202403270064
03/27/2024 01:51 PM Pages: 1 of 63 Fees: $365.50
Skagit County Auditor

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX
20240020
MAR 27 2024
Amount Paid $ 71.15
Skagit Co. Treasurer
By VT Deputy

After recording return to:
Skagit County Farmland Legacy Program
Skagit County Commissioners Administration Building
1800 Continental Place
Mount Vernon WA 98273

Amendment to Grant Deed of Conservation Easement

Reference No (AFN):	201608020021
Grantors:	**Marc E. Breckenridge** P.O. Box 322 Bow, WA 98232
Grantee:	**Skagit County, a political subdivision of the State of Washington** Skagit County Farmland Legacy Program Skagit County Commissioners Administration Building 1800 Continental Place Mount Vernon WA 98273
Third-party beneficiaries:	State of Washington, through the Recreation & Conservation Office
Abbreviated Legal Description:	N ½ of NW ¼, 9-35-3 E W.M. *See New Exhibit A for full legal description.*
Assessor's Property Number(s):	P33966
Size of Protected Property:	76± acres
Consideration for Amendment:	*See,* Conversion Reimbursement Agreement, dated January 17, 2023 (Skagit County Contract # C20230037), attached hereto as Exhibit H and incorporated herein.
Index of Exhibits:	The following exhibits are attached and incorporated into this Amendment to Grant Deed of Conservation Easement.

- ☒ Revised Exhibit A Legal Description
- ☒ Revised Exhibit B Site Map/Plan and Building Envelope
- ☒ Updated Exhibit G Subordination Agreement
- ☒ Exhibit H (New) Conversion Reimbursement Agreement

SKAGIT COUNTY
Amendment # A20240070
Page 1 of 63

UNOFFICIAL DOCUMENT

This Amendment to Grant Deed of Conservation Easement (herein "Amendment Agreement"), is made and entered by and between Skagit County, a political subdivision of the State of Washington ("County"), and Marc E. Breckenridge, as his separate property ("Breckenridge"), with the State of Washington, through the Recreation Conservation Office ("RCO") as a third-party beneficiary to this Amendment Agreement, effective as of the date of mutual execution by all parties hereto. The County, Breckenridge, and the RCO may be individually referred to herein as a "party" and may be collectively referred to herein as the "parties".

Background

1. Marc E. Breckenridge, as his separate property ("Breckenridge") is the owner of certain real property commonly identified as Skagit County Assessor Tax Parcel Number: P33966 (the "Breckenridge Property"), and as more particularly described per the Conservation Easement (defined herein below).

2. Skagit County ("County") acquired (purchased) from Marc E. Breckenridge a permanent perpetual Grant Deed of Conservation Easement ("Conservation Easement") encumbering the Breckenridge Property (Skagit County Contract # C20160212, dated May 16, 2016, recorded per Auditor's File No.: 201608020021), as provided by and subject to the terms therein. A copy of the Conservation Easement is included with the Conversion Reimbursement Agreement (defined herein below).

3. Breckenridge has proposed and requested that a smaller portion (approximately 1.6 acres) of the overall Breckenridge Property (approximately 77.75 acres) primarily consisting of a residential dwelling, a residential yard area, driveway, outbuilding, and septic system (the "Breckenridge House" area) which is encumbered by the Conservation Easement be removed from the Conservation Easement area via a boundary line adjustment ("BLA") in accordance with the terms of the Conservation Easement so that the area comprising the Breckenridge House may potentially be separately sold (to a third party) without being subject to or encumbered by the Conservation Easement (the proposed "Conversion"). An amended legal description of the Protected Property resulting from the proposed Conversion is attached hereto as revised **Exhibit A** and incorporated herein.

4. The terms of the Conservation Easement include certain requirements pertaining to the proposed Conversion (as more particularly addressed and described per the terms of this Amendment Agreement), including, but not limited to, approval by the Washington State Recreation and Conservation Office ("RCO") as a third party beneficiary of the Conservation Easement, and the County also requires that the underlying property owner ("Breckenridge") shall be responsible and liable for the payment of all costs incurred by the County related to the proposed Conversion (including, but not limited to, the costs of any appraisal(s), title report(s)), surveys and surveying services, recording fees, applicable taxes, and other costs determined by the County), as provided per the terms of the Conversion Reimbursement Agreement, dated January 17, 2023 (Skagit County Contract # C20230037), attached hereto as a new **Exhibit H** and incorporated herein

NOW THEREFORE, in consideration of the mutual covenants contained in this Amendment Agreement and for good and valuable consideration, the sufficiency of which are hereby acknowledged, the parties agree as follows:

Terms of Amendment

1. Proposed Conversion. Breckenridge has proposed the Conversion of an approximately 1.6-acre portion of the overall Breckenridge Property (comprising approximately 77.75 acres) primarily consisting of the Breckenridge House be removed from the Conservation Easement area via a BLA (subject to and in accordance with the terms of the Conservation Easement). The proposed Conversion will result in an amended Site Map/Plan and Building Envelope (comprising approximately 76.15 acres), as is more particularly described and provided per the copy of a Public Notice attached as revised **Exhibit B** and incorporated herein. An amended legal description of the Protected Property resulting from the proposed Conversion is attached hereto as revised **Exhibit A** and incorporated herein.

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2. Cost to be Paid by Breckenridge. Breckenridge shall be responsible and liable for full repayment of any and all costs incurred by the County arising from and/or related to the proposed Conversion, as provided per the terms of the Conversion Reimbursement Agreement, dated January 17, 2023 (Skagit County Contract # C20230037), attached hereto as a new **Exhibit H** and incorporated herein.

Reaffirmation

All other terms and conditions of the Conservation Easement not expressly modified herein are hereby ratified and reaffirmed and shall remain unchanged and in full force and effect.

This Amendment Agreement shall be effective upon mutual execution by all parties and shall be promptly recorded upon mutual execution by all parties.

UNOFFICIAL DOCUMENT

IN WITNESS WHEREOF, the undersigned (Breckenridge) has executed this instrument.

11/13/2023

MARC. E. BRECKENRIDGE

NAME DATE

STATE OF ~~WASHINGTON~~ Montana RM)
) ss.
COUNTY OF ~~SKAGIT~~ Missoula RM)

I hereby certify that I know, or have satisfactory evidence, that MARC E. BRECKENRIDGE, as his separate property, is the person who executed the within and foregoing instrument, and acknowledged that he signed the same as his duly authorized free and voluntary act and deed, for the uses and purposes therein mentioned.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 13 day of November, 2023.

ROBERT MUELLER NOTARIAL SEAL STATE OF MONTANA

ROBERT MUELLER
NOTARY PUBLIC for the
State of Montana
Residing at Missoula, MT
My Commission Expires
October 28, 2025.

Signature of Notary Public

Robert Mueller
Printed Name of Notary Public

My appointment expires: 10/28/2025

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

The Skagit County Board of Commissioners (County) does hereby accept the above Amendment to Grant Deed of Conservation Easement this 18 day of March, 2024

Board of County Commissioners
Skagit County, Washington

Recommended:

Department Head

Peter Browning, Chair

Lisa Janicki, Commissioner

Ron Wesen, Commissioner

Approved as to form:

3/7/24

Civil Deputy Prosecuting Attorney

Approved as to indemnification:

Risk Manager

Attest:

Clerk of the Board

Approved as to budget:

Budget & Finance Director

State of Washington
County of Skagit

I certify that I know or have satisfactory evidence that Peter Browning, Lisa Janicki and Ron Wesen are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the County Commissioners of Skagit County to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 03/18/2024

AMBER ERPS
NOTARY PUBLIC
STATE OF WASHINGTON
COMM. NO. 163[illegible]
MY COMM. EXP. 01-23-25

(notary seal or stamp above)

Signature of Notary Public

Amber Erps
Printed Name of Notary Public

My appointment expires _____

Acceptance of Property Interest by the Washington State Recreation and Conservation Office

The State of Washington, by and through the Washington State Recreation and Conservation Office (RCO), third party Beneficiary, does hereby accept the above Amendment to Grant Deed of Conservation Easement.

WASHINGTON STATE RECREATION AND CONSERVATION OFFICE

By: Name: Scott T. Robinson
Title: Deputy Director

Date: 2/22/2024

STATE OF WASHINGTON)
) ss.
COUNTY OF THURSTON)

I hereby certify that I know, or have satisfactory evidence, that SCOTT T. ROBINSON is the person who appear before me, and said person acknowledged that he signed this instrument, on oath stated that the was authorized to execute the instrument and acknowledged it as the DEPUTY DIRECTOR of the WASHINGON STATE RECREATION AND CONSERVATION OFFICE to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

GIVEN UNDER MY HAND AND OFFICIAL SEAL this 22nd day of February, ~~2023.~~ 2024 MA

MONICA ATKINS Commission Expires 03-30-2027 NOTARY PUBLIC License Number 23007364 STATE OF WASHINGTON

Signature of Notary Public

Monica Atkins
Printed Name of Notary Public

My appointment expires: 3/30/2027

UNOFFICIAL DOCUMENT

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Revised Exhibit A

Protected Property Legal Description Resulting from Conversion

Portion of Marc Breckenridge, a single man, as his separate estate, Parcel
(Skagit County Assessor's Parcel Number P-33966)
To be Boundary Line Adjusted into
Gerald E. Nelson and Jenny T. Nelson, husband and wife, Parcel
(Skagit County Assessor's Parcel Numbers P-33963, P-33968, P-100033, and P-108001)

The North 1/2 of the Northwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M.,

EXCEPT the following described tract:

BEGINNING at the Northwest corner of the Northwest 1/4 of said Section 9, Township 35 North, Range 3 East, W.M.;
thence South 00°08'00" East, along the West line of said Northwest 1/4 of Section 9, for a distance of 1,098.29 feet;
thence North 88°59'47" East, parallel with the South line of the North 1/2 of said Northwest 1/4 of Section 9, for a distance of 50.01 feet, more or less, to the Easterly right-of-way of Farm to Market Road and being the TRUE POINT OF BEGINNING;
thence South 68°49'28" East, for a distance of 95.00 feet;
thence North 88°59'47" East, for a distance of 180.00 feet;
thence North 6°28'32" East, for a distance of 85.50 feet;
thence North 88°59'47" East, for a distance of 295.00 feet;
thence South 0°08'00" East, parallel with the West line of said Northwest 1/4 of Section 9, for a distance of 205.00 feet;
thence South 88°59'47" West, for a distance of 140.00 feet;
thence North 61°22'20" West, for a distance of 152.11 feet;
thence South 88°59'47" West, for a distance of 300.00 feet, more or less, to said Easterly right-of-way margin of Farm to Market Road at a point bearing South 00°08'00" East from the TRUE POINT OF BEGINNING;
thence North 00°08'00" West along said Easterly right-of-way margin, for a distance of 80.87 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPT County roads and ditch rights-of-way as appropriated by court order in Skagit County Superior Court Cause #14070 on May 18, 1934.

SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the County of Skagit, State of Washington.

Containing 68,356+/- sq ft, 1.57 acres

This Boundary Line Adjustment is not for the purpose of creating additional building lots.

The above described parcel will be combined or aggregated with contiguous property to the south (P-33968 and P-100033) owned by the grantee.

APPROVED

Reviewed and approved in accordance with Skagit County Code, Chapter 14.18.700

Skagit County

By: [signature] Date: 3/31/2021

Title: Senior Planner

KEVIN G. LISSER
STATE OF WASHINGTON
20123109
REGISTERED
PROFESSIONAL LAND SURVEYOR

3-17-21

UNOFFICIAL DOCUMENT

After Boundary Line Adjustment
(Skagit County Assessor's Parcel Numbers P-33963, P-33968, P-100033, and P-108001)

Lots 1 and 2, Short Plat No. 90-63, approved and recorded January 24, 1991 in Volume 9 of Short Plats, page 306, under Auditor's File No. 9101240031, and being a portion of the South 1/2 of the Northwest 1/4 and the Southwest 1/4 of the Northeast 1/4 of Section 9, Township 35 North, Range 3 East, W.M.;

EXCEPT those portions of Lots 1 and 2 of said Short Plat No. 90-63, described as follows:

BEGINNING at a point on the East line of said Lot 2 which lies South 00°00'00" East, a distance of 246.38 feet from the Northeast corner of said Lot 2;
thence South 90°00'00" East, a distance of 217.10 feet;
thence South 00°00'00" East, a distance of 188.42 feet;
thence North 90°00'00" West, a distance of 238.12 feet;
thence North 00°00'00" East, a distance of 188.42 feet;
thence South 90°00'00" East, a distance of 21.01 feet to the POINT OF BEGINNING of this description.

SUBJECT TO a 30-foot wide perpetual and non-exclusive easement for ingress, egress and utilities over, under and through that portion of Lot 1 of Short Plat No. 90-63 as recorded in Volume 9 of Short Plats at page 306, records of Skagit County, Washington, described as follows:

Commencing at a point on the East line of Lot 2 of Short Plat No. 90-63 which lies South 00°00'00" East, a distance of 246.38 feet from the Northeast corner of said Lot 2;
thence North 90°00'00" West, a distance of 21.01 feet;
thence South 00°00'00" West, a distance of 140.58 feet to the POINT OF BEGINNING of this description;
thence South 83°05'42" West, a distance of 353.62 feet to the East line of Church Road;
thence South 5°38'01" East along the East line of Church Road, a distance of 30.01 feet;
thence North 83°05'42" East, a distance of 350.66 feet;
thence North 00°00'00" East, a distance of 30.22 feet to the POINT OF BEGINNING of this description.

