

When recorded return to:
Small Forest Landowner Office
Forest Practices Division
Washington State Department of Natural Resources
PO Box 47012
Olympia, WA 98504-7012



Skagit County Auditor \$90.00
7/19/2016 Page 1 of 18 10:27AM

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
PETER GOLDMARK, Commissioner of Public Lands
GUARDIAN NORTHWEST TITLE CO.
FORESTRY RIPARIAN EASEMENT 105453

Grantor(s): Christian Futures Incorporated, an Oregon Registered 'S' Corporation
Grantee(s): State of Washington, acting by and through the Department of Natural Resources
Abbreviated
Legal Desc.: Section 16, Township 34 North, Range 7 East; The W 1/2 of the NE 1/4 and W 1/2 of SE 1/4
Tax Parcel #: P30713, 34071610010002
Conservation
Easement No.: 58-089073

THIS GRANT OF A FORESTRY RIPARIAN EASEMENT is made on this 29 day of June, 2016, by Christian Futures Incorporated, an Oregon Registered 'S' Corporation, hereinafter called the "Grantor", having an address at 3112 Industrial Ave., Springfield, OR 97578, to and in favor of the STATE OF WASHINGTON, acting by and through the Department of Natural Resources, hereinafter called the "Grantee".

SECTION 1 RECITALS AND PURPOSE

1.1 This Easement is intended to implement the goals of the Forest Practices Salmon Recovery Act, ESHB 2091, Sections 501 through 504, chapter 4, Laws of 1999 ("Salmon Recovery Act"). The goals include avoiding the further erosion of the small forest landowners' economic viability and willingness or ability to keep the lands in forestry use which would reduce the amount of habitat available for salmon recovery and conservation of other aquatic resources, through the establishment of a forestry riparian easement program to acquire easements from qualifying small forest landowners along riparian and other areas of value to the state for protection of aquatic resources.

1.2 This Easement is intended to protect all Qualifying Timber and the Riparian Functions associated with the Qualifying Timber located on the Easement Premises as provided by the terms of this Easement while preserving all lawful uses of the Easement Premises by Grantor consistent with the Easement objectives, and to provide Grantee with the ability to enforce the terms thereof.

1.3 The Grantor is the owner in fee simple of the real property described in **Exhibit A**, including the trees thereon, located in Skagit County, Washington (the "Property"). The Easement Premises and Qualifying Timber are located as described in **Exhibit B** (the "Easement Premises"). Encumbrances on the Easement Premises, if any, are also set forth in **Exhibit B**. All Exhibits referenced herein and attachments thereto are incorporated into this Easement as part of this Easement.

1.4 Grantor certifies that it is a "Qualifying Small Forest Landowner" and acknowledges that it wishes to sell or donate a this Forestry Riparian Easement to the State (Grantee) by executing this Easement.

SECTION 2 CONVEYANCE AND CONSIDERATION

2.1 In consideration of the mutual covenants contained herein, including without limitation the monetary consideration set forth in Subsection 2.2 below, the Grantor does hereby voluntarily warrant and convey to the Grantee a Forestry Riparian Easement under the Salmon Recovery Act, which Easement shall remain in full force and effect from the date hereof until it expires on **November 18, 2058**, which Easement shall consist of the rights and restrictions expressly set forth herein. (Fifty years from date of Grantor's completed Forestry Riparian Easement application.)

2.2 In consideration of this Easement, Grantee shall pay to Grantor, or his/her/their assignee, Compensation in the sum of NINETY NINE THOUSAND AND ONE HUNDRED AND SEVENTY SIX AND 65/100 dollars (**\$99,176.65**) as provided and defined in the associated Agreement for Purchase of Forestry Riparian Easement.

SECTION 3 DEFINITIONS

Definitions in the forest practices rules, RCW 76.09, or RCW 76.13, in existence at the time of the execution of this Easement, apply to undefined terms in this Easement, including the following:

- “Easement Premises”
- “Hazardous Substances”
- “Qualifying Small Forest Landowner”
- “Qualifying Timber”
- “Riparian Function”

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

20163060

JUL 19 2016

Amount Paid \$ 1770.34
Skagit Co. Treasurer
By *mb* Deputy

SECTION 4 RESERVED RIGHTS

Grantor reserves all lawful uses of the Easement Premises that are consistent with the terms of this Easement and the Grantor's obligation to protect the riparian functions during the term of the easement.

