

RETURN TO:  
Public Utility District No. 1 of Skagit County  
1415 Freeway Drive  
P.O. Box 1436  
Mount Vernon, WA 98273-1436

**Deed of Right**

SKAGIT COUNTY WASHINGTON  
REAL ESTATE EXCISE TAX

**Grantor:** Public Utility District No. 1 of Skagit County  
**Grantee:** State of Washington, Department of Ecology  
**Reference Number(s) of Documents assigned or released:** N/A  
**Assessor's Parcel/Tax I.D. Numbers:** P134099  
**Abbreviated Legal:** Ptn 2-34-5 E W.M.

AUG 14 2018

Amount Paid \$  
Skagit Co. Treasurer  
By *man* Deputy

**Grant:**

Grantor, Public Utility District No. 1 of Skagit County (Grantor or PUD), hereby conveys and quit claims to Grantee, State of Washington, Department of Ecology (Ecology), this Deed of Right on the following terms and conditions to affect the real property legally described in Exhibit A hereto (Property).

**Purpose:**

Grantor intends that this conveyance to Grantee and the people of the State of Washington provide the right to preserve and protect the watershed Property consistent with the fund source (Clean Water State Revolving Fund), consistent with a Property Management Plan to be adopted by Grantor subject to Grantee's approval, which shall not be unreasonably withheld and upon the following Restrictions and Other Provisions. The Property Management Plan and any amendments thereto shall be retained on file at Grantor's place of business, (1415 Freeway Drive, Mount Vernon, WA 98273).

**Restrictions:**

This Grant conveys to the Grantee, acting by and through Ecology, as the representative of the people of the State, the right to enforce the following duties upon the Grantor so as to ensure that the Property is used for protection of the watershed and a source for public water supply as described herein.

Grantor shall take such reasonable and feasible measures as are necessary to restrict uses of the Property to the following uses that the Grantee has determined are consistent with the protection of a source for public water supply:

1. Existing and new surface water diversion and transmission facilities including roadways, surface water diversion facilities, and the conveyance of utilities through cables, ditches, pipes, wires, and other conduits. Clearing of debris from stream channels to protect surface water diversion facilities;
2. Those uses and easements authorized under title exceptions listed in the deed by which Grantor acquired title to the Property; together with other uses that are customarily appurtenant and incidental to the foregoing uses, including without limitation accessory uses, lighting, parking, and sign facilities (collectively, the "Permitted Uses").
3. Permitted uses include:
  - i. Management of the Property to maintain its long-term natural function as a forested area to protect a source for public water supply, including removal of exotic species, planting of native species, road maintenance and repair, timber harvest, and other forest management activities as may be allowed in the Property Management Plan for the Property approved by Grantee;
  - ii. Public outdoor recreational uses and activities as may be allowed in the Property Management Plan approved by Grantee;
  - iii. Existing roadways and other new roadways, trails, and parking areas permitted by the Grantee-approved Property Management Plan;
  - iv. Education and scientific activities that do not adversely and materially impair the function of protecting a source for public water supply;
  - v. Other activities as allowed by the Grantee-approved Property Management Plan

Grantor will not make or permit to be made any known use of the Property that is inconsistent with the Permitted Uses unless the Grantee consents to the inconsistent use. Inconsistent uses that are prohibited on the Property without the written consent of the Grantee include the following:

1. Timber harvesting, except when consistent with the Property Management Plan or when incidental to the permitted uses described above;
2. Industrial, commercial, institutional or residential uses and development (no buildings shall be permitted within Parcel A);
3. Landfills;
4. Sand, gravel, rock, mineral or oil and gas extraction through surface means of extraction;
5. Fill of wetland areas, other than minor fill incidental to Permitted Uses;
6. New road construction, except for roads related to the surface water diversion operation and other roads consistent with the Property Management Plan.

**Other Provisions:**

Grantor shall provide access to the Grantee to inspect the Property for compliance with the terms of this Deed of Right. Grantor shall not be liable for, and Grantee shall indemnify and hold harmless Grantor for claims based on any injury to persons or property as a result of such inspections. The Grantee hereby waives its immunity under the Washington Industrial Insurance Act to afford Grantor, and only Grantor the indemnity set forth in this paragraph.

For purposes of this Deed of Right, the Property Management Plan includes any amendments thereto that occur prior to or subsequent to the execution of this Deed of Right.

This Deed of Right contains covenants running with the land and shall be binding upon Grantor, its successors and assigns, and upon any person acquiring the Property, or any portion thereof, or any interests therein, including a leasehold interest, whether by operation of law or otherwise. If Grantor sells all or any portion of its interests in the Property, the new owner of the Property or any portion thereof (including, without limitation, any owner who acquires its interest in the Property by foreclosure, trustee's sale, or otherwise) shall be subject to applicable covenants and requirements under this Deed of Right.

This Deed of Right may not be removed or altered from the Property unless specific approval has been granted by the Grantee. The foregoing notwithstanding, the parties hereto agree that on the nineteenth (19<sup>th</sup>) anniversary of the initial recording of this Deed of Right with the Skagit County Auditor (Recording Date), and for at least one hundred eighty (180) days thereafter, unless both parties agree otherwise, the parties shall meet to determine if it is reasonably necessary to keep in place this Deed of Right with the terms as stated herein. Such discussions shall take into account any changes to the environment of the Property, changes in the service area or services supplied by the Grantor and sources of public water supply available to Grantor. The Grant herein made and the terms hereof shall expire on the twentieth (20<sup>th</sup>) anniversary of the Recording Date unless the Grantor and Grantee agree to extend this Deed of Right or to extend this Deed of Right with modifications. Any extension shall be effective only when recorded.

Exhibits to include:

1. Exhibit A, Legal Description of "Parcel A";
2. Exhibit B, Property Map



## EXHIBIT A

## Legal Description of "Parcel A"

## PARCEL A

A portion of Section 2, Township 34 North, Range 5 East, W.M., being more particularly described as follows:

BEGINNING at a point on the west line of the northwest quarter of said Section 2, said point being South  $01^{\circ} 23' 43''$  West 647.28 feet from the northwest corner thereof;  
thence South  $89^{\circ} 01' 12''$  East along a line lying south 650 feet and parallel with the south line of Section 35, Township 35 North, Range 5 East, W.M., for a distance of 3714.00 feet;  
thence South  $01^{\circ} 05' 14''$  West 2198.58 feet;  
thence South  $01^{\circ} 41' 24''$  West for a distance of 604.05 feet;  
thence South  $58^{\circ} 25' 14''$  West 1317.64 feet to the southeast corner of the northeast quarter of the southwest quarter of said Section 2;  
thence North  $88^{\circ} 18' 20''$  West along the south line of said northeast quarter for a distance of 1314.17 feet to the southwest corner thereof;  
thence North  $01^{\circ} 40' 10''$  East along the west line of said northeast quarter for a distance of 1332.87 feet to the northwest corner thereof;  
thence North  $88^{\circ} 09' 56''$  West along the south line of the northwest quarter of said Section 2 for a distance of 1309.49 feet to the southwest corner thereof;  
thence North  $01^{\circ} 23' 43''$  East along the west line of said northwest quarter for a distance of 2143.08 feet to the POINT OF BEGINNING.

Situate in the County of Skagit, State of Washington.

**EXHIBIT B**

**SECTION 2, TOWNSHIP 34 NORTH, RANGE 5 EAST, W.M.  
GILLIGAN CREEK ACQUISITION AREA**