TOGETHER WITH the North 1/2 of the Northwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M.,

EXCEPT that portion thereof described as follows:

BEGINNING at the Northwest corner of the Northwest 1/4 of said Section 9, Township 35 North, Range 3 East, W.M.;
thence South 00°08'00" East, along the West line of said Northwest 1/4 of Section 9, for a distance of 1,098.29 feet;
thence North 88°59'47" East, parallel with the South line of the North 1/2 of said Northwest 1/4 of Section 9, for a distance of 50.01 feet, more or less, to the Easterly right-of-way of Farm to Market Road and being the TRUE POINT OF BEGINNING;
thence South 68°49'28" East, for a distance of 95.00 feet;
thence North 88°59'47" East, for a distance of 180.00 feet;
thence North 6°28'32" East, for a distance of 85.50 feet;
thence North 88°59'47" East, for a distance of 295.00 feet;
thence South 0°08'00" East, parallel with the West line of said Northwest 1/4 of Section 9, for a distance of 205.00 feet;
thence South 88°59'47" West, for a distance of 140.00 feet;
thence North 61°22'20" West, for a distance of 152.11 feet;
thence South 88°59'47" West, for a distance of 300.00 feet, more or less, to said Easterly right-of-way margin of Farm to Market Road at a point bearing South 00°08'00" East from the TRUE POINT OF BEGINNING;
thence North 00°08'00" West along said Easterly right-of-way margin, for a distance of 80.87 feet to the TRUE POINT OF BEGINNING.

ALSO EXCEPT FROM ALL THE ABOVE County roads and ditch rights-of-way as appropriated by court order in Skagit County Superior Court Cause #14070 on May 18, 1934.

SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the County of Skagit, State of Washington.

Marc Breckenridge, a single man, as his separate estate, Parcel
After Boundary Line Adjustment
(Skagit County Assessor's Parcel Number P-33966)

That portion of the Northwest 1/4 of Section 9, Township 35 North, Range 3 East, W.M. described as follows:

BEGINNING at the Northwest corner of the Northwest 1/4 of said Section 9, Township 35 North, Range 3 East, W.M.;
thence South 00°08'00" East, along the West line of said Northwest 1/4 of Section 9, for a distance of 1,098.29 feet;
thence North 88°59'47" East, parallel with the South line of the North 1/2 of said Northwest 1/4 of Section 9, for a distance of 50.01 feet, more or less, to the Easterly right-of-way of Farm to Market Road and being the TRUE POINT OF BEGINNING;
thence South 68°49'28" East, for a distance of 95.00 feet;
thence North 88°59'47" East, for a distance of 180.00 feet;
thence North 6°28'32" East, for a distance of 85.50 feet;
thence North 88°59'47" East, for a distance of 295.00 feet;
thence South 0°08'00" East, parallel with the West line of said Northwest 1/4 of Section 9, for a distance of 205.00 feet;
thence South 88°59'47" West, for a distance of 140.00 feet;
thence North 61°22'20" West, for a distance of 152.11 feet;
thence South 88°59'47" West, for a distance of 300.00 feet, more or less, to said Easterly right-of-way margin of Farm to Market Road at a point bearing South 00°08'00" East from the TRUE POINT OF BEGINNING;
thence North 00°08'00" West along said Easterly right-of-way margin, for a distance of 80.87 feet to the TRUE POINT OF BEGINNING.

EXCEPT County roads and ditch rights-of-way as appropriated by court order in Skagit County Superior Court Cause #14070 on May 18, 1934.

SUBJECT TO and TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

Situate in the County of Skagit, State of Washington.

Containing 68,356 sq ft, 1.57 acres



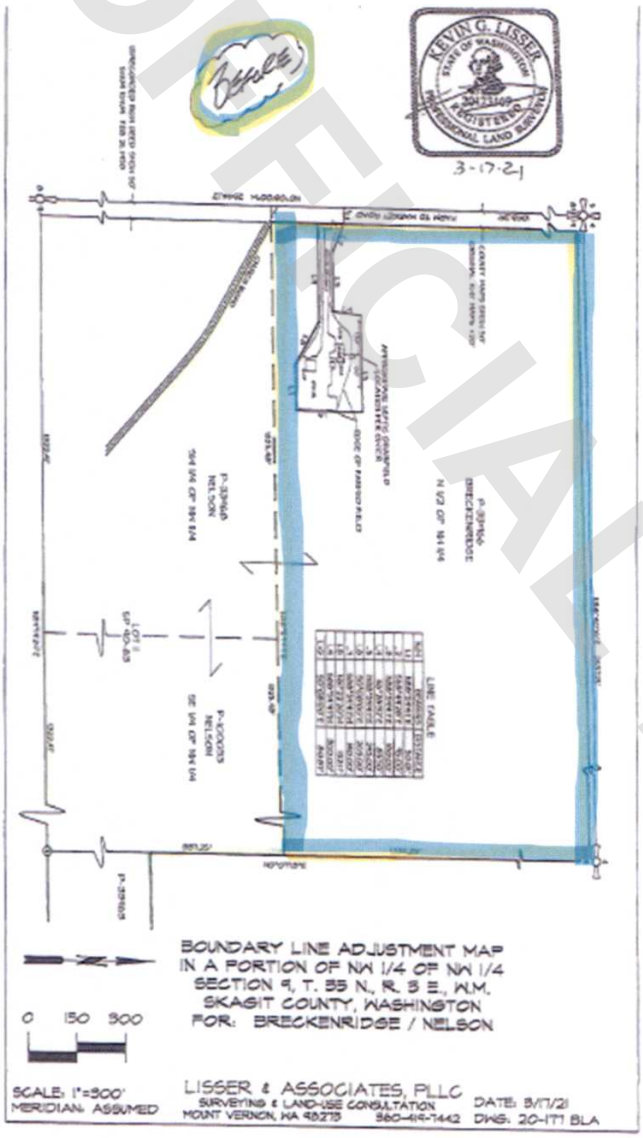
3-17-21

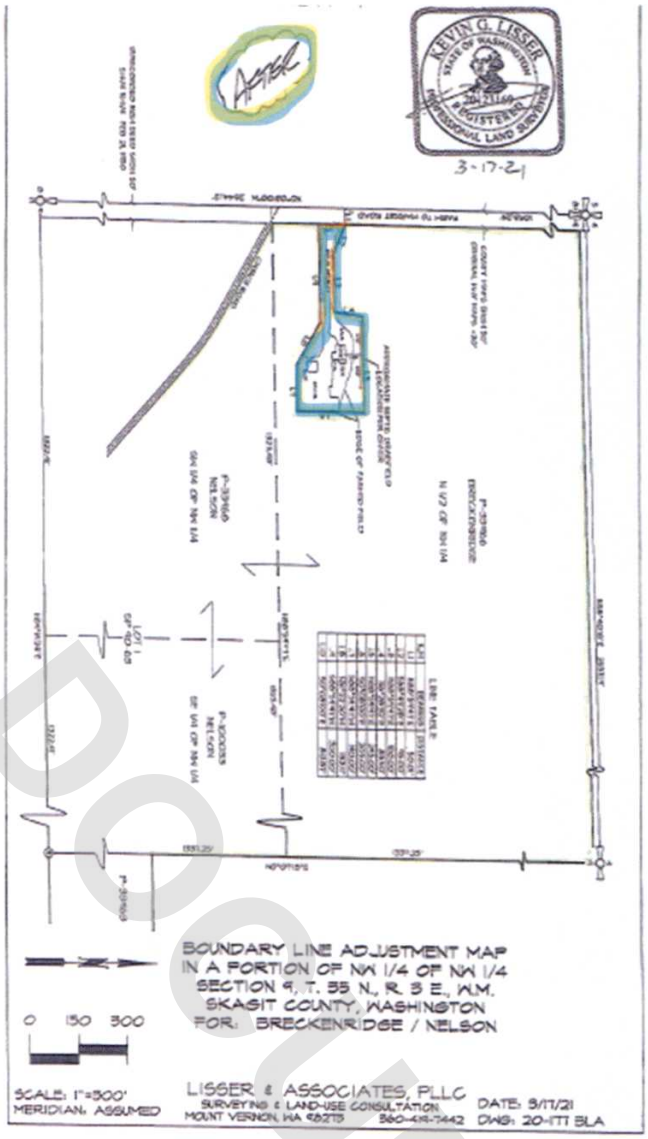
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UNOFFICIAL DOCUMENT

Revised Exhibit B

Site Map/Plan and Building Envelope: Amended Site





UNOFFICIAL DOCUMENT

Exhibit G: Subordination Agreement

The undersigned Subordinator agrees as follows:

1. AgWest Farm Credit, FLCA, successor in interest to Northwest Farm Credit Services, FLCA, a corporation ("Subordinator") is the owner and holder of a mortgage dated 06/22/2012, which was recorded under Skagit County Auditor's File No. 201206290084 on 06/29/2012;
2. Skagit County ("Grantee") is the holder of an Amendment to Grant Deed of Conservation Easement "conservation easement" (amending AF # 201608020021, Skagit County Contract # C20160212, dated March 26, 2016 [herein the "Original Easement"]), executed by Grantor (as hereinafter defined) and such Amendment to Grant Deed of Conservation Easement which will be recorded concurrently with this Agreement;
3. Marc E. Breckenridge ("Grantor") is the owner of all the real property described in the conservation easement identified above in Paragraph 2.
4. In consideration of benefits to Subordinator from Grantor, receipt and sufficiency of which is hereby acknowledged, the Subordinator does hereby unconditionally subordinate the lien of the mortgage identified in Paragraph 1 to the conservation easement identified in Paragraph 2.
5. Grantee shall not further amend or modify the Original Easement as modified by the Amendment to Grant Deed of Conservation Easement without the prior written consent of Subordinator, which shall not be unreasonably withheld, and any such amendment or modification undertaken without Subordinator's consent shall not be binding upon Subordinator.
6. This Agreement is the complete and only agreement between the parties with regard to the subordination of the lien or charge of the mortgage of Subordinator to the Conservation Easement in favor of Grantee and supersedes and cancels any prior agreements.
7. The heirs, administrators, assigns, and successors in interest of the Subordinator are bound by this agreement. Where the word mortgage appears herein it also means deed of trust, and gender and number of pronouns should be interpreted to conform to the undersigned.

AGWEST FARM CREDIT, FLCA, SUCCESSOR IN INTEREST TO NORTHWEST FARM CREDIT SERVICES, FLCA, A CORPORATION, Subordinator

By: _____ 11/07/2023
Name: Date
Title: Authorized Agent

State of Washington
County of Spokane

I certify that I know or have satisfactory evidence that Laura Cuda is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the Authorized Agent of AgWest Farm Credit, FLCA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 11/07/2023

TAMERA GUNNING
Notary Public
State of Washington
Commission # 21025944
My Comm. Expires Aug 27, 2025

(Notary seal or stamp above)

Signature of Notary Public

Tamera Gunning
Printed Name of Notary Public

My appointment expires 8/27/2025

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Exhibit H

Conversion Reimbursement Agreement

(Skagit County Contract # C20230037)

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

CONVERSION REIMBURSEMENT AGREEMENT

Return to:

Skagit County Public Works
Farmland Legacy Office
Attn: Ms. Sarah Stoner, Ag Lands Coordinator
1800 Continental Place
Mount Vernon, WA 98273

This **CONVERSION REIMBURSEMENT AGREEMENT** (herein "Agreement") is made this 17 day of January, 2023, by, between and among **Marc E. Breckenridge,** as his separate property ("Breckenridge"), and **Skagit County**, a Washington municipal corporation ("County"), its successors or assigns, to provide for Breckenridge to reimburse the County for costs and expenses incurred by the County related to a Farmland Legacy Program (FLP) conservation easement conversion request made by Breckenridge, as provided per the terms herein. Breckenridge and the County may be individually referred to herein as a "party" and may be collectively referred to herein as the "parties."

RECITALS

WHEREAS, Breckenridge is the owner of certain real property commonly identified as Skagit County Assessor Tax Parcel Number: P33966 (the "Breckenridge Property"), and as more particularly described per the Conservation Easement (described below); and

WHEREAS, the County acquired (purchased) from Breckenridge a permanent perpetual Grant Deed of Conservation Easement ("Conservation Easement") encumbering the Breckenridge Property (Skagit County Contract # C20160212, dated May 16, 2016, recorded per Auditor's File No.: 201608020021), as provided by and subject to the terms therein (a copy of the Conservation Easement is attached as **Exhibit "A"** and is incorporated by reference); and

WHEREAS, Breckenridge has proposed and requested that a smaller portion (approximately 1.6 acres) of the overall Breckenridge Property (approximately 77.75 acres) primarily consisting of a residential dwelling, a residential yard area, driveway, outbuilding, and septic system (the "Breckenridge House" area) which is encumbered by the Conservation Easement be removed from the Conservation Easement area via a boundary line adjustment ("BLA") in accordance with the terms of the Conservation Easement so that the area comprising the Breckenridge House may potentially be separately sold (to a third party) without being subject to or encumbered by the Conservation Easement (the proposed "Conversion"); and

WHEREAS, the terms of the Conservation Easement include certain requirements pertaining to the proposed Conversion (as more particularly addressed and described per the terms

SKAGIT COUNTY
Contract # C20230037
Page 1 of 50

of this Agreement), including, but not limited to, approval by the Washington State Recreation and Conservation Office ("RCO") as a third party beneficiary of the Conservation Easement, and the County also requires that the underlying property owner ("Breckenridge") shall be responsible and liable for the payment of all costs incurred by the County related to the proposed Conversion (including, but not limited to, the costs of any appraisal[s], title report[s], surveys and surveying services, recording fees, applicable taxes, and other costs determined by the County), as provided herein.

