Grantor and Grantee will promptly give the other notice of problems or concerns arising in connection with the other's actions under this Conservation Easement Deed or the use of or activities or conditions on the Protected Property, and will meet as needed, but no later than 15 days after receipt of a written request for a meeting, to minimize the same.
- B. **Optional Alternative Dispute Resolution:** If a dispute is not resolved through preventive discussions under subsection A, Grantor and Grantee may by mutual agreement submit the matter to mediation or arbitration upon such rules of mediation or arbitration as Grantor and Grantee may agree.

X. ENFORCEMENT; GRANTEE'S REMEDIES

- A. **Notice of Violation, Corrective Action:** If Grantee determines that Grantor is in violation of the terms of this Conservation Easement Deed or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Protected Property resulting from any use or activity inconsistent with the Purpose of this Conservation Easement, to restore the portion of the Protected Property so injured to its prior condition in accordance with a plan approved by Grantee.
- B. **Grantor's Failure to Respond:** Grantee may bring an action as provided in Subsection X.C if Grantor:
 - 1. Fails to cure the violation within thirty (30) days after receipt of a notice of violation from Grantee; 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.
- C. **Grantee's Action:**
 - 1. **Injunctive Relief:** Grantee may bring an action at law or in equity in a court having jurisdiction to enforce the terms of this Conservation Easement Deed:
 - a. To enjoin the violation, *ex parte* as necessary, by temporary or permanent injunction; and
 - b. To require the restoration of the Protected Property to the condition that existed prior to any such injury.
 - 2. **Damages:** Grantee shall be entitled to recover damages for violation of the terms of this Conservation Easement Deed or injury to any Conservation Values protected by this Conservation Easement, including, without limitation, damages for the loss of Conservation Values. Without limiting Grantor's liability in any way, Grantee, in its sole



discretion, may apply any damages recovered to the cost of undertaking corrective or restoration action on the Protected Property.

- D. Emergency Enforcement:** If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Protected Property, Grantee may pursue its remedies under this section without prior notice to Grantor or without waiting for the period provided for cure to expire.
- E. Scope of Relief:** Grantee's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Conservation Easement Deed. Grantor agrees that Grantee's remedies at law for any violation of the terms of this Conservation Easement Deed are inadequate and that Grantee shall be entitled to the injunctive relief described in this section, both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Conservation Easement, without the necessity of providing either actual damages or the inadequacy of otherwise available legal remedies. Grantee'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.
- F. Costs of Enforcement:** In the event Grantee must enforce the terms of this Conservation Easement Deed, the costs of restoration necessitated by acts or omissions of Grantor, its agents, employees, contractors, family members, invitees or licensees in violation of the terms of this Conservation Easement Deed and Grantee's reasonable enforcement expenses, including attorneys' and consultants' fees, 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 Grantee secures redress for a Conservation Easement violation without initiating or completing a judicial proceeding, the costs of such restoration and Grantee's reasonable expenses shall be borne by Grantor and those of its personal representatives, heirs, successors, or assigns who are otherwise determined to be responsible for the unauthorized use or activity.
- G. Grantee's Discretion:** Grantee acknowledges its commitment to protect the Purpose of the Conservation Easement. Enforcement of the terms of the Conservation Easement Deed shall be at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Conservation Easement Deed in the event of any breach of any terms of this Conservation Easement Deed by Grantor, their agents, employees, contractors, family members, invitees or licensees shall not be deemed or construed to be a waiver by Grantee of such term or any of Local Grantee's rights under this Conservation Easement Deed. No delay or omission by Grantee 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 of such term or any of Grantee's rights under this Conservation Easement Deed. No grant by Grantee in its governmental or regulatory capacity of any building permit, grading permit, land use approval or other development approval shall be deemed or construed to be a waiver of any term or any of Grantee's rights under this Conservation Easement Deed.
- H. Waiver of Certain Defenses:** Grantor acknowledges that it has carefully reviewed this Conservation Easement Deed and has consulted with and been advised by counsel of its terms and requirements. In full knowledge of the provisions of this Conservation Easement Deed, Grantor hereby waives any claim or defense it may have against Grantee or its successors or assigns under or pertaining to this Conservation Easement Deed based upon waiver, laches, estoppel, or prescription; except to the extent the defense is based upon an approval or deemed approval by Grantee pursuant to Section VIII of this Conservation Easement Deed. Except for



the foregoing, Grantor specifically retains any and all rights it has under the law as owner of the Protected Property, including but not limited to the right to make claims against Grantee for any breach by Grantee of the terms of this Conservation Easement Deed.

- I. **Acts Beyond Grantor's Control:** Nothing contained in this Conservation Easement Deed shall be construed to entitle Grantee to bring any action against Grantor to abate, correct, or restore any condition on the Protected Property or to recover damages for any injury to or change in the Protected Property resulting from causes beyond Grantor's control, including, without limitation, natural changes, fire, flood, storm, earth movement or climate change, or from acts of trespassers, that Grantor could not reasonably have anticipated or prevented or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property resulting from such causes. In the event the terms of this Conservation Easement Deed are violated by acts of trespassers that Grantors could not reasonably have anticipated or prevented, Grantor agrees, at Grantee's option, to join in any suit, to assign its right of action to Grantee, or to appoint Grantee its attorney in fact, for the purpose of pursuing enforcement action against the responsible parties.
- J. **Compliance Certificates:** Upon request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor, or to any party designated by Grantor, any document, including a certificate, that certifies, to the best of Grantee's knowledge, Grantor's compliance or lack of compliance with any obligation of Grantor contained in this Conservation Easement Deed and otherwise evidences the status of this Conservation Easement Deed. Such certification shall be limited to the condition of the Protected Property as of Grantee's most recent inspection. If Grantor requests more current documentation, Grantee shall conduct an inspection, at Grantor's expense, within thirty (30) days of receipt of Grantor's written request.

XI. ACCESS BY PUBLIC NOT REQUIRED

This Conservation Easement Deed does not provide, and shall not be construed as providing, the general public access to any portion of the Protected Property.

XII. COSTS, LIABILITIES AND INSURANCE, TAXES, ENVIRONMENTAL COMPLIANCE AND INDEMNIFICATION

- A. **Costs, Legal Requirements, Liabilities and Insurance:** Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Protected Property, including the maintenance of adequate liability insurance coverage. Grantor remains solely responsible for obtaining any applicable governmental permits and approval for any construction or other activity or use permitted by this Conservation Easement Deed, and all such construction or other activity or use shall be undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements. Grantor shall prevent the perfection of any liens against the Protected Property arising out of any work performed for, material furnished to, or obligations incurred by Grantor; provided that the Protected Property shall be deemed to be free of such liens if Grantor, as the case may be, is diligently challenging the application of such liens to the Protected Property.



B. Taxes: Grantor shall pay before delinquency or file timely appeal of all taxes, assessments, fees, charges of whatever description levied on or assessed against the Protected Property by competent authority (collectively "taxes"), including any taxes imposed upon, or incurred as a result of, this Conservation Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. If Grantor fails to pay any taxes when due, Grantee is authorized, but in no event obligated, to make or advance such payment of taxes upon three (3) days prior written notice to Grantor, in accordance with any bill, statement, or estimate procured from the appropriate authority, without inquiry into the validity of the taxes or the accuracy of the bill, statement, or estimate, and the obligation created by such payment shall bear interest until paid by Grantor at the maximum rate allowed by law.

C. Representations and Warranties: Grantor represents and warrants that, after reasonable investigation and to the best of Grantor's knowledge:

1. Grantor warrants that Grantor has good title to the Protected Property, that Grantor has the right to convey this Easement and that the Protected Property is free and clear of any encumbrances;
2. Grantor and the Protected Property are in compliance with all federal, state, and local laws, regulations, and requirements applicable to the Protected Property and its uses;
3. Neither Grantor nor Grantor's predecessors in interest have disposed of any hazardous substances off-site, nor have they disposed of substances at sites designated or proposed to be designated as Federal Superfund (42 U.S.C. § 9601 et seq.) or state Model Toxics Control Act (RCW 70.105D.010 et seq.) ("MTCA") sites; and.
4. There is no pending or threatened litigation affecting the Protected Property or any portion of the Protected Property that will materially impair the Conservation Values of any portion of the Protected Property. No civil or criminal proceedings have been instigated or are pending against Grantor or its predecessors by government agencies or third parties arising out of alleged violations of environmental laws, and Grantor has not received any notices of violation, penalties, claims, demand letters, or other notifications relating to a breach of environmental laws.