SECTION 5 RESTRICTIONS ON GRANTOR

5.1 Inconsistent Uses of Riparian Easement Premises. Any use of, or activity on, the Easement Premises inconsistent with the purposes and terms of this Easement, including without limitation converting to a use incompatible with growing timber, is prohibited, and Grantor acknowledges and agrees that it will not conduct, engage in, or permit any such use or activity.

5.2 Property Outside the Easement Premises. Grantor may change its use of the Property that is located outside the Easement Premises to any lawful use. Grantor shall provide Grantee sixty (60) days notice prior to changing the use of the Property as a courtesy to Grantee.

5.3 Harvest of Qualifying Timber. Grantor shall not engage in any activity which would result in the cutting of Qualifying Timber or the removal of that timber from the Easement Premises, except as provided in this Easement. The parties further agree that use, harvest, and treatment of the Qualifying Timber are restricted according to the forest practices rules in effect on the date of receipt of the forest practice application pertaining to this easement.

5.4 Danger Trees. A "Danger Tree" is any tree that is reasonably perceived as posing an imminent danger to life or improved property. Grantor may cut a Qualifying Timber Danger Tree. The felled Danger Tree shall be left in place within the Easement Premises or be moved by the Grantor into the Easement Premises. Grantor must notify Grantee within seven (7) days that a Danger Tree has been felled. In addition, the landowner must be able to show the Grantee during an onsite visit that the cut tree(s) posed an imminent danger. The cutting of a tree(s) will be a violation of this easement and subject to damages under Subsection 11.1.b. if the Grantor fails to present reasonable evidence that the tree(s) posed an imminent danger.

5.5 Blowdown and Salvage. Grantor shall not salvage Qualifying Timber even if it is blowdown, infested, or other damaged timber without first obtaining Grantee's express written consent. Prior to removal, the small forest landowner office and the landowner must negotiate the terms of removal and refund to the Grantee, if any. Qualifying timber that blows down off the easement premises that presents a nuisance may be moved back onto the easement premises without permission from the department.

5.6 Consequence of Sale of the Property.

5.6.a Refund after Sale of the Property that includes the Entire Easement. Grantor shall refund the Grantee the full Compensation and Reimbursement received from the Grantee for this

Easement if (1) Grantor sells the Property containing the entire easement within ten years of receipt of payment for the easement, and (2) Grantor's sale is to a landowner that does not meet the criteria for a qualifying small forest landowner. The Grantor shall Refund the Grantee within thirty (30) days of any sale meeting these conditions.

5.6.b Refund after Sale of the Property with a Portion of the Easement. The Grantor shall refund the Grantee a portion of the Compensation and Reimbursement received from the Grantee for this Easement if (1) the Grantor sells property containing only a portion of the easement within ten years of receipt of payment for this easement, and (2) the Grantor's sale is to a landowner that does not meet the criteria for a qualifying small forest landowner. The Grantor shall refund the Grantee within thirty (30) days of any sale meeting these conditions. The calculation of the amount to be refunded to the Grantee is as follows:

$$\text{Refund to the Grantee} = (E+C) \cdot (V_s/V_q)$$

Where:

E = The full compensation value of the easement paid to the Grantor for this transaction;

C = The cost incurred to identify the qualifying timber paid to the Grantor at the time the easement became effective;

V_s = The volume of Qualifying Timber of the portion of the easement that is located in the parcel(s) sold to a buyer that is not a qualifying small forest landowner.

V_q = The original volume of Qualifying Timber as calculated in WAC 222-21-045 at the time the Easement became effective.

5.7 Grantor Notice of Natural Damage: The Grantor is requested to give notice, as soon as practical, to the Grantee that Qualifying Timber has been damaged by naturally occurring events such as, but not limited to, windthrow, fire, landslides, floods, and river erosion large enough to transport qualifying timber from the easement premises.