NOW THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Breckenridge and the County agree as follows:

AGREEMENT

1. Proposed Conversion. Breckenridge has proposed the Conversion of an approximately 1.6 acre portion of the overall Breckenridge Property (comprising approximately 77.75 acres) primarily consisting of the Breckenridge House be removed from the Conservation Easement area via a BLA (subject to and in accordance with the terms of the Conservation Easement). The proposed Conversion is more particularly described per the copy of a Public Notice attached as **Exhibit "B"** and incorporated herein (to be published subsequent to the mutual execution of this Agreement).

2. Cost to be Paid by Breckenridge. Breckenridge shall be responsible and liable for full repayment of any and all costs incurred by the County arising from and/or related to the proposed Conversion (even if in excess of current estimates), and as otherwise provided per the terms of this Agreement. Such anticipated costs to be reimbursed by Breckenridge to the County are currently estimated to tentatively be approximately seven thousand seven hundred fifty dollars ($7,750), and shall include, but are not limited to, the following:

2.1 Appraisal(s). Breckenridge (at Breckenridge's expense) shall cause (or has authorized) an appraisal (and any review appraisals determined to be satisfactory, necessary, or appropriate by the County, at the County's sole judgment and discretion) to be prepared, issued, and obtained for the Breckenridge Property (using licensed appraiser[s] selected by the County) to be used by the County to determine (at the County's sole discretion in consultation with the RCO) the fair market value dollar amount to be repaid (refunded) to the County and the RCO resulting from the proposed Conversion (for the Breckenridge House area to be removed from the Conservation Easement area), as provided per the terms of this Agreement. Such appraisal (and any review appraisal[s] related thereto as may be required by the County) shall be subject to approval by both parties prior to, concurrent with, and/or within thirty (30) days of the Appraisal report(s) otherwise being available and both parties being provided with a complete copy of such Appraisal report(s). Such approval shall be indicated by each party's respective initials below. Breckenridge shall pay (reimburse) the County (and RCO) for the appraised fair market value (FMV) for the portion of the Conservation Easement that is subject to the proposed conversion (as determined by the appraisal[s]).

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

CONVERSION REIMBURSEMENT AGREEMENT

(Breckenridge's initials: _____); Date: DECEMBER 21, 2022.

(County's initials: RW); Date: January 17, 2023

Current approximate estimated Appraisal cost: Two thousand five hundred dollars ($2,500).

2.2 Title Report. Breckenridge (at Breckenridge's expense) shall cause (or has authorized) a title company (selected by the County) to issue to a title report for the Breckenridge Property and any update(s) thereto (as determined to be satisfactory to the County), and such title report (and any update[s] thereto) shall be subject to approval by the County prior to, concurrent with, and/or within thirty (30) days of the title report otherwise being available and the County being provided with a complete copy of such title report. Such approval by the County may be indicated by the County's initials below.

(County's initials: RW); Date: January 17, 2023

Current approximate estimated title report cost: Two hundred fifty dollars ($250).

2.3 Survey Services. Breckenridge (at Breckenridge's expense) shall cause (or has authorized) a survey or surveys (as determined to be satisfactory, necessary, or appropriate by the County, at the County's sole judgment and discretion) to be prepared, issued, obtained, and recorded for the Breckenridge Property (using licensed surveyors[s] selected by the County) to be used by the County to determine (at the County's sole discretion in consultation with the RCO) applicable locations, applicable legal descriptions, and other relevant information arising from and/or related to the proposed Conversion (for the Breckenridge House area to be removed from the Conservation Easement area via a proposed BLA), as provided per the terms of this Agreement. Such survey services may include, but are not limited to, preparation of survey(s) of record (including "before" and "after" the proposed Conversion), preparation of legal descriptions (including "before" and "after" the proposed Conversion), and other applicable survey services as determined by the County.

Current approximate estimated survey cost: One thousand dollars ($1,000).

2.4 Other County Costs. Breckenridge (at Breckenridge's expense) shall independently pay and/or shall cause (or has authorized) the County to incur all other reasonable costs (anticipated or unanticipated) that may arise associated with the proposed (as determined to be necessary and/or appropriate by the County, at the County's sole judgment and discretion), and Breckenridge shall fully reimburse the County such other miscellaneous costs incurred. Such costs may include, but are not limited to, the cost of publication of any legal notice(s), recording and other document fees, application fees, all expenses associated with an anticipated BLA to implement the Conversion, all property taxes currently due, any applicable real estate excise taxes, Skagit County Public Works Department staff time related to the proposed Conversion,

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invoice(s) received by the County from the RCO related to the proposed Conversion, consultant fees and costs, and/or any and all other costs incurred by the County related to the proposed Conversion, as provided per the terms of this Agreement.

Current approximate estimated other costs: Four thousand dollars ($4,000).

2.5 Discretionary Review and Approval. The parties recognize and agree that neither the County or the RCO are required consider, review, and/or approve the proposed Conversion, and that such consideration, review, and approval is at the sole option, judgment, and discretion of the County and/or the RCO. Breckenridge agrees and acknowledges that this Agreement does not guarantee or ensure approval of the proposed Conversion, and that neither the County or the RCO shall be responsible or liable for any costs or expenses incurred by the County and/or the RCO related to the proposed Conversion (and that Breckenridge shall fully reimburse the County for such costs, regardless of the outcome or result of the proposed Conversion). The County shall not be responsible or liable for any costs, expenses, alleged damages, and/or claims incurred by Breckenridge (and/or any other third parties) arising from or related to the proposed Conversion. Such acknowledgement shall be indicated by each party's respective initials below.

(Breckenridge's initials: _____); Date: DECEMBER 21, 2022.

(County's initials: _____); Date: January 17, 2023

3. Manner of Financing. Breckenridge shall pay the County for the actual costs and expenses incurred by the County arising from and/or related to this Agreement (as more particularly described per Section 2., above, and regardless of the currently estimated amount of such costs and expenses stated above) through the duration of the Agreement as reimbursement payment to the County for such costs and expenses pertaining to the proposed Conversion as provided per the terms of this Agreement. The County is not obligated to pay, provide, or expend any funds, and/or provide and/or perform any other services or other duties, unless otherwise specified herein.

4. Term of Agreement. The term of this Agreement shall be from the date of mutual execution, and shall continue until the Conversion process as proposed and described pursuant to the terms of this Agreement has been satisfactorily completed or denied (as determined by the County, at the County's sole judgment and discretion), or until December 31, 2025 (whichever occurs sooner), unless otherwise terminated sooner pursuant to the terms herein

4.1 Either party hereto may terminate this Agreement upon thirty (30) days' notice in writing either personally delivered or mailed postage-prepaid by certified mail, return receipt requested, to the party's last known address for the purposes of giving notice under this paragraph. If this Agreement is so terminated, the parties shall be liable only for performance rendered or costs incurred in accordance with the terms of this Agreement prior to the effective date of termination.

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CONVERSION REIMBURSEMENT AGREEMENT

5. Representations and Warranties. Breckenridge represents and warrants to the County as follows:

5.1. Claims or Litigation. To the best of Breckenridge's knowledge, there is no litigation pending or threatened against Breckenridge (or any basis for any claim) that arises out of the ownership of the Breckenridge Property and that might materially and detrimentally affect: (i) the ability of both parties and/or each party (Breckenridge and County) to perform such party's respective duties and obligations under this Agreement, or (iii) the value of the Breckenridge Property and/or the Breckenridge House area.

5.2. Defaults. Breckenridge has received no notice of any default or breach by Breckenridge under any covenants, conditions, restrictions, rights-of-way or easements that may affect Breckenridge with respect to the Breckenridge Property and/or may affect the Breckenridge Property or any portion thereof, and no such default or breach now exists.

5.3. Hazardous Substances. Breckenridge has no actual knowledge of the release of or presence of any hazardous materials on, in, from or onto the Breckenridge Property. "Hazardous materials" means any hazardous or toxic substance, petroleum product, or wastes as defined by and/or that are regulated or subject to cleanup authority under any state, federal, or local statute, regulation, or ordinance. Breckenridge specifically agrees to defend, indemnify, and hold the County harmless form any claims, liabilities, and/or damages arising from or related to the presence of hazardous materials at the Breckenridge Property. The terms of this section shall survive any termination or expiration of this Agreement.

6. Hold Harmless and Indemnification, and Insurance. Breckenridge agrees to defend, indemnify and hold harmless the County, the County's appointed and elective officers and its employees, from and against all loss or expense, including but not limited to judgments, settlements, attorneys' fees and costs, by reason of any and all claims and demands upon the County, the County's elected or appointed officials and/or its employees for damages arising from the terms of this Agreement and/or arising from the ownership, condition, and/or operation of the Breckenridge Property because of personal or bodily injury, including death at any time resulting therefrom, sustained by any person or persons and on account of damage to property including loss of use thereof, whether or not such injury to persons or damage to property is due to the negligence of Breckenridge, and/or Breckenridge's agents, successors, or assigns. The terms of this section shall survive any termination or expiration of this Agreement.

7. Limitation of Liability. Any third party having a claim against Breckenridge, however arising, shall have recourse only against Breckenridge, and shall have no recourse against the County, its appointed or elected officers, employees, volunteers or its/their assets or credits. The terms of this section shall survive any termination or expiration of this Agreement.

8. Events of Default. In the event Breckenridge fails, without legal excuse, to comply with

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the terms of this Agreement, the County may pursue any remedies available to it in law or equity, including specific performance.

9. Notices. Any notice under this Agreement must be in writing and be personally delivered or delivered by recognized overnight courier service, given by U.S. mail, or via facsimile. All notices must be addressed to the parties at the following addresses, or at such other addresses as the parties may from time to time direct in writing:

COUNTY:
Skagit County
Farmland Legacy Program
Attn: Ms. Sarah Stoner, Ag Lands Coordinator
1800 Continental Place
Mount Vernon, WA 98273

BRECKENRIDGE:
Mr. Mark E. Breckenridge
7219 Farm to Market Road
P.O. Box 322
Bow, WA 98232

9.1 Any notice will be deemed to have been given when personally delivered, and if delivered by courier service, one business day after deposit with the courier service, and if mailed, two business days after deposit in the U.S. mail, and if delivered by facsimile, the same day as verified.

10. Counterparts: Faxed Signatures. This Agreement may be executed in any number of counterparts and by different parties hereto, each of which counterpart when so executed shall have the same force and effect as if that party had signed all other counterparts. Facsimile-transmitted signatures (and electronically transmitted signatures) shall be fully binding and effective for all purposes.

11. Brokers and Finders. Breckenridge represents that no broker is involved in this transaction. Breckenridge agrees to pay real estate broker (if any) who holds a listing on the Breckenridge Property, or any other person who claims entitlement to a commission or finder's fee based upon the terms of this Agreement. Breckenridge shall indemnify and hold harmless the County from any claims made by a real estate broker and/or any other person who claims entitlement and all liabilities, costs and expenses related thereto, including reasonable attorneys' fees, which may be incurred by the County party in connection with such claims. The terms of this section shall survive any termination or expiration of this Agreement.

12. Amendments. This Agreement may only be amended or modified only by a subsequent written instrument duly executed by both parties.

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13. Governing Law and Venue. This Agreement will be governed by and construed in accordance with the laws of the State of Washington. Venue for any action in law or equity arising from or related to the terms of this Agreement shall be in the Superior Court of the State of Washington in and for the County of Skagit.

14. Time of the Essence. Time is of the essence of this Agreement and of all acts required to be done and performed by the parties hereto.

15. Waiver. Neither party's waiver of the breach of any covenant under this Agreement will be construed as a waiver of the breach of any other covenants or as a waiver of a subsequent breach of the same covenant.

16. Assignment. Breckenridge shall not assign this Agreement to any other party without the County's prior written consent, which consent may not be unreasonably withheld.

17. Additional Acts. Except as otherwise provided herein, in addition to the acts and deeds recited herein and contemplated to be performed, executed and/or delivered by any party hereto, the parties agree to reasonably perform, execute and/or deliver, or cause to be performed, executed and/or delivered, any and all such reasonable further acts, deeds and assurances, which may reasonably be required to effect the Agreement contemplated herein.

18. The individual(s) signing this Agreement, if on behalf of an entity, trust, corporation, or limited partnership, represent and warrant that they have full right and authority to execute and legally bind the entity, trust, corporation, or limited partnership to the provisions of this Agreement.

19. The parties recognize and agree that this Agreement is not confidential, and unless privileged or otherwise exempt from disclosure, any documents and/or materials arising from and/or related to this Agreement may be subject to public disclosure pursuant to applicable law (including, but not limited to RCW 42.56).

20. Neutral Authorship. Each of the terms and provisions of this Agreement have been reviewed and negotiated, and represents the combined work product of the parties hereto. No presumption or other rules of construction which would interpret the provisions of this Agreement in favor of or against the party preparing the same shall be applicable in connection with the construction or interpretation of any of the provisions of this Agreement. The parties represent that they have had a full and fair opportunity to seek legal advice with respect to the terms of this Agreement and have either done so, or have voluntarily chosen not to do so. The County does not represent Breckenridge. The parties represent and warrant that they have fully read this Agreement, that they are duly authorized to enter into this Agreement, that they understand its meaning and effect, and that they enter into this Agreement with full knowledge of its terms. The parties have entered into this Agreement without duress or undue influence.