D. Remediation: If, at any time, there occurs, or has occurred, a release in, on, or about the Protected Property of any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic or dangerous to the air, water or soil, or in any way harmful or threatening to human health or environment, Grantor agrees to take all steps necessary to assure its containment and remediation, including any cleanup that may be required, unless the release was caused by Grantee, in which case Grantee should be responsible for remediation.

E. Control: Nothing in this Conservation Easement Deed shall be construed as giving rise, in the absence of a judicial decree, to any right or ability in Grantee to exercise physical or managerial control over the day-to-day operations of the Protected Property, or any of Grantor's activities on the Protected Property, or otherwise to become an operation with respect to the Protected Property within the meaning of the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended ("CERCLA"), and MTCA.



F. Indemnification: Grantor hereby agrees to release and hold harmless, indemnify, and defend Grantee and their members, directors, officers, employees, agents, and contractors and the successors, and assigns of each of them from all costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorney's fees, arising from or in any way connected with Grantor's negligent acts or omissions or breach of this Conservation Easement, or violations of any Federal, State, or local laws, including Environmental Laws.

XIII. EXTINGUISHMENT, CONDEMNATION AND SUBSEQUENT TRANSFER

A. Extinguishment: If circumstances arise in the future that render the Purpose of this Conservation Easement impossible to accomplish, this Conservation Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. The amount of the proceeds to which Grantee shall be entitled, after the satisfaction of prior claims, from any sale, exchange, or involuntary conversion of all or any portion of the Protected Property subsequent to such termination or extinguishment, shall be determined, unless otherwise provided by Washington law at the time, in accordance with Subsection XIII.B, Valuation, of this Conservation Easement Deed.

B. Valuation: In the event of an extinguishment pursuant to Subsection A, or the taking of all or part of the Protected Property by the exercise of the power of eminent domain, then Grantee and the United States, through the Department of Agriculture, are entitled to their proportional share each of gross sale proceeds or condemnation award representing an amount equal to the ratio of the appraised value of this Conservation Easement to the unrestricted fair market value of the Protected Property as these values are determined on the date of this Conservation Easement Deed.

C. Condemnation: If all or any of the Protected Property is taken by exercise of the power of eminent domain or acquired by purchase in lieu of condemnation, whether by public, corporate, or other authority, so as to extinguish this Conservation Easement, in whole or in part, Grantor and Grantee shall act jointly to recover the full value of the interest in the Protected Property subject to the taking or in lieu purchase and all direct or incidental damages resulting from the taking or in lieu purchase. All expenses reasonably incurred by Grantor and Grantee in connection with the taking or in lieu purchase shall be paid out of the amount recovered. Except as provided by applicable law, Grantor and Grantee agree that Grantee's share of the balance of the amount recovered shall be determined by the method described in Subsection B, with the remainder due to the Grantor. Due to its interest in this Conservation Easement, the United States must consent prior to the commencement of any condemnation action.

Grantor, upon receipt of notification of any pending condemnation action brought by any government entity affecting and/or relating to the Property, shall notify the in writing, within fifteen (15) days of receipt of said notification.

D. Application of Proceeds: Grantee shall return any proceeds received under the circumstances described in this Section XIII to Skagit County's Conservation Futures Fund (or successor fund) for use in purchasing conservation Easements or development rights on other eligible sites under the program (or successor program).



E. Subsequent Transfers: Grantor agrees to:

1. Incorporate the terms of this Conservation Easement Deed by reference in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including, without limitation, a leasehold interest; and
2. Describe this Conservation Easement Deed in and append it to any executory contract for the transfer of any interest in the Protected Property; and
3. Obtain a certificate from the purchaser, leaseholder or other party gaining an interest in all or part of the Protected Property and any financier, acknowledging their awareness of this Conservation Easement and their intent to comply with it. Such certificate shall be appended to and recorded with any deed or other legal instrument by which Grantor divests itself of any interest in all or a portion of the Protected Property; and
4. Give written notice to Grantee of the transfer of any interest in all or a portion of the Protected Property no later than forty-five (45) days prior to the date of such transfer. Such notice to Grantee shall include the name, address, and telephone number of the prospective transferee or the prospective transferee's representative.

The failure of Grantor to perform any act required by this subsection shall not impair the validity of this Conservation Easement Deed or limit its enforceability in any way.

XIV. AMENDMENT

This Conservation Easement Deed may be amended by the execution and delivery of an amended Conservation Easement Deed, but only with the written consent of Grantor, Grantee. If circumstances arise under which an amendment to or modification of this Conservation Easement Deed would be appropriate, Grantor and Grantee are free to jointly amend this Conservation Easement Deed; provided that no amendment shall be allowed that will diminish the effectiveness of this Conservation Easement in carrying out the Purpose of the Conservation Easement in any way and that only those amendments which strengthen the effectiveness of the Conservation Easement in carrying out the Purpose of the Conservation Easement Deed shall be permitted. Any such amendment shall not affect the perpetual duration of the Conservation Easement and shall be recorded in the official records of Skagit County, Washington, and any other jurisdiction in which such recording is required.

XV. ASSIGNMENT

This Conservation Easement is transferable, but Grantee may assign its rights and obligations under this Conservation Easement Deed only to the Grantee's judicially appointed successor and must obtain prior approval of the assignment from the United States. As a condition of such transfer, Grantee shall require that the transferee exercise its rights under the assignment consistent with the Purpose of this Conservation Easement Deed. Grantee shall notify Grantor in writing, at Grantor's last known address, in advance of such assignment. The failure of Grantee to give such notice shall not affect the validity of such assignment nor shall it impair the validity of this Conservation Easement Deed or limit its enforceability in any way.



XVI. RECORDING

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

XVII. GENERAL PROVISIONS

- A. **Controlling Law:** The interpretation and performance of this Conservation Easement Deed shall be governed by the laws of the State of Washington.
- B. **Liberal Construction:** Any general rule of construction to the contrary notwithstanding, this Conservation Easement Deed shall be liberally construed in favor of the grant to affect the Purpose of this Conservation Easement and the policy and purpose of RCW 64.04.130 and Chapter 84.34 RCW. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purpose of this Conservation Easement Deed that would render the provision valid shall be favored over any interpretation that would render it invalid.
- C. **Severability:** If any provision of this Conservation Easement Deed, or its application to any person or circumstance, is found to be invalid, the remainder of the provisions of this Conservation Easement Deed, 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 Conservation Easement Deed sets forth the entire agreement of the parties with respect to the Protected Property and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Protected Property, all of which are merged into this Conservation Easement Deed. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Section XIV.
- E. **No Forfeiture:** Nothing contained in this Conservation Easement Deed will result in a forfeiture or reversion of Grantor's title in any respect.
- F. **"Grantor" - "Grantee":** The terms "Grantor" and "Grantee," wherever used in this Conservation Easement Deed, and any pronouns used in their place, shall be held to mean and include, respectively the above-named Grantor, and his personal representatives, heirs, successors, and assigns, and the above-named Grantee, its, successors and assigns.
- G. **Successors and Assigns:** The covenants, terms, conditions, and restrictions of this Conservation Easement Deed shall be binding upon, and inure to the benefit of, the parties to this Conservation Easement Deed and their respective personal representatives, heirs, successors, and assigns, and shall continue as a servitude running in perpetuity with the Protected Property.



- H. Termination of Rights and Obligations:** A party's rights and obligations under this Conservation Easement Deed terminate upon transfer of the party's interest in the Conservation Easement or Protected Property, except that liability for acts or omissions occurring prior to transfer shall survive transfer.
- I. Joint and Several:** The obligations imposed by this Conservation Easement Deed upon Grantor shall be joint and several.
- J. Counterparts:** The parties may execute this instrument in two or more counterparts, which shall be signed by both parties. Each counterpart shall be deemed an original instrument as against any party who has signed it. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.
- K. Effective Date:** The effective date of this Conservation Easement Deed is the date of the last signature thereto.
- L. Environmental Warranty:** Grantor warrants that he is in compliance with, and shall remain in compliance with, all applicable Environmental Laws. Grantor warrants that there are no notices by any governmental authority of any violation or alleged violation of, non-compliance or alleged non-compliance with or any liability under any Environmental Law relating to the operations or conditions of the Protected Property. Grantor further warrants that he has no actual knowledge of a release or threatened release of Hazardous Materials, as such substances and wastes are defined by applicable federal and state law.