SECTION 6 PUBLIC ACCESS

No right of public access to or across, or any public use of, the Easement Premises or the property on which it lies is conveyed by this Easement.

SECTION 7 RIGHTS OF GRANTEE

To accomplish the purposes of this Easement, the following rights are conveyed to Grantee by this Easement:

7.1 To enforce the terms of this Easement as provided in Section 11 or as otherwise authorized in law or equity.

7.2 To enter upon the Easement Premises, or to allow Grantee's agents or any experts consulted by Grantee in exercising its rights under this Easement to enter upon the Easement Premises in order to evaluate Grantor's compliance with this Easement, and to otherwise enforce the terms of this Easement. Grantee is not required to have Grantor's permission to enter the Property for inspection or enforcement purpose; however, Grantee will make reasonable efforts to notify Grantor, prior to entry onto the Property, and will not significantly interfere with Grantor's use and enjoyment of the Property except in emergencies or cases of suspected deliberate violations.

7.3 To convey, assign, or otherwise transfer Grantee's interests herein to another agency of the State of Washington, as provided for and limited by Section 504 of the Salmon Recovery Act.

SECTION 8 COSTS, LIABILITIES, TAXES, AND INDEMNIFICATION

8.1 Costs, Legal Requirements, and General Liabilities. Except as is expressly placed on Grantee herein, Grantor retains full responsibility for the Qualifying Timber and Easement Premises. Other than encumbrances for taxes and assessments lawfully imposed by a governmental entity, Grantor shall not encumber the Property, in whole or in part, without prior approval by the Grantee, which consent shall not be unreasonably withheld. Grantor remains responsible for obtaining all permits required by law.

8.2 Taxes and Obligations. Grantor shall remain responsible for payment of taxes or other assessments imposed on the Easement Premises or the Qualifying Timber. Grantor shall furnish Grantee with satisfactory evidence of payment upon request.

8.3 Hold Harmless: To the extent permitted by law, Grantor hereby releases and agrees to hold harmless, indemnify, and defend Grantee and its employees, agents, and assigns from and against all liabilities, penalties, costs, charges, losses, damages, expenses, causes of action, claims, demands, orders, judgments, or administrative actions, including without limitation reasonable attorney's fees arising from or in any way connected with: (a) injury or death of any person or any physical damage to property resulting from any act or omission, or other matter occurring on or relating to the Easement Premises or Qualifying Timber, caused solely by Grantor; (b) a breach by Grantor of its obligations under Section 5; (c) the violation or alleged violation of, or other failure to comply with, any state, federal, or local law or requirement by Grantor in any way affecting, involving, or relating to the Easement Premises or the Qualifying Timber; (d) the release or threatened release onto the Easement Premises of any substance now or hereinafter classified by state or federal law as a hazardous substance or material caused solely by Grantor.

SECTION 9 SUBSEQUENT TRANSFERS

9.1 Grantee. Grantee may assign, convey, or otherwise transfer its interest as evidenced in this Easement, but only to another agency of the State of Washington under any circumstances in which it determines, in its sole discretion, that such transfer is in the best interests of the State. Grantee shall give written notice to Grantor within thirty (30) days of such conveyance, assignment, or transfer (provided that failure to give such notice shall not affect the validity of the assignment, conveyance, or transfer).

9.2 Grantor. Grantor may assign, convey, or otherwise transfer without restriction its interest in the Easement Premises or the Qualifying Timber identified in Exhibit B hereto, subject to refund requirements described in Subsection 5.6 of this Agreement. Grantor agrees to incorporate the restrictions of the Easement in any deed or other legal instrument by which Grantor divests itself of all or a portion of its interests in the Easement Premises or Qualifying Timber. Grantor shall give written notice to the Grantee of the assignment, conveyance, or other transfer of all or a portion of its interest in the Easement Premises or the Qualifying Timber within thirty (30) days of such conveyance, assignment, or transfer (provided that failure to give such notice shall not affect the validity of the assignment, conveyance, or transfer).