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CONVERSION REIMBURSEMENT AGREEMENT

21. Compliance with Laws, Permits, and Terms of Grant(s). The parties to this Agreement shall comply with all applicable federal, state, and local laws, rules, and regulations in carrying out the terms and conditions of this Agreement. As necessary, Breckenridge shall obtain and comply with all necessary permits and approvals from all applicable jurisdictions prior to (or in conjunction with) commencing any implementation of the proposed Conversion described per this Agreement (including, but not limited to the anticipated BLA). Breckenridge shall also comply with all terms and conditions of all grant(s) related to the Conservation Easement and the proposed Conversion (including the RCO grant agreement "Funding Board Project Agreement" #14-2178A; Skagit County Contract # 20150452), and Breckenridge shall be responsible and liable for compliance with all terms and conditions of any such permit(s), approval(s) and/or grant(s), and Breckenridge shall defend, indemnify, and hold the County harmless form any claims, liabilities, and/or damages arising from or related to noncompliance (or alleged noncompliance) with the terms and conditions of any such permit(s), approval(s) and/or grant(s). The terms of this section shall survive any termination or expiration of this Agreement.

22. No Partnership or Joint Venture. No partnership and/or joint venture exists between the parties, and no partnership and/or joint venture is created by and between the parties by virtue of this Agreement. No agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the parties shall be deemed an agent, employee, contractor, subcontractor, consultant, volunteer, or other representative of the other party.

23. No Third Party Beneficiaries. Except as pertaining to the RCO, this Agreement is not intended to nor does it create any third party beneficiary or other rights in any third person or party, including, but not limited to, members of the general public, any property owners and/or residents in the vicinity of the Breckenridge Property, and/or any agent, contractor, subcontractor, consultant, employee, volunteer, or other representative of either party.

24. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to the proposed Conversion of a portion of the Breckenridge Property, and supersedes all prior agreements and understandings, oral or written, between the parties relating to the subject matter of this Agreement.

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CONVERSION REIMBURSEMENT AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date set forth above.

BRECKENRIDGE: **Marc E. Breckenridge,** as his separate property.

By: Mark E. Breckenridge

Dated: DECEMBER 21, 2022

STATE OF WASHINGTON }
} ss.
COUNTY OF SKAGIT }

I certify that I know or have satisfactory evidence that Mark E. Breckenridge, as his separate property, is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he executed the forgoing instrument as his duly authorized free and voluntary act for the uses and purposes herein mentioned.

DATED this 21st day of DECEMBER, 2022.

Diana K Whitney
Notary Public
State of Washington
Commission Number 109449
My Commission Expires
May 15, 2025

(SEAL)

Notary Public

Print name: DIANA K WHITNEY

Residing at: BOW WA
My appointment expires: MAY 15, 2025

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CONVERSION REIMBURSEMENT AGREEMENT

COUNTY:

DATED this 17 day of January, 2023.

BOARD OF COUNTY COMMISSIONERS
SKAGIT COUNTY, WASHINGTON

Ron Wesen, Chair

ABSENT
Lisa Janicki, Commissioner

Peter Browning, Commissioner

Attest:

Clerk of the Board

Authorization per Resolution R20160001:

County Administrator

Recommended:

Department Head

Approved as to form:

1/3/23
Civil Deputy Prosecuting Attorney

Approved as to indemnification:

Risk Manager

Approved as to budget:

Budget & Finance Director

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CONVERSION REIMBURSEMENT AGREEMENT

STATE OF WASHINGTON } ss.
COUNTY OF SKAGIT

I certify that I know or have satisfactory evidence that Ron Wesen, ~~Lisa Janicki~~, and/or Peter Browning, are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as Commissioners of Skagit County, to be the free and voluntary act of such party for the uses and purposes herein mentioned.

DATED this 17 day of January, 2023.

(SEAL) AMBER ERPS NOTARY PUBLIC STATE OF WASHINGTON COMM. NO. 163735 MY COMM. EXP. 01-23-25

Amber Erps

Notary Public
Print name: Amber Erps
Residing at: Mount Vernon
My appointment expires: 1-23-2025

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CONVERSION REIMBURSEMENT AGREEMENT

EXHIBIT "A"

Copy of Grant Deed of Conservation Easement ("Conservation Easement"), Skagit County Contract # C20160212, dated May 16, 2016, recorded per Auditor's File No.: 201608020021.

SKAGIT COUNTY
Contract # C20160212
Page 1 of 35

201608020021
Skagit County Auditor $107.00
8/2/2016 Page 1 of 35 10:36AM

After recording return to:

Skagit County Farmland Legacy Program
Skagit County Commissioners Administration Building
1800 Continental Place
Mount Vernon WA 98273

Grant Deed of Conservation Easement

Grantor:	**Marc E Breckenridge** PO Box 322 Bow, WA 98232
Grantee:	**Skagit County, a political subdivision of the State of Washington** Skagit County Farmland Legacy Program Skagit County Commissioners Administration Building 1800 Continental Place Mount Vernon WA 98273
Third-party beneficiaries:	☐ United States, through the US Department of Agriculture ☒ State of Washington, through the Recreation and Conservation Office ☐ Other: n/a
Abbreviated Legal Description:	N ½ of NW ¼, 9-35-3 E W.M. *See exhibit A for a full legal description.*
Assessor's Property Number(s):	P33966 Land Title and Escrow #145146-0E
Size of Protected Property:	78 ±acres Maximum Impervious Surface: 2%
Consideration:	$155,000 Value Ratio: 21%
Property Characterization:	predominantly open farmland; *see exhibit C for a more complete characterization.*
Index of Exhibits:	The following exhibits are attached and incorporated into this Easement.

☒	Exhibit A	Legal Description
☒	Exhibit B	Site Map/Plan and Building Envelope
☒	Exhibit C	Property Characterization
☒	Exhibit D	Baseline Documentation
☐	Exhibit E	USDA Rights and Requirements
☒	Exhibit F	RCO Rights and Requirements
☒	Exhibit G	Subordination Agreement

form updated 11/17/2015 page 1

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Grantor Acknowledgements

By initialing below, Grantor explicitly acknowledges that this Easement, in summary:

Prohibits use of the property for any purpose other than agricultural production (more specifically described in section 7).

Prohibits construction of buildings except those explicitly allowed in section 7.3.

Prohibits construction of impervious surface in excess of the amount provided in section 8.3.

Prohibits any division or partition of the property, including the sale of any portion of it, except as explicitly allowed in section 9.

Prohibits adjustment of the property's boundary lines, except as explicitly allowed in section 9.2.

The Grantor also acknowledges receiving $155,000 in consideration for granting this Easement, as described below.

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SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX
20160319
AUG 02 2016
Amount Paid $ 3333.80
Skagit Co. Treasurer
By MG Deputy

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Background and Definitions

1 Grantor and Grantee

1.1 This grant deed of conservation easement ("Easement") is made by Grantor in favor of Grantee.

1.2 The terms "Grantor" and "Grantee," wherever used in this Easement, and any pronouns used in their place, mean and include, respectively, the above-named Grantor, and its personal representatives, heirs, successors, and assigns, and the above-named Grantee, its personal representatives, successors, and assigns.

1.3 The term "Party" means Grantor or Grantee; "the Parties" means Grantor and Grantee together.

1.4 Any "third-party beneficiary" indicated on page 1 is a third-party beneficiary to this easement, and has certain rights, including third-party right of enforcement.

2 Protected Property

2.1 Grantor is the sole owner in fee simple of the real property (the "Protected Property") in Skagit County, Washington, described in Exhibit A, Legal Description, and shown on Exhibit B, Site Map/Plan. In the event of a conflict between the Legal Description and the Site Map/Plan, the Legal Description should be considered authoritative.

2.2 The Protected Property is predominantly open farmland; see Exhibit C, Property Characterization, for a more complete characterization.

3 Conservation Values

3.1 The Protected Property is of significant agricultural value to Grantor, the people of Skagit County, and the people of the State of Washington. The "Conservation Values" include protection of agricultural productivity and protection of prime and important agricultural soils.

3.2 The specific Conservation Values and characteristics of the Protected Property are documented in an inventory of relevant features of the Protected Property, attached as Exhibit C, Property Characterization, and Exhibit D, Baseline Documentation. The Baseline Documentation consists of reports, maps, photographs, and other documentation that provide, collectively, an accurate representation of the Protected Property at the time of this grant of Easement and that is intended to serve as an objective information baseline for monitoring compliance with the terms of this Easement.

3.3 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 Grantee in perpetuity.

Terms and Conditions

4 Conveyance and Consideration

4.1 For the reasons stated above, in consideration of the mutual covenants, terms, conditions, and restrictions contained herein, Grantor hereby grants, conveys, and warrants to Grantee a conservation easement in perpetuity over the Protected Property, consisting of the rights in the Protected Property, hereinafter enumerated, subject only to the restrictions contained in this Easement.

4.2 This conveyance is of an interest in real property under the provisions of RCW 64.04.130 and RCW 84.34.210, subject only to the mutual covenants, terms, conditions, and restrictions set forth in this Easement and to title matters of record as of the effective date of this Easement.

4.3 Grantor expressly intends that this Easement run with the land and that this Easement be binding upon Grantor's personal representatives, heirs, successors, and assigns in perpetuity.

5 Purpose

5.1 It is the Purpose of this Easement (the "Purpose"):

(a) to ensure that the Protected Property will be retained forever for agricultural productivity and use;

(b) to ensure no net loss of agricultural lands;

(c) to protect prime and important agricultural soils; and

(d) 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.

5.2 Grantor intends that this Easement will confine the use of, or activity on, the Protected Property to such uses and activities that are consistent with the Purpose and terms of this Easement.

5.3 The Parties intend that this Easement be interpreted in a manner consistent with the Purpose.

6 Rights Conveyed to Grantee

To accomplish the Purpose of this Easement, Grantor conveys the following rights to Grantee:

6.1 **Protection**: To preserve and protect in perpetuity, and to enhance by mutual agreement, the Conservation Values of the Protected Property.

6.2 **Access for Monitoring and Enforcement**:

(a) To enter the Protected Property annually, upon prior written notice to Grantor, for the purpose of (a) identifying the current uses and practices on the Protected Property and the condition of the Protected Property, and (b) monitoring the uses and activities on the Protected Property to determine whether they are consistent with this Easement.

(b) To enter the Protected Property at such other reasonable times as are necessary if Grantee has a reason to believe that a violation of the Easement is occurring or has occurred, for the purpose of identifying, mitigating, or terminating the violation and otherwise enforcing the provisions of this Easement. Entry must be after prior reasonable notice to Grantor, and Grantee may not in any case unreasonably interfere with Grantor's use and quiet enjoyment of the Protected Property.

(c) To enter upon the Protected Property, at a mutually agreeable date and time and upon prior notice to Grantor, to inspect the Protected Property after major natural events occur, such as fires, windstorms, and floods.

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6.3 **Development Rights:** This Protected Property contains two development rights; one development right is exercised as an existing residential dwelling within the Protected Property To prevent further development of the Protected Property, Grantor hereby grants to Grantee all development rights and the Parties agree that such rights may not be used on or transferred off of the Protected Property as it now or later may be bounded or described, or to any other property adjacent or otherwise, or used for the purpose of calculating permissible lot yield or density of the Protected Property or any other property.

6.4 **Injunction and Restoration**: To enjoin any use of, or activity on, the Protected Property that is inconsistent with the Purpose of this Easement, including trespasses by members of the public, and to require, or to otherwise cause, restoration of such areas or features of the Protected Property as may be damaged by uses or activities inconsistent with the provisions of this Easement, all in accordance with section 14, Enforcement—Grantee's Remedies.

6.5 **Enforcement**: To enforce the terms of this Easement, consistent with section 14, Enforcement—Grantee's Remedies.

6.6 **Assignment**: To assign, convey, or otherwise transfer Grantee's interest in the Protected Property in accordance with section 18, Assignment.

7 Permitted Uses and Activities

7.1 Grantor reserves for itself and its personal representatives, heirs, successors and assigns, all rights accruing from ownership of the Protected Property, including the right to engage in, 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 Easement and that is not specifically prohibited or otherwise limited by this Easement. Without limiting the generality of this paragraph, Grantor specifically reserves for itself and its personal representatives, heirs, successors, and assigns, the following uses and activities, which are limited in the manner provided below.

7.2 **Retained Uses**:

(a) **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. For the purpose of this paragraph, "agricultural production" means the production, processing, storage, or retail marketing of crops, livestock, and livestock products, including but 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.

(b) **Recreational**: Subject to the limitations of subsection 8.9, Grantor retains the right to use the Protected Property for lawful recreational uses, including, but not limited to, hunting and fishing and other undeveloped recreational use, to the extent that the recreational use does not interfere with the Purpose and terms of this Easement, and maintains the primacy of, and remains subordinate to, the farmland character and use of the Protected Property.

(c) **Residential**: Grantor retains the right to use the Protected Property for residential use, including, but not limited to, repair, maintenance, restoration, and replacement, to the extent that the residential use does not interfere with the Purpose and terms of this Easement, and maintains the primacy of, and remains subordinate to, the farmland character and use of the Protected Property.