Moreover, Grantor hereby promises to hold harmless and indemnify the Grantee against all litigation, claims, demands, penalties and damages, including reasonable attorneys' fees, arising from or connected with the release or threatened release of any Hazardous Materials on, at, beneath or from the Protected Property, or arising from or connected with a violation of any Environmental Laws by Grantor or any other prior owner of the Protected Property. Grantor's indemnification obligation shall not be affected by any authorizations provided by Grantee with respect to the Protected Property or any restoration activities carried out by Grantee at the Protected Property; provided, however, that Grantee shall be responsible for any Hazardous Materials contributed after this date to the Protected Property by Grantee.

"Environmental Law" or "Environmental Laws" means any and all Federal, state, local or municipal laws, rules, orders, regulations, statutes, ordinances, codes, guidelines, policies or requirements of any governmental authority regulating or imposing standards of liability or standards of conduct (including common law) concerning air, water, solid waste, hazardous materials, worker and community right-to-know, hazard communication, noise, radioactive material, resource protection, subdivision, inland wetlands and watercourses, health protection and similar environmental health, safety, building and land use as may now or at any time hereafter be in effect.

"Hazardous Materials" means any petroleum, petroleum products, fuel oil, waste oils, explosives, reactive materials, ignitable materials, corrosive materials, hazardous chemicals, hazardous wastes, hazardous substances, extremely hazardous substances, toxic substances, toxic chemicals, radioactive materials, infectious materials and any other element, compound, mixture, solution or substance which may pose a present or potential hazard to human health or the environment.



XVIII. SUBORDINATION

At the time of conveyance of this Easement, the Protected Property is subject to that certain mortgage or deed of trust dated April 26, 2011, which was recorded under Auditor's File No.201104280085 and recorded on April 28, 2011 as well as a second one dated April 26, 2011, and recorded on April 28, 2011, under Auditor's No. 201104280086, a third dated April 26, 2011, and recorded April 28, 2011 under Auditor's File No. 201104280087 and a fourth dated April 26, 2011, and recorded April 28, 2011 under Auditor's File No. 201104280088; and then all made subordinate to the Deed of Trust recorded under Auditor's File No.201104280085 May 13, 2011, and recorded on May 31, 2011, under Auditor's No. 201105310128.

Skagit County's consent to be bound to this agreement, and Grantor's conveyance of this Conservation Easement Deed, is contingent on the beneficiary of the Mortgage or Deed of Trust agreeing by separate instrument at Exhibit C hereto, recorded concurrently with this Easement, to subordinate its rights in the Protected Property to this Easement to the extent necessary to permit Grantee to enforce the Purpose of the Easement in perpetuity and to prevent any modification or extinguishment of this Easement by the exercise of any rights of the beneficiary under the Mortgage or Deed of Trust.

XIX. SCHEDULE OF EXHIBITS

- A. Legal Description of Property Subject to Conservation Easement.
- B. Site Plan and Baseline Documentation.
- C. Subordination.



EXHIBIT A

Legal Description

DESCRIPTION:

The Southwest ¼ of the Southwest ¼ of Section 35, Township 34 North, Range 3 East, W.M.; and

All of Lot 5; the West 26 rods of Lot 3; and Lot 4 of Section 2, Township 33 North, Range 3 East, W.M., Skagit County, Washington, less the following tracts:

Beginning at a point bearing North 55°00'00" East and 80 feet distant from a point from which the Southwest corner of Lot 4, Section 2, Township 33 North, Range 3 East, W.M. bears South 74°00'00" West 15.60 chains distance;
thence North 55°00'00" East 80 feet;
thence South 35°00'00" East 80 feet to the right bank of the North Fork of the Skagit River;
thence along the river bank South 62°00'00" West 80 feet 6 inches;
thence North 35°00'00" West 70 feet to point of beginning.

Beginning at a point from which the Southwest corner of Lot 4, Section 2, Township 33 North, Range 3 East, W.M., bears South 74°00'00" West 15.60 chains distance;
thence North 55°00'00" East 80 feet;
thence South 35°00'00" East 70 feet to the right bank of the North Fork of Skagit River;
thence along the bank of the river South 62°00'00" West 80 feet 6 inches;
thence North 35°00'00" West 60 feet to the point of beginning.

Beginning at a point 829 feet South of the quarter corner of Section 2, Township 33 North, Range 3 East, W.M.;
thence South 68°30'00" West, 110 feet;
thence South 21°30'00" East 60 feet, more or less, to the North line of the County road;
thence North 68°30'00" East along said North line of County road 110 feet;
thence North 21°30'00" West 60 feet, more or less, to point of beginning.

TOGETHER WITH right to roadway to each end of the lot diagonally to the County road, and gangways to the river in front, the width of the lot.

EXCEPTING from all the foregoing, County roads and dike and drainage district rights of way.

Situate in the County of Skagit, State of Washington.

And further excepting from the conservation easement the following portion that has an easement agreement with the Skagit County Dike District No. 1, its successors, assigns and permittees described in Auditor's No. 2#00609190127:



A 40' strip of land bounded on the North by the following described line and on the South by the toe of a dike as it existed on April 26, 2006, all a portion of Government Lot 4 and the West 26 rods of Government Lot 3, Section 2, Township 33 North, Range 3 East, W.M., said line being described as follows:

BEGINNING on the South line of said Government Lot 4, at a found rebar with yellow cap marked "17652", said point being S 88°45'58" E a distance of 1775.65 feet from the North one-sixteenth corner on the West line of said Section 2, **thence** North 52° 34' 09" East a distance of 158.68 feet; **thence** North 48° 18' 52" East a distance of 303.63 feet to the beginning of a tangent curve to the right having a radius of 350.00 feet; **thence** Northeasterly passing through a central angle of 17°09'16" an arc distance of 104.79 feet; **thence** North 65° 28' 08" East a distance of 656.23 feet to the beginning of a tangent curve to the right having a radius of 500.00 feet; **thence** Northeasterly passing through a central angle of 20°25'05" an arc distance of 178.18 feet; **thence** North 85° 53' 13" East a distance of 50.26 feet to the East line of the West 26 rods of said Government lot 3 and the **TERMINUS** of said line.

The Southerly margin of said strip of land shall be shortened or lengthened to intersect with the South line of said Government Lot 4 and the East line of said West 26 rods of Government lot 3.

Except that portion thereof lying within commonly known Marsh Road.

Situate in the County of Skagit, State of Washington.