9.3 Termination of Grantor's Rights and Obligations. The Grantor's personal rights and obligations under this Easement terminate upon transfer of the Grantor's interest in the property on which the Easement lies or the Qualifying Timber, except that the Grantor's rights, obligations, and liabilities that accrued under the Easement for acts or omissions occurring prior to and including the Grantor's transfer shall survive the transfer. For example, upon transfer, Grantor must give notice of the transfer and must refund Grantee according to Subsections 5.6.a. or 5.6.b.

SECTION 10 DISPUTE RESOLUTION

The parties may at any time by mutual agreement use any nonbinding alternative dispute resolution mechanism with a qualified third party acceptable to Grantor and Grantee. Grantor and Grantee shall share equally the costs charged by the third party. The existence of a dispute between the parties with respect to this Easement, including without limitation the belief by one party that the other party is in breach of its obligations hereunder, shall not excuse either party from continuing to fully perform its obligations under this Easement. The dispute resolution provided for in this section is optional, not obligatory, and shall not be required as a condition precedent to any remedies for enforcement of this Easement.

SECTION 11 ENFORCEMENT

11.1 Remedies. Subject to notice required by Subsection 11.1.a., either party may bring any action in law or in equity in the superior court for the county in which the Easement Premises are located or in Thurston County (subject to venue change under law) to enforce any provision of this Easement, including without limitation, injunctive relief (permanent, temporary, or ex parte,

as appropriate) to prohibit a breach of this Easement, enforce the rights and obligations of this Easement, restore Qualifying Timber cut or removed in violation of this Easement or for damages. Grantee may elect to pursue some or all of the remedies provided herein.

11.1.a Notice of Violation, Corrective Action. If either party believes that there has been a violation of the terms of this Easement or that a violation is threatened, that party shall give written notice to the other party of such violation and demand corrective action sufficient to cure the violation. Notice and at least a thirty (30) day opportunity to cure must be provided before any party may bring a suit for breach of this Easement, except as provided in Subsection 11.3. Where the violation involves injury or has created a situation that could lead to injury to the Qualifying Timber, cure may require restoration of a portion of the Property and/or Qualifying Timber to the condition that existed immediately before any such injury.

11.1.b Damages or Restoration. If Grantor cuts, fatally injures, or removes (or causes another to cut, fatally injure, or remove) Qualifying Timber from the Easement Premises in violation of this Easement, Grantee shall be entitled in its discretion to damages or restoration. The market stumpage values of trees are likely to increase over the term of this Easement. The monetary value of either natural resource damage caused by the unauthorized cutting of Qualifying Timber or the cost for planting substitute timber is hard to determine and difficult to prove. Lost riparian function and tree-replacement cost will vary by size and location of the cut or removed Qualifying timber. The cost of replanting suitable replacement trees significantly exceeds the stumpage value for an individual tree. Further, once cut and removed, the volume and stumpage value of any individual tree is difficult to determine. Thus, if Grantee elects to receive damages under this contract, the Grantor agrees as a reasonable estimation of damages to pay the following:

(i) For Qualifying Timber that is cut or fatally injured, but is not removed from the Easement Premises, Grantor shall pay the actual stumpage value of any Qualifying Timber multiplied by the percentage of the total stumpage value that the Grantee originally paid grantor for the Qualifying Timber ($\text{Actual Stumpage Value} \times (\text{Easement Compensation} / \text{Total Qualifying Timber Stumpage Value})$).

(ii) For Qualifying Timber that is removed from the Easement Premises, the Grantor shall pay the adjusted average stumpage value per tree by species multiplied by three and multiplied by the percentage of the total stumpage value that Grantee originally paid Grantor for the Qualifying Timber ($\text{Adjusted Average Stumpage Value per Species} \times 3 \times (\text{Compensation} / \text{Total Qualifying Timber Stumpage Value})$). The Adjusted Average Stumpage Value is obtained by adjusting the original average stumpage value per species by the change in the Consumer Price Index for all Urban Consumers as published by the U.S. Department of Labor Bureau of Labor Statistics so as to adjust for inflation or deflation.

Grantee's rights to damages under this section shall survive termination.