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7.3 **Construction of Buildings and Improvements**: Except as otherwise specifically provided for in this Easement, Grantor may construct, reconstruct, or otherwise improve the Protected Property only as provided below.

(a) **Approval and notice required.** Construction of the following improvements is allowed only within the Building Envelope(s) identified on the map in Exhibit B, only with approval of Grantee as provided for in section 12.4, and only when consistent with the impervious surface limitations in section 8.3. The Site Plan and Building Envelope are synonymous unless otherwise noted in Exhibit B.

(1) **New Agricultural Structures**: An agricultural structure that is an integral part of the farm operation.

(2) **Farmworker Housing:** Temporary placement of additional farmworker housing.

(3) **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. For the existing residential structure, this also includes ancillary residential structure improvements, including, but not limited to, a garage and outbuildings.

(b) **Notice required.** Construction of the following improvements is allowed only when Grantor provides notice to Grantee in compliance with section 12, Notice, prior to undertaking any construction, reconstruction, or other improvement on the Protected Property.

(1) **Existing Agricultural Structures and Improvements:** Agricultural structures and improvements existing as of the Effective Date of this Easement and shown on Exhibit B may be repaired, reasonably enlarged, and replaced at their locations as shown on Exhibit B and only when consistent with the impervious surface limitations in subsection 8.3.

(2) **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.

(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 Easement 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 Easement may be installed, maintained, repaired, or improved.

7.4 **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. Any road paved or otherwise covered with concrete, asphalt, or any other impervious paving material is subject to the impervious surface limitations in subsection 8.3.

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7.5 **Composting, Use, and Storage of Agricultural Wastes or other Waste Materials**: Grantor may compost, use, and store agricultural waste and byproducts on the Protected Property, consistent with the Purpose of this Easement. Any such waste may be stored only temporarily and must be stored in appropriate containment and removed at reasonable intervals and in compliance with applicable federal, state, and local laws. Any storage facilities are subject to the impervious surface limitations in subsection 8.3.

7.6 **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 Easement. Grantor may not materially impair the natural course of the surface water drainage or runoff flowing over the Protected Property. Grantor must preserve existing natural watercourses in their natural state.

7.7 **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 this Easement.

7.8 **Emergencies**: Grantor may undertake other activities necessary to protect public health or safety or prevent significant property damage on the Protected Property, or that are actively required by and subject to compulsion of any governmental agency with authority to require such activity. Any such activity must avoid interference with the Conservation Values of the Protected Property, or, if avoidance is not possible, minimize interference as much as possible.

8 Prohibited Uses and Activities

8.1 **General**: Any use of, or activity on, the Protected Property inconsistent with the Purpose of this 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 Conservation Values and the Purpose of this Easement and are prohibited, except as permitted in section 7, Permitted Uses and Activities.

8.2 **Construction**: The placement or construction of any buildings, structures, or other improvements of any kind is prohibited, except as permitted in section 7.3.

8.3 **Impervious Surface**:

(a) The total area covered by impervious surface is limited to the percentage of the Protected Property shown on page 1, inclusive of any and all impervious surfaces established prior to this Easement and the addition of any and all creation of impervious surfaces on any portion of the Protected Property.

(b) Minor unenclosed agricultural improvements such as corrals, hayracks, headgates, fences, ditches, culverts, stock tanks, or other minor agricultural structures do not count against this total impervious surface limit.

(c) "Impervious surface" means hard surface areas that either prevent or retard the entry of water into the soil mantle as under natural conditions before development or that cause water to run off the surface in greater quantities or at an increased rate of flow from the flow present under natural conditions before development. Impervious surfaces include, but are not limited to, roofs, walkways, patios, driveways, parking lots, storage areas, areas that are paved, graveled or made of packed or oiled earthen materials, or other surfaces that similarly impede the natural infiltration of surface and storm water. Impervious surfaces do not include an open uncovered flow control or storage area or water quality treatment facility, provided that the construction and maintenance of such area or facility is consistent with the Purpose and terms of this Easement.

8.4 **Commercial Signs**: The placement of commercial signs, billboards, or other advertising material on the Protected Property is prohibited except in connection with the onsite sale of agricultural products or the sale or lease of the Protected Property or to state the conditions of access to the Protected Property.

8.5 **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 Easement.

8.6 **Kennels**: Kennels as defined in the Skagit County zoning code are prohibited.

8.7 **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 is 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 must 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 those activities, Grantor must promptly restore any affected portion of the Protected Property as nearly as possible to its prior condition.

8.8 **Motorized vehicles**: Grantor may not use motorized 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. 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.

8.9 **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 use of the property that requires special buildings, structures, or facilities.

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8.10 **Waste and Hazardous Substances**: Except as expressly permitted in section 7, the disposal or storage of rubbish, garbage, debris, vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste, or hazardous substances on the Protected Property is prohibited. "Hazardous substances" means mean any substances, materials, or wastes that are hazardous, toxic, dangerous, or harmful or are designated as, or contain components that are, or are designated as, hazardous, toxic, dangerous, or harmful, or that are subject to regulation as hazardous, toxic, dangerous, or harmful or as a pollutant by any federal, state, or local law, regulation, statute, or ordinance, including, but not limited to, petroleum or any petroleum product, but does not include biosolids, herbicides, pesticides, rodenticides, insecticides, and fertilizers that may be legally used on the Protected Property.

8.11 **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 Easement and permitted by applicable law.

8.12 **Water Rights**: Grantor may 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 approval of Grantee as provided for in section 12. Grantor may not abandon or allow the abandonment of, by action or inaction, any of the water rights without the permission of Grantee.

9 Subdivision, Boundary Line Adjustments, and Development Rights

9.1 The legal or de facto division, subdivision, platting, partitioning, or planned unit development of the Protected Property is prohibited.

(a) Legally created lots of record existing at the time of recording of this Easement may be conveyed separately but no other tracts of land may be alienated into separate ownership. Such conveyance is not permissible until an amendment to this Easement is recorded that addresses allocation of impervious surface and water rights and any other issues affecting the purposes of the Easement arising out of the conveyance or division of ownership.

(b) Grantee may not unreasonably withhold consent for such an amendment.

9.2 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 17. Grantee may withhold consent for such an amendment for any reason.

9.3 The boundary of the Protected Property may only be changed by amendment of this Conservation Easement per section 17. Grantee may withhold consent for such an amendment for any reason.

9.4 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.

10 Stewardship

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

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federal, state, or local programs that benefit soil conservation are allowed. All agricultural operations must be conducted in accordance with applicable law.

11 Access by Public Not Required

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

12 Notice and Approval

12.1 **Purpose of notice:** 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 Easement.

12.2 **When is notice required?** Grantor must notify Grantee and any Beneficiary in writing before:

(a) Construction of any buildings, structures, or improvements as required under section 7.3, at the time of permit application or pre-application;

(b) Grading activities requiring a permit from Skagit County, at the time of permit application;

(c) Transferring any interest in all or a portion of the Protected Property (as required under section 16.4), at least 45 days prior to the date of such transfer.

12.3 **What must the notice contain?** The notice must 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 Easement.

12.4 **Approval**: Where approval by (or consent of) Grantee is required, the Grantee must approve or deny in writing within 30 days of receipt of the written notice, and such approval may not be unreasonably withheld. Grantee's approval may include reasonable conditions that, if satisfied, would ensure that the proposed use or activity would not be inconsistent with the Purpose of this Easement. Failure by the Grantee to approve or deny within the time provided creates a presumption of approval. Whenever approval of the Grantee is required, approval of any Beneficiary is also required.

12.5 **Optional Consultation**: If Grantor is unsure whether a proposed use or activity is prohibited by this Easement, 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 Easement and to provide comments thereon to Grantor for the Purpose of this Easement only. This paragraph 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 30 days after Grantee's receipt of Grantor's notice, Grantee is deemed to have approved the proposed use or activity.

12.6 **Addresses**: Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other must be in writing and either served personally or sent by first class certified mail, postage prepaid, to the addresses of Grantor and Grantee noted on page 1, or other address as either party designates by written notice to the other. Notices must also be sent to any other third-party beneficiary identified on page 1 to the addresses specified in the relevant exhibits.

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13 Dispute Resolution—Grantee's Remedies

13.1 **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 Easement 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.

13.2 **Optional Alternative Dispute Resolution**: If a dispute is not resolved through preventative discussions, 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.

14 Enforcement—Grantee's Remedies

14.1 **Notice of Violation**: If Grantee determines that Grantor is in violation of the terms of this Easement or that a violation is threatened, Grantee may 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 Easement, to restore the portion of the Protected Property so injured to its prior condition in accordance with a plan approved by Grantee.

14.2 **Grantor's Failure to Cure**: Grantee may bring an action as provided in section 14.3 if Grantor:

(a) Fails to cure the violation within 30 days after receipt of a notice of violation from Grantee; or

(b) Under circumstances where the violation cannot reasonably be cured within a 30-day period, fails to begin curing the violation within the 30-day period and fails to continue diligently to cure such violation until finally cured.

14.3 **Grantee's Action:**

(a) **Injunctive Relief**: Grantee may bring an action at law or in equity in a court having jurisdiction to enforce the terms of this Easement:

(1) To enjoin the violation, ex parte as necessary, by temporary or permanent injunction; and

(2) To require the restoration of the Protected Property to the condition that existed prior to any such injury.

(b) **Damages**: Grantee is entitled to recover damages for violation of the terms of this Easement or injury to any Conservation Values protected by this 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.

14.4 **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.

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14.5 **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 Easement. Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee is 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 Easement, without the necessity of providing either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described in this section are cumulative and in addition to all remedies now or hereafter existing at law or in equity.

14.6 **Costs of Enforcement**: In the event Grantee must enforce the terms of this Easement, Grantor must pay 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 Easement and Grantee's reasonable enforcement expenses, including attorneys' and consultants' fees, must be paid 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 an Easement violation without initiating or completing a judicial proceeding, the costs of such restoration and Grantee's reasonable expenses must be paid 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.

14.7 **Grantee's Discretion**: Grantee acknowledges its commitment to protect the Purpose of the Easement. Enforcement of the terms of the Easement is at the discretion of Grantee, and any forbearance by Grantee to exercise its rights under this Easement in the event of any breach of any terms of this Easement by Grantor, its agents, employees, contractors, family members, invitees, or licensees must not be deemed or construed to be a waiver by Grantee of such term or any of Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantor may impair such right or remedy or be construed as a waiver of such term or any of Grantee's rights under this Easement. No grant by Grantee in its governmental or regulatory capacity of any building permit, grading permit, land use approval, or other development approval may be deemed or construed to be a waiver of any term or any of Grantee's rights under this Easement.

14.8 **Waiver of Certain Defenses**: Grantor acknowledges that it has carefully reviewed this Easement and has consulted with and been advised by counsel of its terms and requirements. In full knowledge of the provisions of this Easement, Grantor hereby waives any claim or defense it may have against Grantee or its successors or assigns under or pertaining to this Easement 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 12 of this Easement. 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 Easement.

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14.9 **Acts Beyond Grantor's Control**: Nothing contained in this Easement may 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 Easement 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.

14.10 **Compliance Certificates**: Upon request by Grantor, Grantee must within 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 Easement and otherwise evidences the status of this Easement. Such certification must be limited to the condition of the Protected Property as of Grantee's most recent inspection. If Grantor requests more current documentation, Grantee may conduct an inspection, at Grantor's expense, within 30 days of receipt of Grantor's written request.

15 Costs, Liabilities and Insurance, Taxes, Environmental Compliance, and Indemnification

15.1 **Costs, Legal Requirements, Liabilities, and Insurance**: Grantor retains all responsibilities and will 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 Easement, and any such construction or other activity or use must be undertaken in accordance with all applicable federal, state, and local laws, regulations, and requirements. Grantor will 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 must be deemed to be free of such liens if Grantor is diligently challenging the application of such liens to the Protected Property.

15.2 **Taxes**: Grantor must 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 Easement, and must 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 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 will bear interest until paid by Grantor at the maximum rate allowed by law.

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

(a) 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 use;

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15.5 **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.

15.6 **Control**: Nothing in this Easement may 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.

15.7 **Indemnification**: Grantor hereby agrees to release and hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors and the personal representatives, heirs, successors, and assigns of each of them 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:

(a) Injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Protected Property, regardless of cause unless due solely to the negligence of any of the Indemnified Parties; and

(b) The obligations, covenants, representations, and warranties in section 15.3.

16 Extinguishment, Condemnation, and Subsequent Transfer

16.1 **Extinguishment**: If circumstances arise that render the Purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, upon a finding and declaration to that effect by a court of competent jurisdiction. Grantor's inability to carry on any or all of the permitted uses, or the unprofitability of doing so, does not impair the validity of this Easement and is not grounds for its extinguishment.

16.2 **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 Easement, in whole or in part, Grantor and Grantee must 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 must be paid out of the amount recovered.

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(b) There has been no release, dumping, burying, abandonment or migration from off-site on the Protected Property of any substances, materials, or wastes that are hazardous, toxic, dangerous, or harmful or are designated as, or contain components that are, or are designated as, hazardous, toxic, dangerous, or harmful and/or that are subject to regulation as hazardous, toxic, dangerous, or harmful in violation of any federal, state or local law, regulation, statute, or ordinance;

(c) 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

(d) 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.

15.4 **Environmental Warranty**: Grantor warrants that the Protected Property is in compliance with, and will 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.

