



201406230082

Skagit County Auditor

\$74.00

6/23/2014 Page

1 of

3 1:25PM

RETURN ADDRESS:

Puget Sound Energy, Inc.
Attn: ROW Department
1660 Park Lane
Burlington, WA 98233

**EASEMENT**

GUARDIAN NORTHWEST TITLE CO.
ACCOMMODATION RECORDING ONLY

GRANTOR (Owner): CHALLENGE INVESTMENTS I, LLC
GRANTEE (PSE): PUGET SOUND ENERGY, INC.
SHORT LEGAL: Portion Lots 17, 18, 19 & 20, Block 47 CITY OF ANACORTES
ASSESSOR'S PROPERTY TAX PARCEL: p55170/3772-047-018-0001 & p55171/3772-047-020-0007

m4815

For and in consideration of good and valuable consideration, the receipt and sufficiency of which are acknowledged, **CHALLENGE INVESTMENTS I, LLC**, a Washington limited liability company ("Owner" herein), hereby grants and conveys to **PUGET SOUND ENERGY, INC.**, a Washington corporation ("PSE" herein), for the purposes described below, a nonexclusive perpetual easement over, under, along across and through the following described real property (the "Property" herein) Skagit County, Washington:

Lot 17, less and except therefrom the East 5 feet of the North 35 feet thereof; together with that portion of the South Half of the vacated alley lying adjacent thereto; Lots 18, 19, and 20, excepting the North 35 feet thereof, all in Block 47, "MAP OF THE CITHE OF ANACORTES, SKAGIT COUNTY, WASHINGTON" according to the plat thereof recorded in Volume 2 of Plats, pages 4 through 7, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

Except as may be otherwise set forth herein PSE's rights shall be exercised upon that portion of the Property ("Easement Area" herein) described as follows:

An Easement Area ten (10) feet in width having five (5) feet of such width on each side of the centerline of PSE's facilities as now constructed, to be constructed, extended or relocated lying within the above described property generally located in the southerly portion of the above described Property.

1. Purpose. PSE shall have the right to use the Easement Area to construct, operate, maintain, repair, replace, improve, remove, upgrade and extend one or more utility systems for purposes of transmission, distribution and sale of electricity. Such systems may include, but are not limited to:

Underground facilities. Conduits, lines, cables, vaults, switches and transformers for electricity; fiber optic cable and other lines, cables and facilities for communications; semi-buried or ground-mounted facilities and pads, manholes, meters, fixtures, attachments and any and all other facilities or appurtenances necessary or convenient to any or all of the foregoing.

No monetary consideration paid

Following the initial construction of all or a portion of its systems, PSE may, from time to time, construct such additional facilities as it may require for such systems. PSE shall have the right of access to the Easement Area over and across the Property to enable PSE to exercise its rights granted in this easement.

2. Easement Area Clearing and Maintenance. PSE shall have the right, but not the obligation to cut, remove and dispose of any and all brush, trees or other vegetation in the Easement Area. PSE shall also have the right, but not the obligation, to control, on a continuing basis and by any prudent and reasonable means, the establishment and growth of brush, trees or other vegetation in the Easement Area.

3. Restoration. Following initial installation, repair or extension of its facilities, PSE shall, to the extent reasonably practicable, restore landscaping and surfaces and portions of the Property affected by PSE's work to the condition existing immediately prior to such work. PSE shall use good faith efforts to perform its restoration obligations under this paragraph as soon as reasonably possible after the completion of PSE's work.

4. Owner's Use of Easement Area. Owner reserves the right to use the Easement Area for any purpose not inconsistent with the rights herein granted, provided, however, Owner shall not excavate within or otherwise change the grade of the Easement Area or construct or maintain any buildings or structures on the Easement Area and Owner shall do no blasting within 300 feet of PSE's facilities without PSE's prior written consent.

5. Indemnity. PSE agrees to indemnify Owner from and against liability incurred by Owner as a result of the negligence of PSE or its contractors in the exercise of the rights herein granted to PSE, but nothing herein shall require PSE to indemnify Owner for that portion of any such liability attributable to the negligence of Owner or the negligence of others.

6. Termination. The rights herein granted shall continue until such time as PSE terminates such right by written instrument. If terminated any improvements remaining in the Easement Area shall become the property of Owner. No termination shall be deemed to have occurred by PSE's failure to install its systems on the Easement Area.

7. Successors and Assigns. PSE shall have the right to assign, apportion or otherwise transfer any or all of its rights, benefits, privileges and interests arising in and under this easement. Without limiting the generality of the foregoing, the rights and obligations of the parties shall be binding upon their respective successors and assigns.

DATED this 16 day of JUNE, 2014.

OWNER:
CHALLENGE INVESTMENTS I, LLC

BY: [Signature]
Jerald L Zavalney, Member

BY: [Signature]
Carol L Zavalney, Member

BY: [Signature]
Jerry F Sata, Member

STATE OF WASHINGTON)
COUNTY OF Skagit) ss

On this 16th day of June, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared **Jerald L Zavalney** to me known to be the person(s) who signed as member, of **CHALLENGE INVESTMENTS I, LLC**, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be his free and voluntary act and deed and the free and voluntary act and deed of **CHALLENGE INVESTMENTS I, LLC** for the uses and purposes therein mentioned; and on oath stated that he was authorized to execute the said instrument on behalf of said.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.

[Signature]
(Signature of Notary)
Kimberly A. Barrett
(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State of
Washington, residing at Oak Harbor
My Appointment Expires: Aug 16, 2016



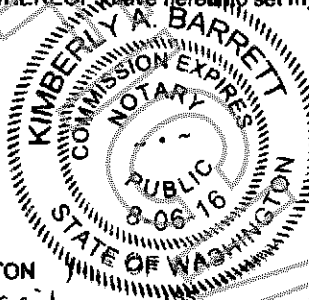
201406230082

STATE OF WASHINGTON)

COUNTY OF Skagit) SS

On this 16th day of June, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Carol L. Zavalney to me known to be the person(s) who signed as member, of CHALLENGE INVESTMENTS I, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be her free and voluntary act and deed and the free and voluntary act and deed of CHALLENGE INVESTMENTS I, LLC for the uses and purposes therein mentioned; and on oath stated that she was authorized to execute the said instrument on behalf of said.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of

Washington, residing at Oak Harbor

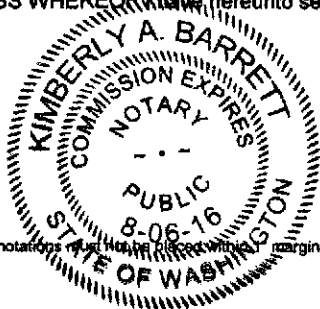
My Appointment Expires: Aug 6, 2016

STATE OF WASHINGTON)

COUNTY OF Skagit) SS

On this 16th day of June, 2014, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Jerry F. Sala to me known to be the person(s) who signed as member, of CHALLENGE INVESTMENTS I, LLC, the limited liability company that executed the within and foregoing instrument, and acknowledged said instrument to be his free and voluntary act and deed and the free and voluntary act and deed of CHALLENGE INVESTMENTS I, LLC for the uses and purposes therein mentioned; and on oath stated that he was authorized to execute the said instrument on behalf of said.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.



(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of

Washington, residing at Oak Harbor

My Appointment Expires: Aug 6, 2016

Notary seal, text and all notations must appear within margins



201406230082

Skagit County Auditor

\$74.00

6/23/2014 Page

3 of

3 1:25PM