The Grantee may, in its sole discretion, require the Grantor to replant trees or designate replacement trees to substitute for the lost riparian function caused by the Grantor's unauthorized activity. The following additional standards apply to replanting and replacement:

(i) Replanting shall be by nursery transplant seedlings approved by Grantee with subsequent silvicultural treatment including without limitation weed control and fertilization approved by Grantee. Replanted trees shall be treated as Qualifying Timber under this Easement.

(ii) Replacing trees shall be accomplished by designation of replacement trees of the size and species acceptable to Grantee. If replacement trees are designated to replace the Qualifying Timber cut or removed in violation of the terms of this Easement, the designated trees shall be thereafter treated as Qualifying Timber under this Easement.

(iii) The description of the Easement Premises must be appropriately revised and recorded as provided in Section 13 if any newly planted or replaced trees are not within the originally described Easement Premises.

This Damages or Restoration subsection does not preclude the Grantee from pursuing other actions as authorized by law or equity against the Grantor for unauthorized cutting, actions that cause the fatal injury, or removal of the Qualifying Timber; for example, the Grantee may pursue an action for triple the restoration and replanting cost (or other damages) under RCW 64.12.030. See Subsection 11.1.e.

11.1.c Non-Qualifying Small Forest Landowner - Refund and Null and Void. The Grantor shall refund the Grantee both the Compensation and Reimbursement received for this Easement and this Easement shall be null and void if the Grantor was not a "Qualifying Small Forest Landowner" when the Easement Agreement was signed. This subsection supplements any other actions and remedies that the Grantee may pursue based on Grantor's certification and warranty of Qualifying Small Forest Landowner status.

11.1.d Injunctive Relief. Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement may be inadequate and that Grantee may be entitled to injunctive relief, both prohibitive and mandatory, in addition to other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies.

11.1.e Relationship to Remedies in Other Laws. The remedies provided for in this section are in addition to whatever other remedies the state may have under other laws including without limitation the Forest Practices Act. Nothing in this Easement shall be construed to enlarge, diminish or otherwise alter the Grantee's independent authority to administer state law.

11.2 Forbearance/Waiver. Enforcement of this Easement against the Grantor is at the sole discretion of the Grantee, and vice versa. Any forbearance by either party to exercise its rights hereunder in the event of a breach by the other party shall not be deemed a waiver by the forbearing party of the term being breached or of a subsequent breach of that term or any other term or of any other of the forbearing party's rights under this Easement.

11.3 Emergency Enforcement. If Grantee, in its sole discretion, believes that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of

the 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. The continued cutting of any Qualifying Timber justifies emergency enforcement.

11.4 Waiver of Certain Defenses. Grantor hereby waives any defense of laches, estoppel, or prescription.

11.5 Acts Beyond Grantor's Control. Nothing herein shall be construed to entitle Grantee to bring any action or claim against Grantor on account of any change in the condition of the Easement Premises or of the Qualifying Timber that was not within Grantor's control, including without limitation fire, flood, storms, insect and disease outbreaks, earth movement, or acts of trespassers, that Grantor could not reasonably have anticipated and prevented, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Easement Premises or Qualifying Timber resulting from such causes. In the event the terms of this Easement are violated by acts of trespassers that Grantor 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.

SECTION 12 CONSTRUCTION AND INTERPRETATION

12.1 Controlling Law. Interpretation and performance of this Easement shall be governed by the laws of the State of Washington.

12.2 Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purposes of this Easement. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the purposes of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. The parties acknowledge that each has had an opportunity to have this Easement reviewed by an attorney and agree that the terms shall not be presumptively construed against either party.

12.3 Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon construction or interpretation.

SECTION 13 AMENDMENT

This Easement may be jointly amended. The amendments shall be in writing and signed by authorized representatives. Grantee shall record any such amendments in timely fashion in the official records of Skagit County, Washington. All amendments shall be consistent with the purposes of this Easement.