Moreover, Grantor hereby promises to hold harmless and indemnify the Grantee (and any other third-party beneficiary with property interest) against all litigation, claims, demands, penalties and damages, including reasonable attorney's 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 or the United States to Grantor 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.

16.3 **Valuation**: In the event of an extinguishment, or the taking of all or part of the Protected Property by eminent domain, the Grantee is entitled to a share of gross sale proceeds or condemnation award equal to the value of the Easement. For purposes of this section, the Parties agree that this Easement's value is determined by multiplying (a) the fair market value of the Protected Property unencumbered by the Easement (minus any increase in value attributable to improvements on the Protected Property), at the time of termination or extinguishment, by (b) the Valuation Ratio shown on page 1, which is the ratio of the appraised value of this Easement to the unrestricted fair market value of the Protected Property as these values were determined on the effective date of this Easement.

16.4 **Application of Proceeds:** Grantee must return any proceeds received due to extinguishment or condemnation to Skagit County's Conservation Futures Fund or its successor fund for use in purchasing conservation easements or development rights on other eligible sites under the program or successor program.

16.5 **Subsequent Transfers:**

(a) Grantor agrees to:

(1) Incorporate the terms of this Easement 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 Easement 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 financer, acknowledging their awareness of this Easement and their intent to comply with it. Such certificate must 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 45 days prior to the date of such transfer. Such notice to Grantee must include the name, address, and telephone number of the prospective transferee or the prospective transferee's representative.

(b) The failure of Grantor to perform any act required by this subsection does not impair the validity of this Easement or limit its enforceability in any way.

17 Amendment

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

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18 Assignment

This Easement is transferable, but Grantee may assign its rights and obligations under this Easement only to the Grantee's judicially appointed successor, except as provided in section 20.7. As a condition of transfer, Grantee must require that the transferee exercise its rights under the assignment consistent with the Purpose of this Easement. Grantee must notify Grantor in writing in advance of such assignment. The failure of Grantee to give such notice does not affect the validity of such assignment nor does it impair the validity of this Easement or limit its enforceability in any way.

19 Recording

Grantee will 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 Easement.

20 General Provisions

20.1 **Controlling Law**: The interpretation and performance of this Easement is governed by the laws of the State of Washington.

20.2 **Counterparts**: The parties may execute this instrument in two or more counterparts, each of which must be signed by all parties. Each counterpart is 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 controls.

20.3 **Entire Agreement**: This instrument 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 Easement. No alteration or variation of this instrument is valid or binding unless contained in an amendment that complies with section 17.

20.4 **Joint and Several**: The obligations imposed by this Easement upon Grantor are joint and several.

20.5 **Liberal Construction**: Any general rule of construction to the contrary notwithstanding, this Easement must be liberally construed in favor of the grant to achieve the Purpose of this Easement and the policy and purpose of RCW 64.04.130 and RCW Chapter 84.34. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purpose of this Easement that would render the provision valid must be favored over any interpretation that would render it invalid.

20.6 **No Forfeiture**: Nothing in this Easement will result in a forfeiture or reversion of Grantor's title in any way.

20.7 **No Merger**: In the event Grantee acquires all or a portion of the fee title to the Protected Property, the Parties intend that no merger of title will occur that would merge the restrictions of this Conservation Easement with fee title to the Protected Property and thereby eliminate them, and that the restrictions on the use of the Protected Property, as embodied in the Easement would remain permanent and perpetual restrictions on the use of the Protected Property. Grantee covenants to do whatever is required to prevent merge of title, including, if necessary, assignment of the Easement to an appropriate third party pursuant to section 18.

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20.8 **Severability**: If any provision of this Easement, or its application to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, 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, may not be affected. If any material provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid or unenforceable by any court of competent jurisdiction or is superseded by state or federal legislation, rules, regulations or decision, so that the intent of these provisions is frustrated, the parties agree to immediately negotiate a replacement provision to fulfill the intent of the superseded provisions consistent with the Purpose of this Easement and applicable law.

20.9 **Successors and Assigns**: The covenants, terms, conditions, and restrictions of this Easement are binding upon, and inure to the benefit of, the parties to this Easement and their respective personal representatives, heirs, successors, and assigns, and continue as a servitude running in perpetuity with the Protected Property.

20.10 **Termination of Rights and Obligations**: A party's rights and obligations under this Easement terminate upon transfer of the party's interest in the Easement or Protected Property, except that liability for acts or omissions occurring prior to transfer will survive transfer.

20.11 **Warranty of Title**: 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.

20.12 **Effective Date**: The effective date of this Easement is the date of recording in the records of Skagit County, Washington. This Easement is not effective until recorded.

Each party is signing this agreement on the date stated opposite that party's signature. The individuals signing below, if signing on behalf of any entity, represent and warrant that they have the requisite authority to bind the entity on whose behalf they are signing.

By: Name: Marc E Breckenridge 25 MAR 16 Date

State of Washington
County of Skagit

Individual Acknowledgement—RCW 42.44.100(1):

I certify that I know or have satisfactory evidence that Marc E Breckenridge is the person who appeared before me, and said person acknowledged that he/she signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in the instrument.

Dated: 3/25/2016

KARA SYMONDS NOTARY PUBLIC COMMISSION EXPIRES 07-01-2017 STATE OF WASHINGTON

(Notary seal or stamp above)

K Symonds
Signature of Notary Public

Kara Symonds
Printed Name of Notary Public

My appointment expires 7-1-2017

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The Skagit County Board of Commissioners does hereby accept the above Grant Deed of Conservation Easement this 16 day of May, 2016

Board of County Commissioners
Skagit County, Washington

Lisa Janicki, Chair

Ron Wesen, Commissioner

Kenneth A. Dahlstedt, Commissioner

Recommended:

Department Head

Approved as to form:

5/5/16

Civil Deputy Prosecuting Attorney

Approved as to indemnification:

Risk Manager

Approved as to budget:

Budget and Finance Director

Attest:

Clerk of the Board

State of Washington
County of Skagit

I certify that I know or have satisfactory evidence that Kenneth A. Dahlstedt, Lisa Janicki, and/or Ron Wesen are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the County Commissioners of Skagit County to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: May 16, 2016

AMBER KLLOGJERI
COMMISSION EXPIRES
NOTARY
PUBLIC
1-23-2017
STATE OF WASHINGTON

(notary seal or stamp above)

Signature of Notary Public

Amber Kllogjeri

Printed Name of Notary Public

My appointment expires 1-23-2017

UNOFFICIAL DOCUMENT

Acceptance of Property Interest by the Washington State Recreation and Conservation Office

The State of Washington, by and through the Washington State Recreation and Conservation Office, third-party Beneficiary, does hereby accept the above Grant Deed of Agricultural Conservation Easement.

WASHINGTON STATE RECREATION AND CONSERVATION OFFICE

By: Scott T. Robinson 2/6/16
Name: Scott T. Robinson Date
Title: Deputy Director

State of Washington
County of Thurston

I certify that I know or have satisfactory evidence that Scott T. Robinson is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Deputy Director of the Washington State Recreation and Conservation Office to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: February 4, 2016

LESLIE ANN FRANK NOTARY PUBLIC STATE OF WASHINGTON COMMISSION EXPIRES 07-09-17

(notary seal or stamp above)

Signature of Notary Public

Leslie Ann Frank
Printed Name of Notary Public

My appointment expires 7-9-17

Exhibit A. Legal Description

The North ½ of the Northwest ¼, Section 9, Township 35 North, Range 3 East, W.M.,

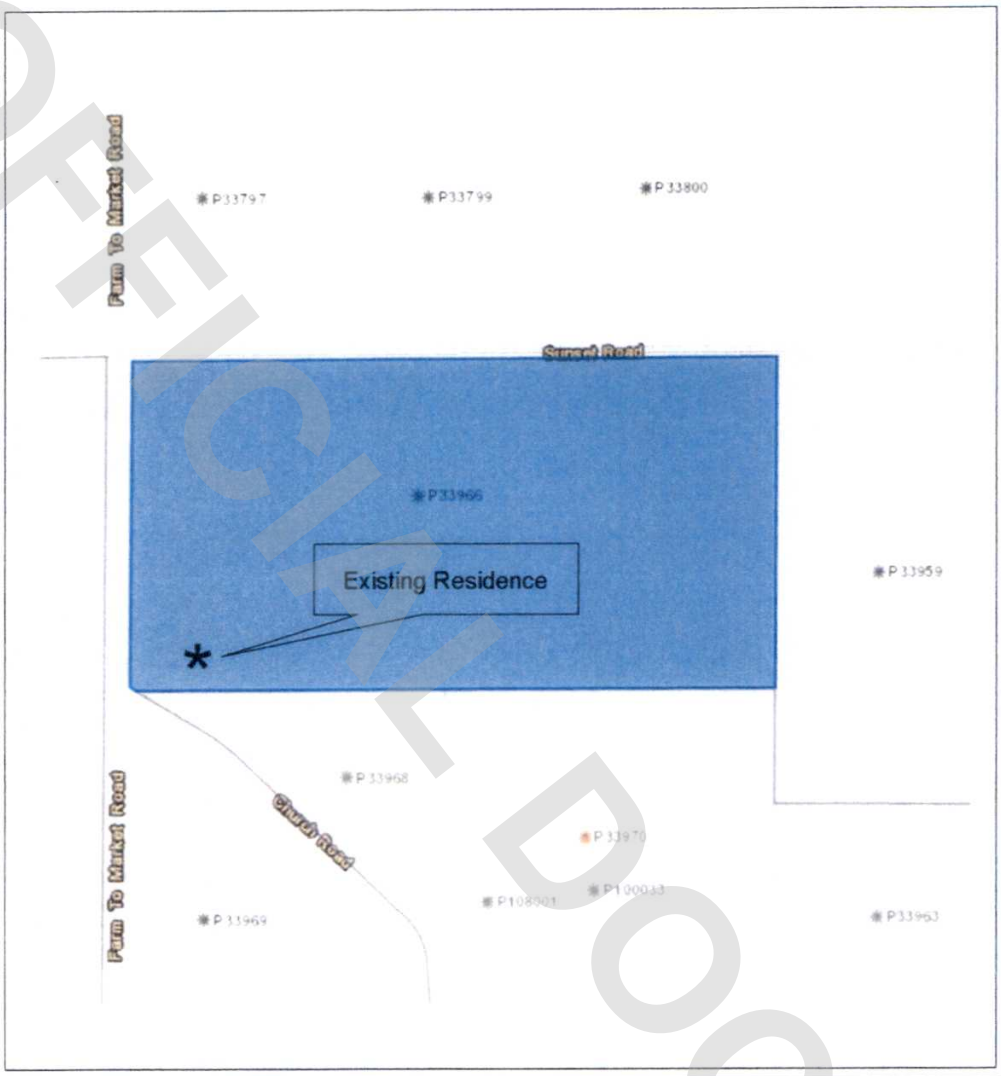
EXCEPT County roads and ditch rights of way as appropriated by court order in Skagit County Superior Court Cause No. 14070 on May 18, 1934.

Situate in the Count of Skagit, State of Washington.

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

Exhibit B. Site Map/Plan and Building Envelope



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Exhibit C. Property Characterization

The Protected Property is primarily open farmland that has been classified as "prime farmland" by the Natural Resources Conservation Service, U.S. Department of Agriculture, and has been zoned by Skagit County as Agriculture—Natural Resource Land., defined as "low flat land with highly productive soil and is the very essence of the County's farming heritage and character."

The Protected Property is generally located in northwest Skagit County, Washington, northwest of Burlington and south of the small town of Edison. More specifically, the subject land is located at the southeast corner of Farm to Market and Sunset Roads. This location is about three miles drive southwest of the community of Bow and about eight miles northwest of the City of Burlington. This location has a rural agricultural / residential neighborhood setting with convenient linkage to secondary and primary road systems. Farm to Market and Sunset Roads are agriculture neighborhood roads that are improved to rural county standards.

The Protected Property is used to support all typical crops grown in Skagit County, including potatoes, seed crops, grain, and grasses. The land has had an agriculture oriented use for several decades and specifically has been used to support growing various annual crops that are common to the Skagit Valley.

The subject Property is improved with a single family residence and a recreational shop building. The homestead encompasses about 1 acre and is situated near the southwest corner on the property. The house was constructed circa 1941 and has been generally maintained over the years. The house appears to be connected to an on-site septic system, electricity service, and a public water source.