EXHIBIT B

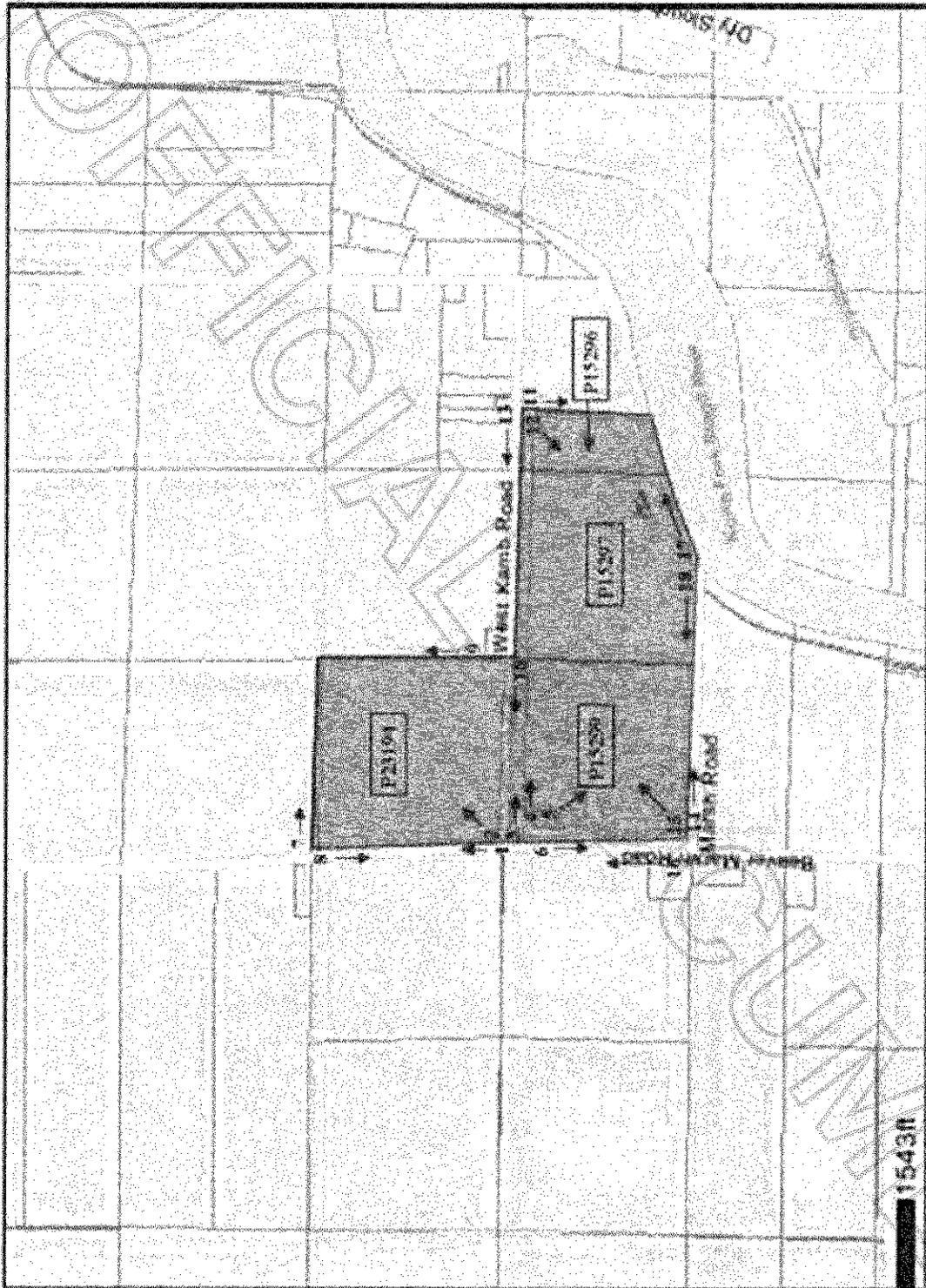
Site Plan & Baseline Documentation

UNOFFICIAL DOCUMENT



201308210061

UNOFFICIAL



*Source: www.skagitcounty.net. A motated by appraiser. boundaries are approximate, for visual reference only.

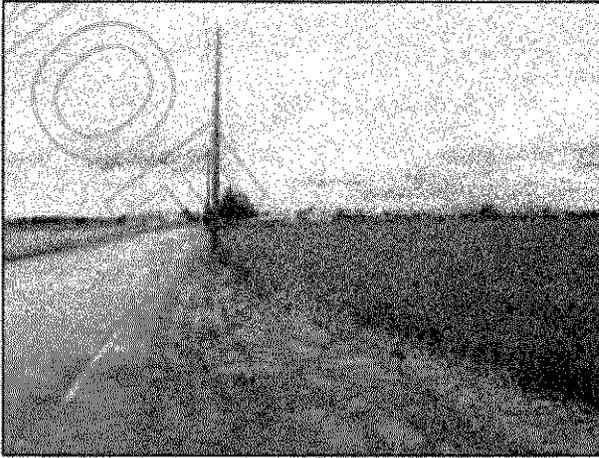
Photograph Location Map

NORTHWEST REAL ESTATE VALUATION, LLC
 Robert W. Suttles, MAI & Associates



*All photographs taken by the appraiser, Robert W. Suttles, MAI on May 4, 2012

SUBJECT PROPERTY PHOTOGRAPHS



#1- Looking north from near the SW corner of P23194 and along Beaver Marsh Road.



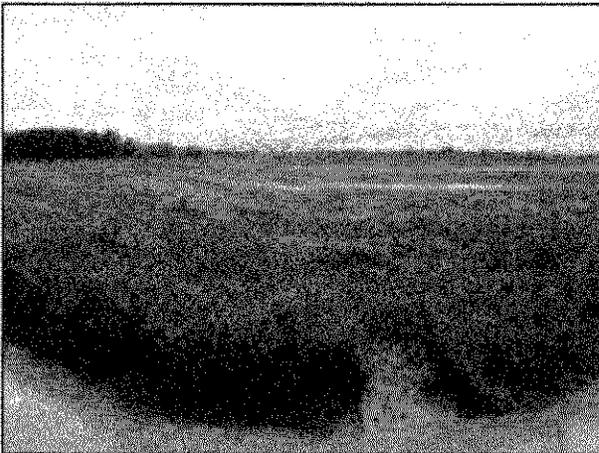
#2- Looking NE from near the SW corner of P23194.



#3- Looking east from near the SW corner of P23194 and along Kamb Road.



#4- Looking east from near the NW corner of P15299 and along Kamb Road.



#5- Looking SE from near the NW corner of P15299.



#6- Looking south from near the NW corner of P15299 and Beaver Marsh Road.



*All photographs taken by the appraiser, Robert W. Suttles, MAI on May 4, 2012

SUBJECT PROPERTY PHOTOGRAPHS



#7- Looking east from near the NW corner of P23194; the subject land is on the right side of the ditch.



#8- Looking south from near the NW corner of P23194 and along Beaver Marsh Road.



#9- Looking north from near the SE corner of P23194; the subject land is on the left side of the fence line.



#10- Looking west from near the SE corner of P23194 and along Kamb Road.



#11- Looking south from near the NE corner of P15297; the subject land is on the right side of the fence line.



#12- Looking SW from near the NE corner of P15297.

NORTHWEST REAL ESTATE VALUATION
Robert W. Suttles, MAI & Associate



*All photographs taken by the appraiser, Robert W. Suttles, MAI on May 4, 2012

SUBJECT PROPERTY PHOTOGRAPHS



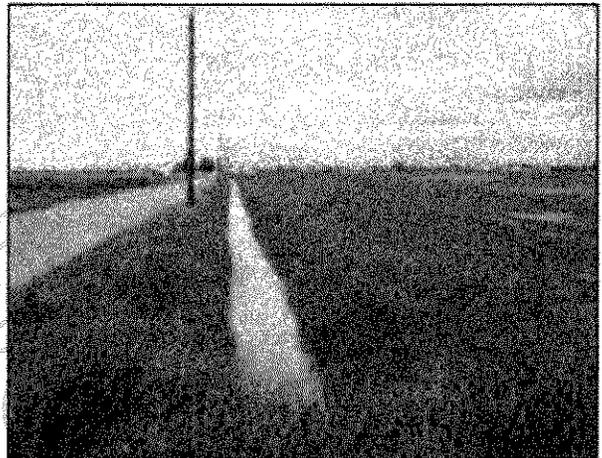
#13- Looking west from near the NE corner of P15297 and along Kamb Road.



#14- Looking east from near the SW corner of P15299, along Marsh Road.



#15- Looking NE from near the SW corner of P15299.



#16- Looking north from near the SW corner of P15299.



#17- Looking NE from top of levee on P15297; treed patch is a portion of subject land that lies inside the levee.



#18- Looking northwest from top of levee on P15297.