SECTION 14 GRANTEE'S UNILATERAL TERMINATION

Grantee may unilaterally terminate this Easement if it determines, in its sole discretion, that termination is in the best interests of the State of Washington. Grantee shall provide thirty (30) days written notice to Grantor of such termination. In the event Grantee unilaterally terminates this Easement, it shall not be entitled to any compensation for such termination, except as otherwise provided in this Easement.

SECTION 15 EXTINGUISHMENT

If circumstances arise that render the purpose of this Easement impossible to accomplish, this Easement can only be terminated (with compensation to Grantee) or extinguished, in whole or in part, by mutual agreement of the parties or through judicial proceedings brought by one of the parties. Grantee shall be entitled to the value of the Easement as such value is determined for eminent domain under WAC 222-21-080 as this rule was written at the time this Easement was recorded.

SECTION 16 CONDEMNATION

If the Easement is taken, in whole or in part, by exercise of the power of eminent domain, or acquired by purchase in lieu of condemnation, Grantee shall be entitled to compensation in accordance with WAC 222-21-080 as this rule was written at the time this Easement was recorded.

SECTION 17 NOTICE

Notices given pursuant or in relation to this Easement shall be in writing and delivered personally or by first class mail (postage pre-paid), addressed as follows:

- (a) If to Grantor: Christian Futures Incorporated
c/o Rick Christian
3112 Industrial Ave.
Springfield, OR 97578

- (b) If to Grantee: Washington State Department of Natural Resources
Forest Practices Division
Small Forest Landowner Office
PO Box 47012
1111 Washington Street SE
Olympia, WA 98504-7012

If either party's address changes during the term of this Easement, that party shall notify the other party of the change.

Any notice required to be given hereunder is considered as being received: (i) if delivery in person, upon personal receipt by the person to whom it is being given; or (ii) if delivered by first class U.S. mail and properly addressed, three (3) days after deposit into the U.S. mail; or (iii) if sent by U.S. mail registered or certified, upon the date receipt is acknowledged by the recipient.

SECTION 18 RECORDATION

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

SECTION 19 GENERAL PROVISIONS

19.1 Severability. If any provision in this Easement, or the application hereof to any person or circumstance, is found to be invalid, the remainder of this Easement, or the application hereof to other persons or circumstances shall not be affected thereby and shall remain in full force and effect.

19.2 Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Easement. This instrument supersedes all other and prior discussions, negotiations, understandings, or agreements of the parties. No alteration or variation of this instrument shall be binding unless set forth in an amendment to this instrument consistent with Section 13.

19.3 Successors and Assigns. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon and inure to the benefit of the Grantor, Grantee, and their respective successors and assigns and shall continue as a servitude running with the property on which the Easement lies for the term of this Easement set forth in subsection 2.1.

19.4 No Forfeiture. Nothing contained herein will result in a forfeiture or reversion of Grantor's title in any respect.

19.5 Counterparts. The parties may execute this instrument in two or more counterparts which shall, in the aggregate, be signed by both parties. Each counterpart shall be deemed an original as against the party that has signed it. In the event of any disparity between counterparts produced, the recorded counterpart shall be controlling.

19.6 References to Statutes and Rules. Except as otherwise specifically provided, any references in this Easement to any statute or rule shall be deemed to be a reference to such statute or rule in existence at the time the action is taken or the event occurs.

19.7 Adherence to Applicable Law.

Any activity pertaining to or use of the Easement Premises or Qualifying Timber shall be consistent with applicable federal, state, or local law including chapter 76.09 RCW, the Forest Practices Act, chapter 36.70A RCW, the Growth Management Act, chapter 90.58 RCW, the Shoreline Management Act, chapter 75.20 RCW, Construction Projects in State Waters Act (“Hydraulics Code”), the Endangered Species Act (16 U.S.C. Sec. 1531, et seq.), and the Clean Water Act (33 U.S.C. Sec. 1251, et seq.), and rules adopted pursuant to these statutes (including all rules adopted under Section 4(d) of the Endangered Species Act).

IN WITNESS WHEREOF Grantor and Grantee have executed this instrument on the day and year written.

GRANTOR: Christian Futures, Inc.