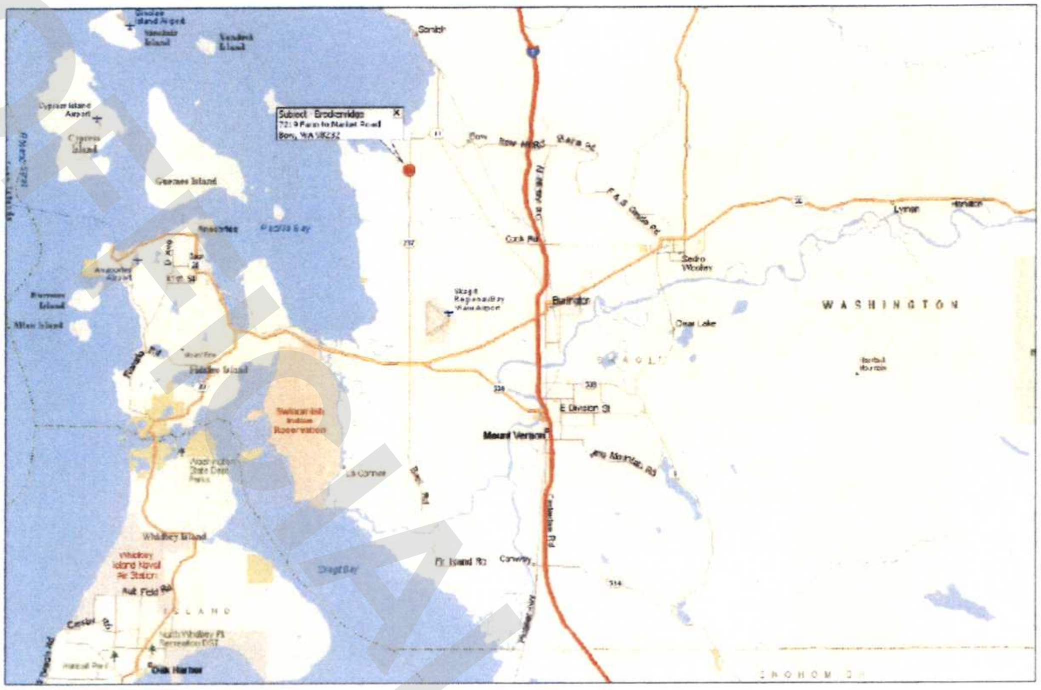
The primary physical access to the cropland and the dwelling is achieved directly from the east side of Farm to Market Road, near the southwest corner of the western border of the subject property. The access lane has a dirt/graveled surface that is minimally improved and that appears to allow for adequate entrance to the field from the public road, which is a County maintained right-of-way. The type of access is common for agriculture land in this market.

The subject land is inside zone A8 of the 100-year flood plain area as indicated by the applicable FEMA flood insurance rate maps, community panels 530151 0050 C, effective date January 3, 1985. Surface water drainage on the subject land is controlled by surface ditching when required and the network of existing permanent ditches in the neighborhood. Surface ditches are used to convey surface water to the permanent ditches that generally run along the perimeter and through the land.

The soil types that comprise the subject land are classified as Skagit silt loam and Sumas silt loam. The Skagit and Sumas soils are very deep and poorly to moderately drained found on flood plains and deltas. Permeability is moderate and available water capacity is high. According to the Soil Conservation Service survey manual, this soil is well suited to all crops commonly grown in the area if dikes and drainage are well maintained.

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Exhibit D. Baseline Documentation



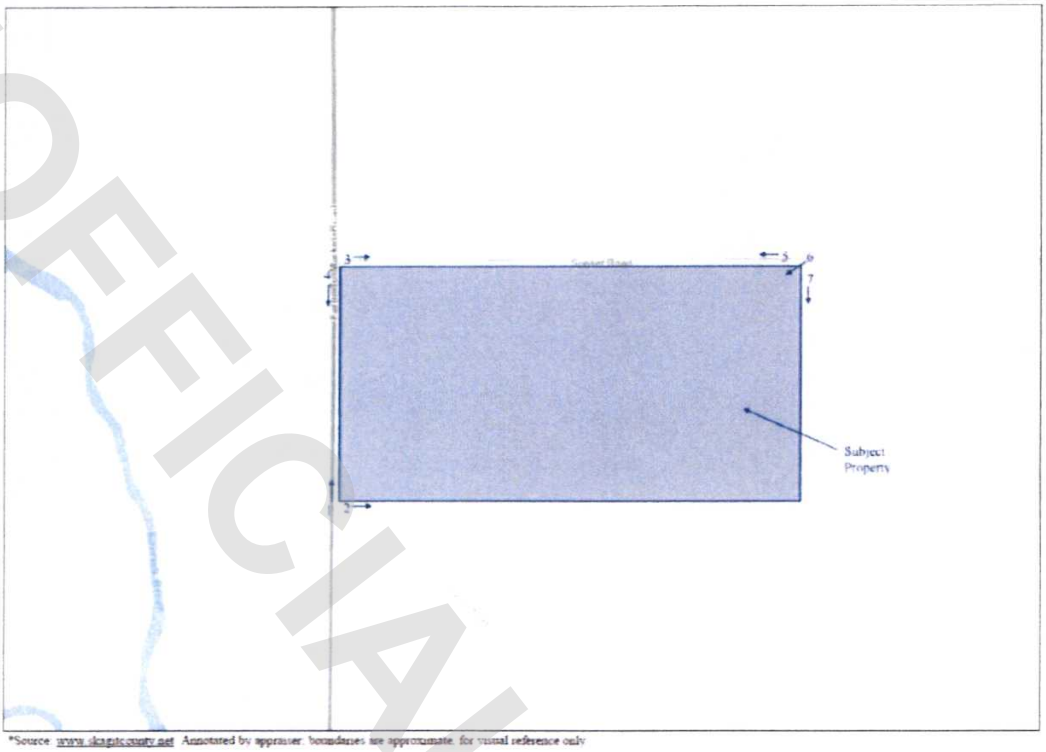
Regional Location Map



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

Aerial Photograph of Subject Property

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

Photograph Location Map

UNOFFICIAL DOCUMENT

UNOFFICIAL DOCUMENT

*All photographs taken by the appraiser, Robert W. Suttles, MAI on July 22, 2015

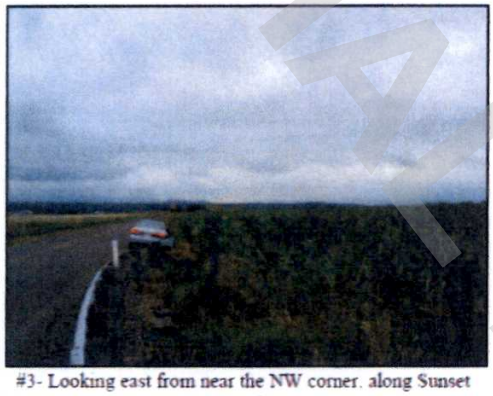
Subject Property Photographs



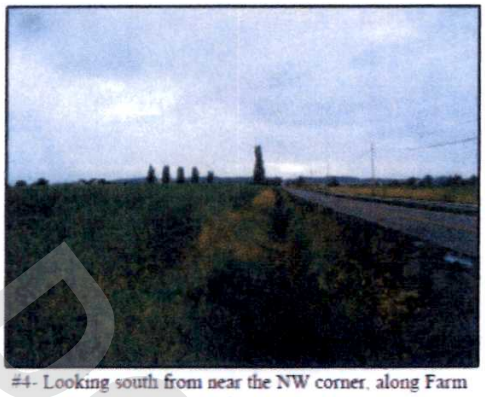
#1- Looking north from near the SW corner, along Farm to Market Road.



#2- Looking NE from near the SW corner.



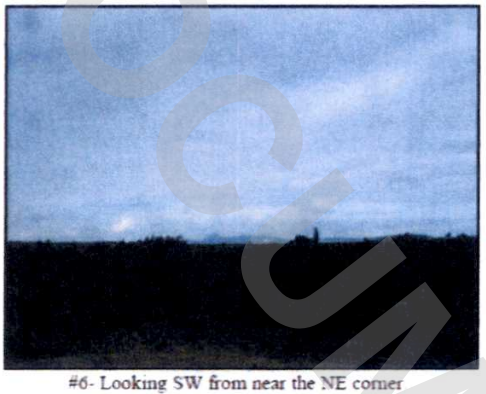
#3- Looking east from near the NW corner, along Sunset Road.



#4- Looking south from near the NW corner, along Farm to Market Road.



#5-Looking west from near the NE corner along Sunset Road.

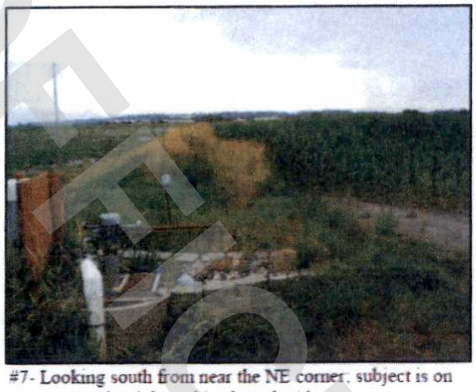


#6- Looking SW from near the NE corner.

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*All photographs taken by the appraiser, Robert W. Suttles, MAI on July 22, 2015

Subject Property Photographs



#7- Looking south from near the NE corner; subject is on the right and is planted with corn



#8- Subject driveway to homestead looking west toward Farm to Market Road





Exhibit E. USDA-Required Provisions

N/A

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Exhibit F. RCO Rights and Requirements

1. As indicated on page 1, RCO is a third-party beneficiary to this Easement, which was acquired in part with a grant from the Washington State Recreation and Conservation Office ("RCO") pursuant to grant agreement #14-2178A between RCO and Skagit County.

2. Notices to RCO should be sent to:

   Washington State Recreation and Conservation Office
   P.O. Box 40917
   Olympia, Washington 98504-0917

3. Permanent protection of the Protected Property will further the purposes of the Washington State Farmlands Preservation Account (FPA) established under RCW 79A.15.130(1), which provides that moneys appropriated to the FPA "must be distributed for the acquisition and preservation of farmlands in order to maintain the opportunity for agricultural activity upon these lands." The legislatively declared policies of the State of Washington in the Washington State Open Space Tax Act, Chapter 84.34 RCW (OSTA), provide that "it is in the best interest of the state to maintain, preserve, conserve, and otherwise continue in existence adequate open space lands for the production of food, fiber and forest crop, and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well-being of the state and its citizens." This reference to OSTA does not automatically enroll the Protected Property in the Skagit County open space taxation program.

4. Additional Prohibited Uses:

   (a) **No commercial feedlots.** The establishment or maintenance of a commercial feedlot is prohibited. For purposes of this Easement, a commercial feedlot is defined as a permanently constructed confined area or facility within which the land is not grazed or cropped annually, and that is used to receive livestock that are confined solely for the purpose of growing or finishing. However, seasonal confinement of animals raised on the Protected Property and year-round confinement for the commercial production of dairy products on the Protected Property are expressly permitted. Furthermore, nothing in this Section shall prevent Grantor from leasing pasture for the grazing of livestock owned by others.

   (b) **No aquaculture.** Grantor shall not engage in, or permit others to engage in, the commercial production of cultivated marine or freshwater aquatic products on the Protected Property.

   (c) **No Compensatory Mitigation.** The creation, enhancement, restoration or preservation of wetlands, fish or wildlife habitat, or other natural resources for the purpose of, directly or indirectly, compensating for or mitigating resource losses or damages in any way associated with actual or potential impacts of development except for impacts caused by Grantor on the Protected Property ("Compensatory Mitigation") is prohibited on the Protected Property. Compensatory Mitigation includes, but is not limited to, mitigation banking, conservation banking, and any other sale or exchange of mitigation credits based on the creation, restoration, enhancement and/or preservation of such natural resources within the Protected Property.

5. Third Party Right of Enforcement.

   (a) RCO is hereby granted third party right of enforcement of this Easement. As such, RCO may exercise all of the rights and remedies provided to Grantee herein, and is entitled to all of the indemnifications provided to Grantee in this Easement. RCO and Grantee each have

UNOFFICIAL DOCUMENT

independent authority to enforce the terms of this Easement; provided, however, that RCO expects that Grantee shall have primary responsibility for monitoring and enforcement of the Easement. In the event that RCO and Grantee do not agree as to whether the Grantor is complying with the terms of the easement, RCO or Grantee may proceed with enforcement actions without the consent of the other. If RCO elects to enforce the terms of this Easement, it shall first follow the dispute resolution process and remedies described in Sections 13 and 14 above; provided, however, that RCO shall not be obligated to repeat any non-judicial dispute resolution steps already taken by Grantee.

(b) This third party right of enforcement does not extend to any other third party and will automatically transfer to another State agency charged with maintaining, preserving, and/or restoring agricultural lands in the event RCO is dissolved or reorganized.

(c) In the event that the Easement is transferred or assigned without the consent of RCO, which consent shall not be unreasonably withheld, RCO may require that Grantee pay to RCO, at RCO's election, the higher of (i) an amount equal to the fair market value of this Easement, which shall be determined as provided in Section 16.3 and distributed as provided in Section 16.4; or (ii) an amount equal to the Total Project Cost as specified in the RCO Grant Agreement with interest due and payable from the date of breach at the rate provided for in RCW 43.17.240, as may be amended from time to time.

(d) In the event that the Protected Property is used by Grantor in a manner that is not consistent with the Purpose of this Easement or the terms of the RCO Grant Agreement, RCO shall have the right, in addition to any other remedies described in this Easement, to require that Grantor pay to RCO, at RCO's election, the higher of (i) an amount equal to the fair market value of this Easement, which shall be determined as provided in Section 16.3 and distributed as provided in Section 16.4; or (ii) an amount equal to the Total Project Cost as specified in the RCO Grant Agreement with interest due and payable from the date of breach at the rate provided for in RCW 43.17.240, as may be amended from time to time. Any costs, fees, or damages paid by Grantor for enforcement of this Easement or restoration of the Conservation Values pursuant to Section 9 shall be deducted from this amount. RCO agrees that it will follow the dispute resolution process and remedies described in Sections 13 and 14 before exercising this right, unless legally compelled to do otherwise. Any amounts due and owing RCO under this paragraph shall be due and owing within 120 days of receiving a written demand for repayment by RCO. Upon Grantor's repayment of such amount to RCO, Grantee and RCO agree to prepare and record, a deed amendment to release Grantor from any further obligations to RCO or Grantee under this Easement.