UWA



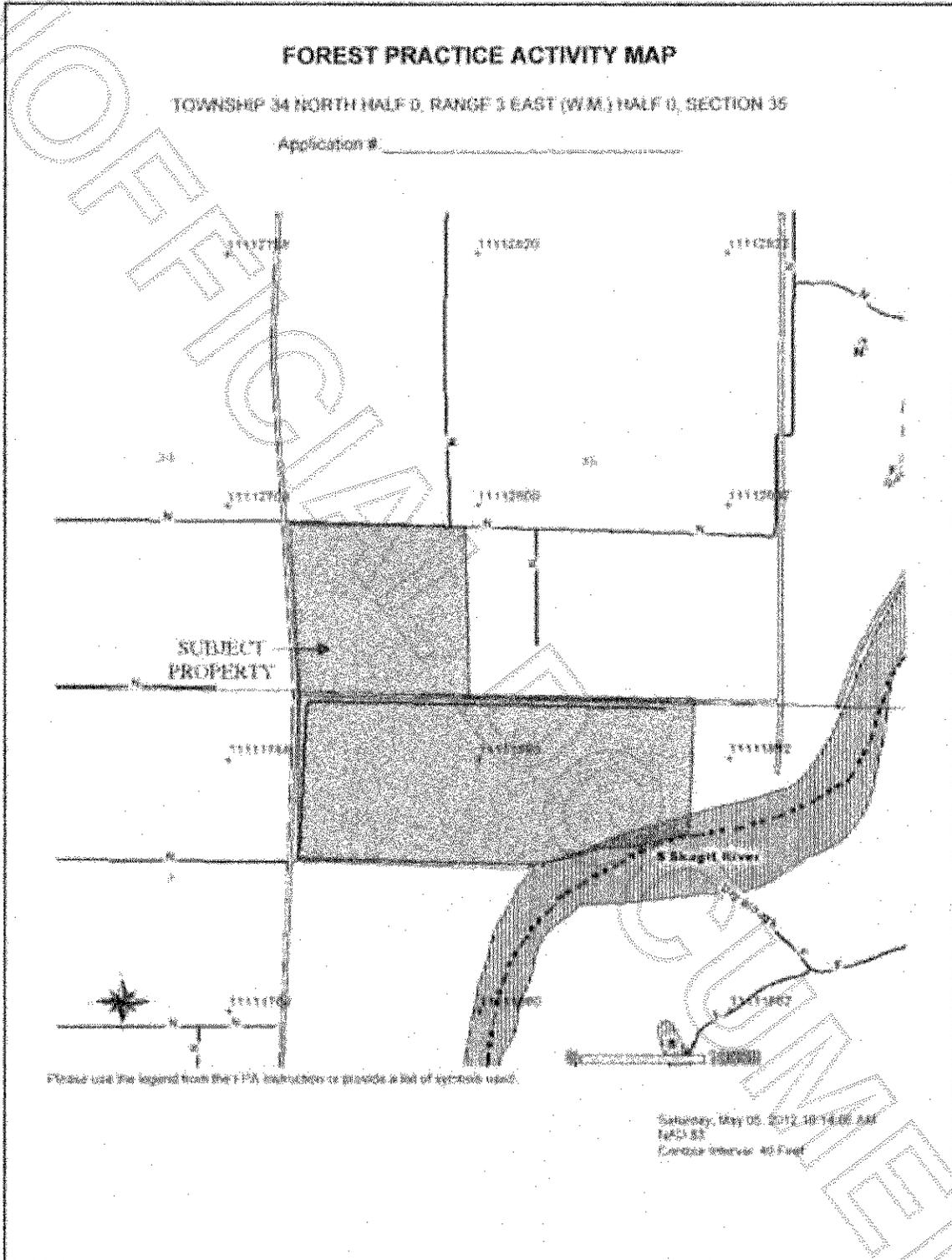
Aerial Photograph of Subject Property

NORTHWEST REAL ESTATE VALUATION, LLC
Robert W. Suttles, MAI & Associates



UWA

UNOFFICIAL



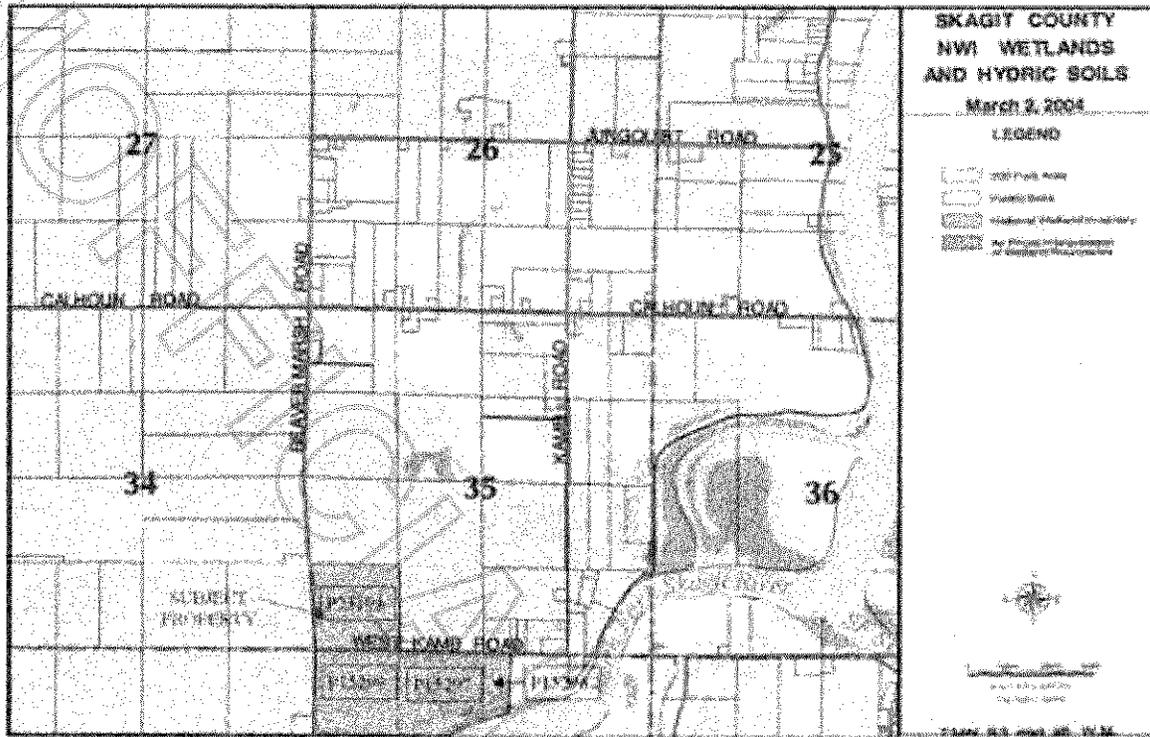
* Source: accesswa.gov/dnr. Annotated by appraiser: boundaries are approximate, for visual reference only.

DNR Forest Practice Map

NORTHWEST REAL ESTATE VALUATION, LI
Robert W. Suttles, MAI & Associates



SUBMITTED



* Source: skagitcounty.net/GIS/wetlands and hydric soils. Annotated by appraiser; boundaries are approximate, for visual reference only.

Skagit County Wetland Inventory Map

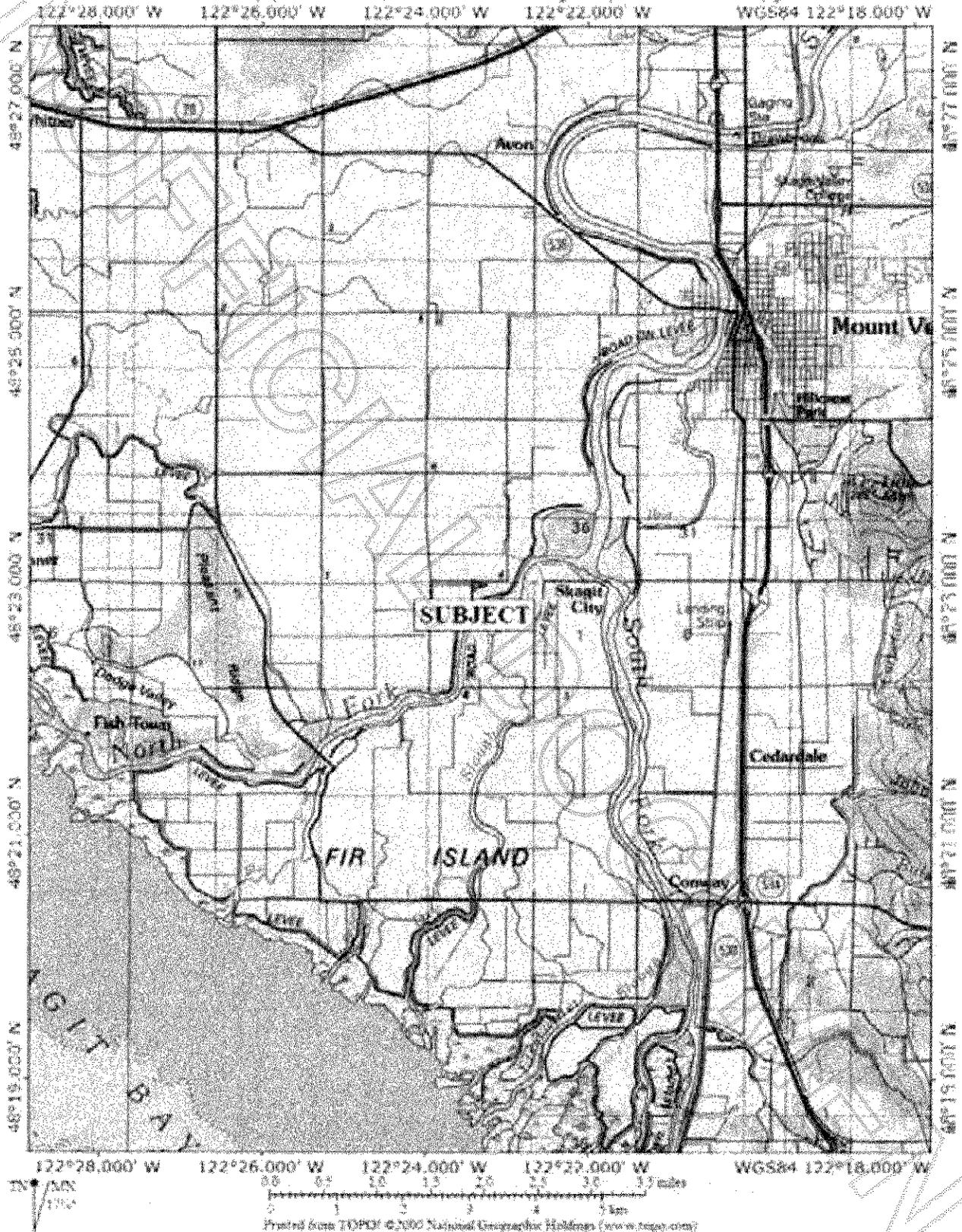
There are three primary regulatory decisions that have been made during recent years that impact agriculture land and potentially the utility and value of that land.