Dated: May 2, 2016

By: [Signature]

Title: PRESIDENT

GRANTEE:

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES

Dated: June 29, 2016

By: [Signature]
Peter Goldmark
Commissioner of Public Lands

Affix the Seal of the
Commissioner of Public Lands



State of Washington
Approved as to Form this 31st day of
October, 2012
Steven W. Reneaud
Assistant Attorney General
State of Washington

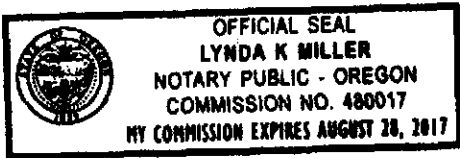
CORPORATE ACKNOWLEDGEMENT

STATE OF Oregon)
COUNTY OF Lane)§

On this 2ND day of May, 2016, personally appeared before me Richard L Christian, to me known to be the President of Christian Futures the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute said instrument for said corporation and that the seal affixed is the corporate seal of the said corporation.

Given under my hand and official seal this 2ND day of May, 2016

Lynda K Miller
Notary Public in and for the State of Washington, Oregon
residing at: Lane County, Springfield OR



My appointment expires Aug. 28, 2017

EXHIBIT A

The West ½ of the Northeast ¼ and the West ½ of the Southeast ¼ of Section 16, Township 34 North, Range 7 East. W.M., Skagit County, Washington.

EXHIBIT B

FORESTRY RIPARIAN EASEMENT

Christian Futures, Inc.

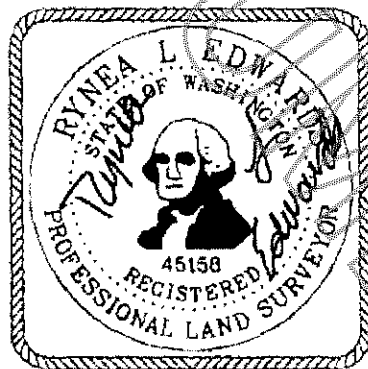
Sec. 16, T.34N., R.7E., W.M., Skagit County, WA

A Forestry Riparian Easement over a portion of the West 1/2 of the Northeast 1/4 and the West 1/2 of the Southeast 1/4 of Section 16, Township 34 North, Range 7 East. W.M., Skagit County, Washington lying southwesterly of the following described line:

Beginning at the intersection of the west line of the of said West 1/2 of the Southeast 1/4 and the south margin of an existing roadway, said intersection being N 00°20'02" E 1975.00 feet more or less from the Southwest corner of said subdivision, bearing of the said west line based upon Record of Survey recorded in Volume 4 of surveys, Page 52 records of Skagit County, Washington all bearings reference thereto; thence along said margin S 55°15'00" E 183.00 feet; thence S 29°13'00" W 79.00 feet; thence S 39°17'00" E 516.00 feet; thence S 27°12'00" E 238.00 feet; thence N 42°33'00" E 132.00 feet; thence N 60°24'00" E 164.00 feet more or less to the south margin of said road; thence along said margin S 66°20'00" E 81.00 feet; thence continuing along said margin S 38°24'00" E 64.00 feet; thence leaving said margin S 51°26'00" W 65.00 feet; thence S 71°20'00" W 137.00 feet; thence S 30°08'00" W 165.00 feet; thence S 24°08'00" E 346.00 feet; thence S 49°54'00" E 630.00 feet more or less to the east line of said West 1/2 of the Southeast 1/4 and the terminus of said line description.

Rynea L Edwards, PLS 45158
State Land Survey Unit
P.O. Box 47030
Olympia, WA 98504-7030

Date: 11-9-15
L3857 Forest Riparian Easement



FORESTRY RIPARIAN EASEMENT

Christian Futures, Inc.

Sec. 16, T.34N., R.7E., W.M., Skagit County, WA

The Department of Natural Resources identifies the following for convenience and informational purposes only, and makes no warranties, express or implied, associated with this property.

1. Parcel = 33 acres more or less based on Record of Survey Vol. 4 of surveys, Page 52 records of Skagit County, Washington. The easement location is based upon information provided by the forest practice division mapping.
2. Said lands subject to all easements, encumbrances and right of ways of public record.