1) Administrative Official Interpretation completed by Gary Christensen, Director of Skagit County Planning: Mr. Christensen recently developed procedures for implementation of Skagit County Code 14.16.400(2) Permitted uses, specifically subsection (o) "Single-family detached residential dwelling unit and residential accessory uses, when accessory to an agricultural use...⁷ In summary the impact of the interpretation on agriculture land is that a landowner must show at least three years gross income derived from commercial agricultural production averaging at least \$100 per acre in order to secure a residential building permit. Time must pass and ownership interest must be traded before the impact of this interpretation can be measured. In my experience, when parcels of agriculture land greater than 20± acres are being considered, there is little interest from purely residential users. On the other hand, there has been strong demand for agriculture zoned land for residential use when the land size is less than 20± acres.

⁷ See Planning & Development Services decision in the addendum of this report



TOPO! map printed on 05/07/12 from 'Washington.tpo' and 'untitled.tpg'

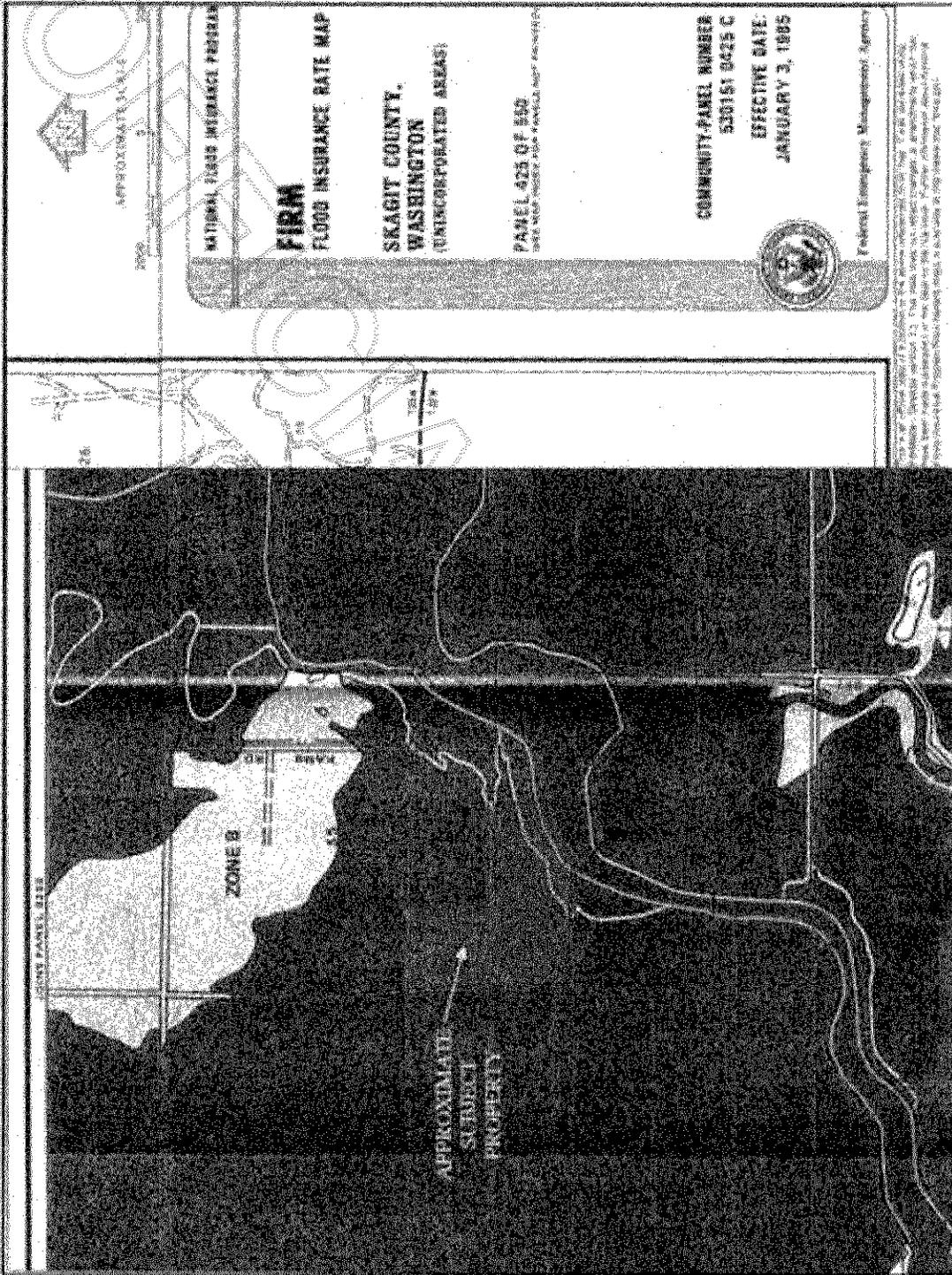


Regional Map

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Robert W. Suttles, MAI & Associates



UNMOUNTED



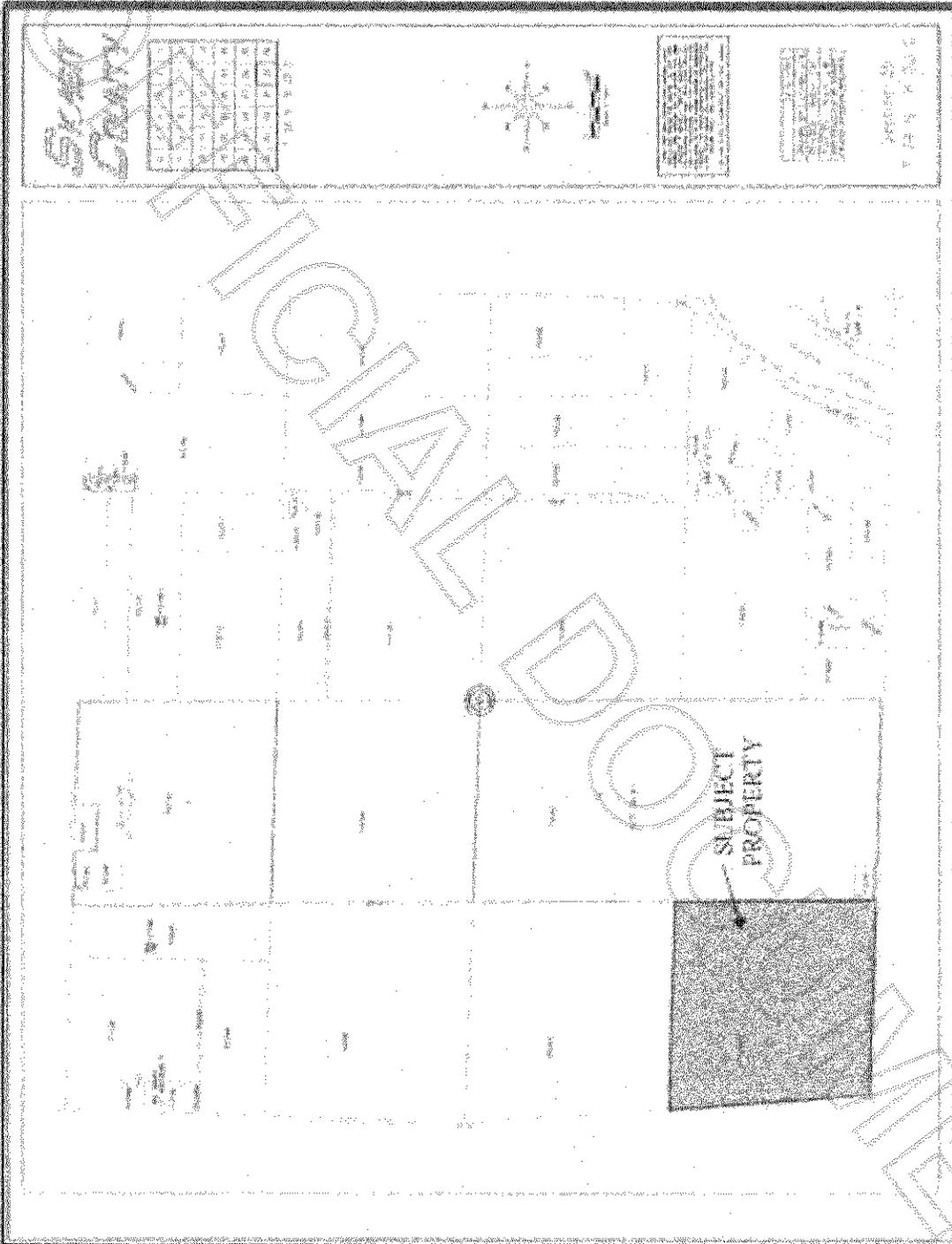
*Source: www.fema.gov. Annotated by appraiser, boundaries are approximate, for visual reference only.

FEMA Map

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UNOFFICIAL



Source: www.skagitcounty.net. Annotated by appraiser, boundaries are approximate, for visual reference only.

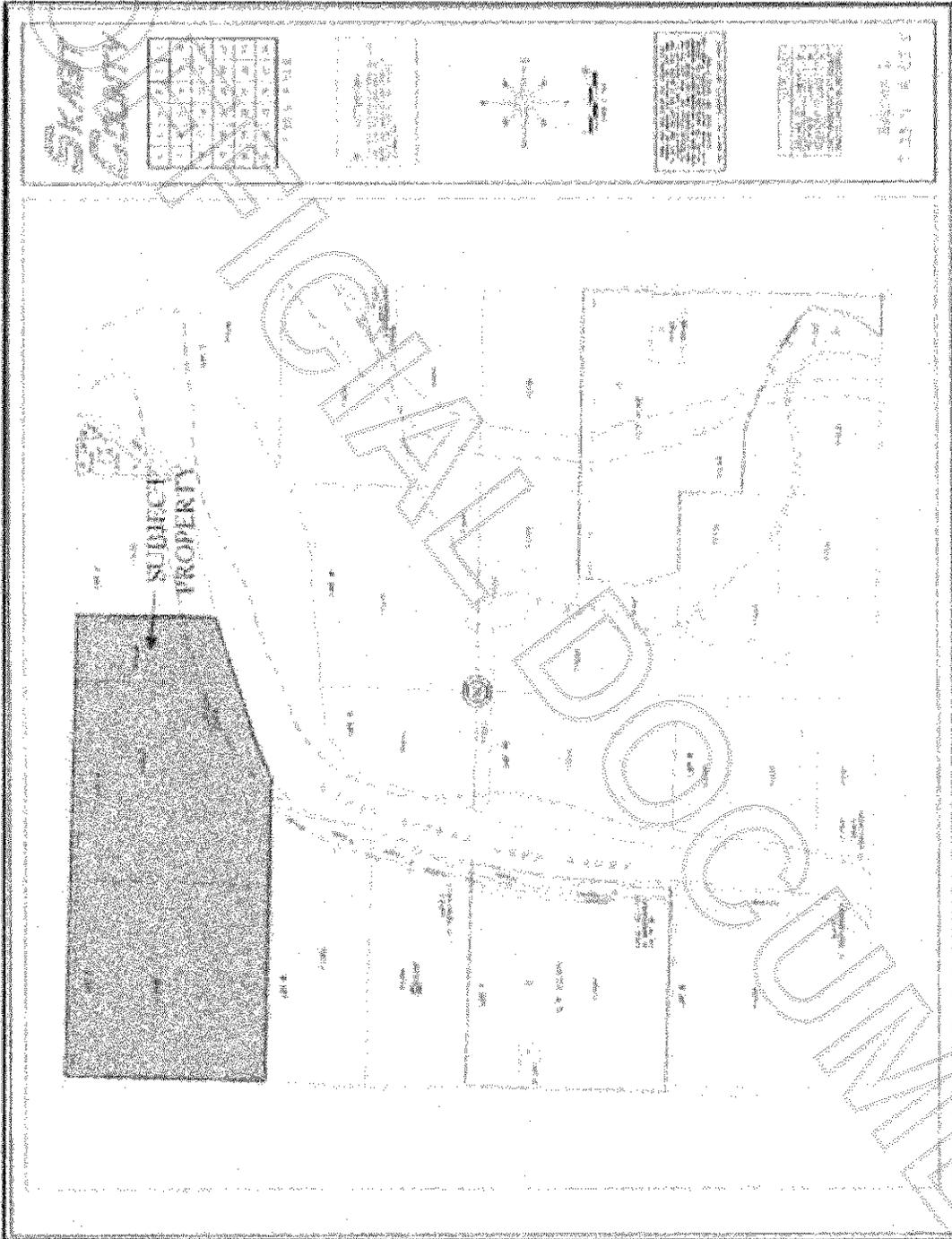
Assessor's Section Map T34/R03E/S35

NORTHWEST REAL ESTATE VALUATION, LLC
Robert W. Suttles, MAI & Associates



201308210061

UNMUNICIPAL DOCUMENT



* Source: www.skagitcounty.net. Annotated by appraiser; boundaries are approximate, for visual reference only.

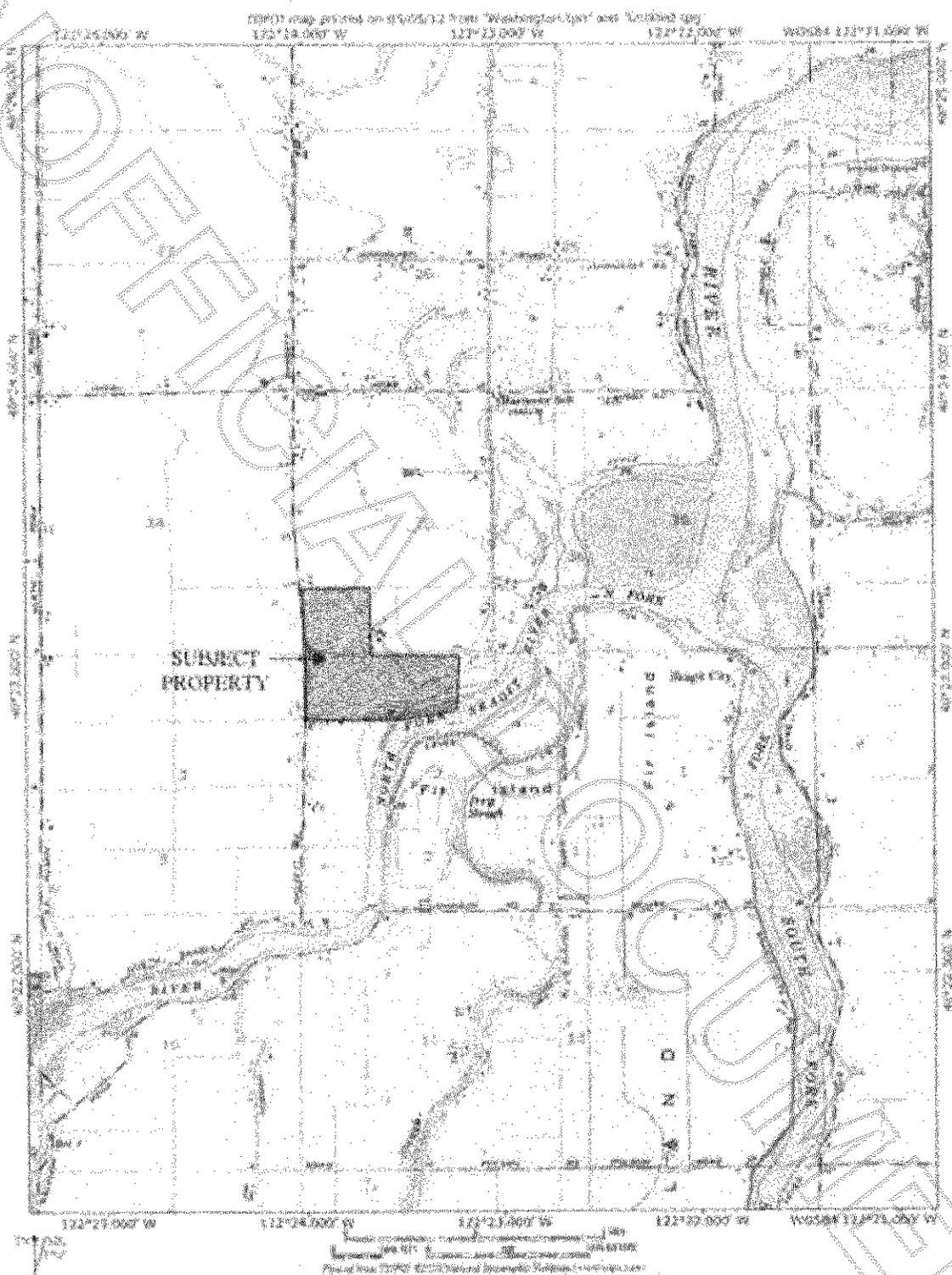
Assessor's Section Map T33/R03E/S02

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201308210061

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*Annotated by appraiser; boundaries are approximate, for visual reference only.

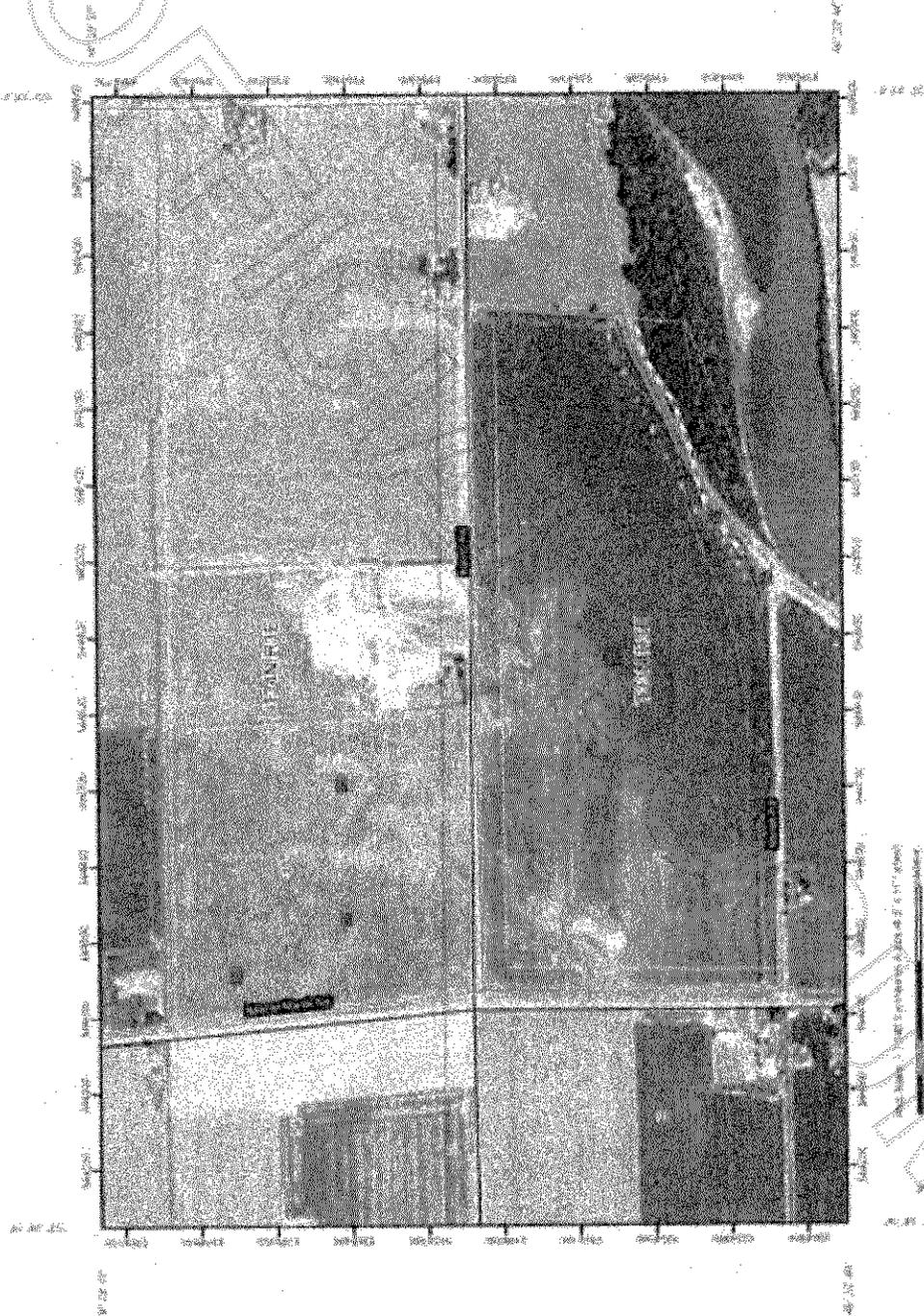
USGS Topographical Map

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UNFO

Soil Map - Skagit County Area, Washington



Soil Map
Page 1 of 2

*Source: www.usda.gov. Anotated by appraiser; boundaries are approximate, for visual reference only.

UNFO

Subject Soil Map

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EXHIBIT C

SUBORDINATION AGREEMENT

NOTICE :THIS SUBORDINATION AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE PROPERTY BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF THE SAME OTHER OR LATER SECURITY INSTRUMENT.

The undersigned subordinator and owner agrees as follows:

1. People's Bank referred to herein as "Subordinator" is the owner and holder of a mortgage dated April 26, 2011, which is recorded under Auditor's File 201104280085, records of Skagit County; and mortgage dated April 26, 2011, which was recorded under Auditor's File 201104280086; and mortgage dated April 26, 2011, which was recorded under Auditor's File 201104280087; and mortgage dated April 26, 2011, which was recorded under Auditor's File 201104280088.
2. Skagit County ("Grantee"), is the holder of a conservation easement dated 7/19/2013, executed by Owners (as herein defined) which is recorded concurrently with this Subordination Agreement. Under Skagit Auditor's File 201308210061.
3. Garritt E. Kuiper and Sheryl L. Kuiper, husband and wife, ("Owners") are the owners of all of the real property described in the conservation easement identified above in Paragraph 2.
4. In consideration of the benefits to "subordination" from Owners, receipt and sufficiency of which is hereby acknowledged, and to induce Subordinator does hereby unconditionally subordinate the liens of the mortgages identified above in Paragraph 1 to the conservation easement identified in above Paragraph 2, to the extent that the liens of said mortgages encumbers those parcels included in said conservation easement; provided, however, that in the event Subordinator, by foreclosure or deed in lieu of foreclosure of its aforesaid mortgages or any modification of refinance thereof, acquires title to the real property described in said mortgage, Subordinator shall have no personal liability to Grantor for any money damages arising from any breach of said conservation easement which is caused by the acts or omissions of Owners or anyone else other than Subordinator. For example, Subordinator shall have no liability under the aforesaid conservation easement based upon environmental contamination, if any, of said real property first caused by the acts of omissions of Owners or anyone else other than Subordinator.
5. This agreement shall be the whole and only agreement between the parties hereto with regard to the subordination of the lien or charge of the mortgage first above mentioned to the lien or charge of the mortgage in favor of Grantee above referred to and shall supersede and cancel any prior agreements as to such, or any, subordination including, but not limited to, those provisions, if any, contained in the mortgage first above mentioned, which provide for the subordination of the lien or charge thereof to a mortgage or mortgages to be thereafter executed.
6. The heirs, administrators, assigns and successors in interest of the "subordination" shall be bound by this agreement. Where the word "mortgage" appears herein and shall be considered as "deed of trust", and gender and number of pronouns considered to conform to undersigned