6. Joint Enforcement

(a) Before Grantee or any Beneficiary to this Easement exercises its rights to undertake mediation, arbitration or legal action as provided for in Sections 13 and 14, the party contemplating such action agrees to confer with the other parties holding enforcement rights under this Easement as to whether they will join the mediation, arbitration or legal action and share costs and expenses related to such action; provided, however, that this agreement to confer shall not be construed as a limitation on the ability of Grantee or any Beneficiary to this Easement to exercise its enforcement and other rights under this Easement. If Grantee and/or any Beneficiary to this Easement decide(s) to join in the action and share costs and expenses related to the action, the parties joining in the action and sharing costs and expenses related to the

action shall apply any recovery to reimburse such parties for their costs and expenses; provided, however, that any amount received based on loss of value to the easement, or resulting from condemnation and/or extinguishment of the Easement, shall be distributed to RCO only after reimbursing such parties for their costs and expenses.

(b) If Grantee or any Beneficiary to this Easement chooses not to undertake mediation, arbitration or legal action as provided for in Sections 13 and 14, and/or share costs and expenses related to such action, such party shall not be entitled to any recovery for enforcement costs; provided, however, that any amount received based on loss of value to the easement, or resulting from condemnation and/or extinguishment of the Easement, shall be distributed in accordance with Section 16.4 only after first reimbursing any party for its costs and expenses that are not otherwise separately paid as part of any arbitration award or judgment.

7. **Distribution of Proceeds**: In the event of extinguishment or condemnation of this Easement, any proceeds must be distributed as follows: 50% to RCO, and 50% to Skagit County.

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UNOFFICIAL DOCUMENT

Exhibit G. Subordination Agreement

The undersigned Subordinator agrees as follows:

1. Northwest Farm Credit Services, FLCA ("Subordinator") is the owner and holder of mortgages dated 06/22/2012, which was recorded under Skagit County Auditor's File No. 201206290084 on 06/29/2012; AF# 201608020021
2. Skagit County ("Grantee") is the holder of a conservation easement dated March 25, 2016 executed by Grantor (as hereinafter defined) which will be recorded concurrently with this Agreement;
3. Marc E Breckenridge ("Grantor") is the owner of all the real property described in the conservation easement identified above in Paragraph 2.
4. In consideration of benefits to Subordinator from Grantor, receipt and sufficiency of which is hereby acknowledged, the Subordinator does hereby unconditionally subordinate the lien of the mortgage identified in Paragraph 1 to the conservation easement identified in Paragraph 2.
5. This Agreement is the complete and only agreement between the parties with regard to the subordination of the lien or charge of the mortgage of Subordinator to the Conservation Easement in favor of Grantee and supersedes and cancels any prior agreements.
6. The heirs, administrators, assigns, and successors in interest of the Subordinator are bound by this agreement. Where the word mortgage appears herein it also means deed of trust, and gender and number of pronouns should be interpreted to conform to the undersigned.

NORTHWEST FARM CREDIT SERVICES, FLCA, Subordinator

By: Brooke Hall 4/7/16
Name: Brooke Hall
Title: Authorized Agent
Date

State of Washington
County of Spokane

I certify that I know or have satisfactory evidence that Brooke Hall is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the authorized agent of Northwest Farm Credit Services, FLCA to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 4/7/16

PENNY FRANK
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
MARCH 19, 2019

(Notary seal or stamp above)

Penny Frank
Signature of Notary Public

PENNY FRANK
Printed Name of Notary Public

My appointment expires 3/19/19

UNOFFICIAL DOCUMENT

Subordination Agreement

The undersigned Subordinator agrees as follows:

1. Skagit State Bank ("Subordinator") is the owner and holder of a mortgage dated 06/12/2013, which was recorded under Skagit County Auditor's File No. 201306140173 on 06/14/2013;
2. Skagit County ("Grantee") is the holder of a conservation easement dated AF#201608070021 March 25, 2016, executed by Grantor (as hereinafter defined) which will be recorded concurrently with this Agreement;
3. Marc E Breckenridge ("Grantor") is the owner of all the real property described in the conservation easement identified above in Paragraph 2.
4. In consideration of benefits to Subordinator from Grantor, receipt and sufficiency of which is hereby acknowledged, the Subordinator does hereby unconditionally subordinate the lien of the mortgage identified in Paragraph 1 to the conservation easement identified in Paragraph 2.
5. This Agreement is the complete and only agreement between the parties with regard to the subordination of the lien or charge of the mortgage of Subordinator to the Conservation Easement in favor of Grantee and supersedes and cancels any prior agreements.
6. The heirs, administrators, assigns, and successors in interest of the Subordinator are bound by this agreement. Where the word mortgage appears herein it also means deed of trust, and gender and number of pronouns should be interpreted to conform to the undersigned.

SKAGIT STATE BANK, Subordinator

By: _____ 4/18/16
Name: Tim FitzGerald Date
Title: SVP

State of Washington
County of Skagit

I certify that I know or have satisfactory evidence that Tim FitzGerald is the person who appeared before me, and said person acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute the instrument and acknowledged it as the SVP of Skagit Bank to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 4/18/16

TERI L. SABEN NOTARY PUBLIC COMMISSION EXPIRES 12-15-2018 STATE OF WASHINGTON

(Notary Seal or Stamp above)

_____
Signature of Notary Public

Teri L. Saben
Printed Name of Notary Public

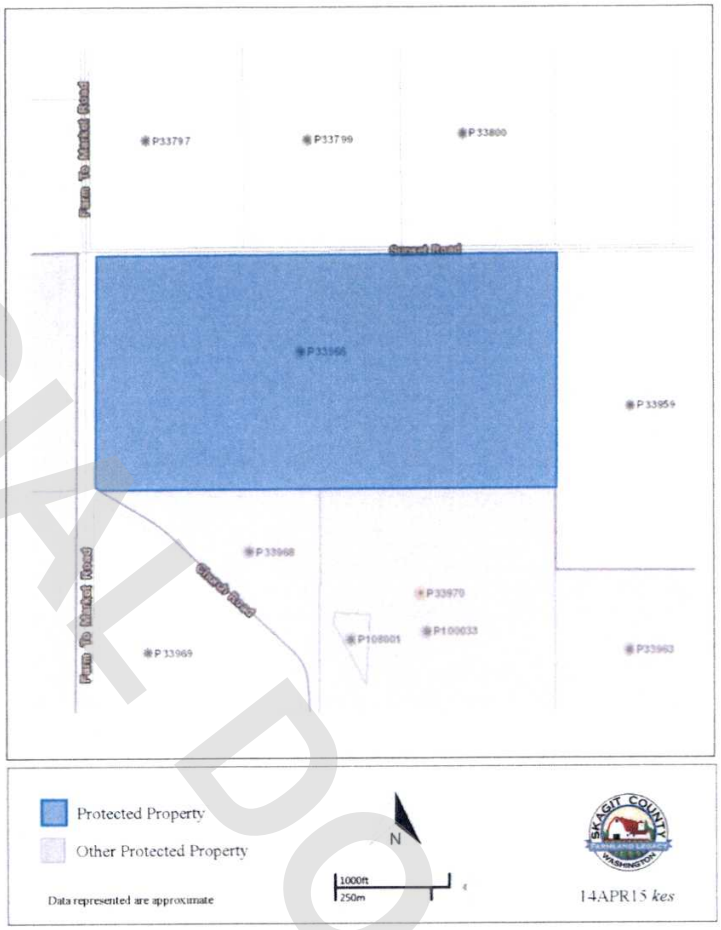
My appointment expires 12/15/18

UNOFFICIAL DOCUMENT

EXHIBIT "B"

BRECKENRIDGE CONSERVATION EASEMENT CONVERSION
PUBLIC NOTICE

Skagit County is seeking public comment on a proposed conversion of approximately 1.6 acres of land belonging to Marc E. Breckenridge ("Breckenridge"), currently protected through a deed of conservation easement agreement. The larger parcel of real estate encumbered in the total easement consists of 77.75 acres of agricultural land (the "Breckenridge Property"). This conversion request will result in the removal of one dwelling and 1.6 acres from the 77.75 acres protected in the original easement (the "Conversion").



In compensation for the conversion of these 1.6 acres to a use incompatible with the farmland easement, the owner is offering to pay the appraised current market value for the partial release reimbursement of the 1.6 acres (the "reimbursement amount"). The reimbursement amount will be paid in amounts proportionate to the easement grant funds provided by the Skagit County Conservation Futures Fund (47%) and the Washington State Recreation and Conservation Office (53%). This proposal will require approval from the Washington State Recreation and Conservation Office (RCO). The County and/or RCO may choose to approve, deny and reject, or modify the proposed Conversion, at the sole option and discretion of the County and/or RCO.

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EXHIBIT "B"
(continued)

Comment period

Comments concerning the proposed Conversion will be accepted from Wednesday, January 18, 2023, until Thursday, February 16, 2023, at 4:30 p.m. Comments must be made in writing submitted via email to Sarah Stoner, Agricultural Lands Coordinator with Skagit County Public Works, at sstoner@co.skagit.wa.us, or submitted via mail to the following address:

Skagit County Public Works, Farmland Legacy Office
Attn: Sarah Stoner, Agricultural Lands Coordinator
1800 Continental Place
Mount Vernon, WA 98273

Description of original Conservation Easement project

The Breckenridge conservation easement was among 11 farms and 1,069 acres of farmland protected via perpetual conservation easement within the Samish Basin and Skagit Delta in Skagit County, initially proposed for protection July 2015. The project was jointly funded by Skagit County Conservation Futures Fund and the Washington State Recreation and Conservation Office (RCO). The Breckenridge Grant Deed of Conservation Easement (the "Conservation Easement") was acquired by the County in 2016 (AFN 201608020021).

Total compensation paid to Breckenridge for the Conservation Easement totaled one hundred and fifty five thousand dollars ($155,000), with seventy two thousand nine hundred and fifty dollars ($72,950) of such amount funded by the County (Skagit County Conservation Futures) and the remaining eighty two thousand and fifty dollars ($82,050 funded by RCO), subject to and in accordance with the terms of a grant agreement by and between the County and RCO (RCO grant agreement #14-2178A; Skagit County Contract # 20150452).

The value ratio listed in the easement is 21 percent. The easement eliminated one residential development right and imposed certain use restrictions pertaining to surface rights as described by the conservation easement document into perpetuity. The purposes and intent of the conservation easement is outlined within the easement itself. Paragraph 5 states "the Purpose" as follows: (a) to ensure that the Protected Property will be retained forever for agricultural productivity and use; (b) to ensure no net loss of agricultural lands; (c) to protect prime and important agricultural soils; and (d) 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.

Description of proposed change creating the Conversion

At the request of Breckenridge (subject to approval by the RCO) Skagit County is proposing a conversion of approximately 1.6 acres of the Conservation Easement (AFN 201608020021). This would result in the removal of the existing residential dwelling, driveway, outbuilding, and septic drain field (the "Breckenridge House" area) from the remaining productive protected farmland. Approximately 76.15 acres of farmland would remain protected through the same Conservation Easement terms to which Breckenridge committed in 2016.

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EXHIBIT "B"
(continued)

The continued inclusion of the residential dwelling and related residential infrastructure do not significantly contribute to the purpose and intent of the Conservation Easement. The Conversion would allow Breckenridge to remain in his home and to sell off the remaining 76.15 acres of farmland to a third party. The removal of the Breckenridge House area from the current Conservation Easement area will not impact the purpose of the Conservation Easement, nor the surrounding farmland.

PREFERRED ALTERNATIVE: To allow the Conversion, the County requires the easement Grantor (Breckenridge) to reimburse the County and the RCO in amount to be determined to be the appraised market value of the proposed 1.6-acre conversion, at the 21% valuation rate. The property owner (Breckenridge) is willing to pay reimburse for such cost of the Conversion as well as all associated costs of the Conversion incurred by the County, so the proposal will not require any significant public expenditures. This is currently the recommended preferred alternative because it has the smallest impact to the farming operation while it allows the landowner to retain their home.

Map of proposed Conversion area

The map below indicates the proposed Conversion area. The map shows the property with the boundary around the septic drain field and the dwelling infrastructure. Skagit County Planning and Development Services has reviewed and preliminarily approved the map showing the proposed boundary line adjustment anticipated to implement the Conversion.



EXHIBIT "B"
(continued)

In evaluating alternatives to the Conversion as proposed, Skagit County considered the following alternatives:

Alternative 1: No action

This alternative would mean that the Conservation Easement would remain unchanged, and the easement area would still be the same size (77.75 acres), and it would continue to include the 1.6 acres of largely non-farmable land that encompasses the existing residential dwelling, outbuilding, driveway, and septic field. This alternative does not provide the owner (Breckenridge) the requested ability to remain in his home (the Breckenridge House area) if he sells the Breckenridge Property. This alternative does not increase the amount of farmland protected by the Conservation Easement.

Alternative 2: Convert a smaller amount than 1.6 acres

This alternative would result in the removal of smaller portion of the existing residential dwelling, driveway, and outbuilding from the remaining productive farmland. The 0.4 acres of septic drain field would remain included within and protected by the Conservation Easement terms. This alternative would not increase the amount of productive farmland protected by the Conservation Easement since commercial farm equipment cannot drive over septic drain fields without significant damage to the drain field. This solution would also leave septic drain field at the Breckenridge Property within the Conservation Easement area, and continue to encumber the septic drain field associated with the residential dwelling. Skagit County Planning and Development Services does not support and would not be likely to approve this alternative.

Alternative 3: Sale of farmland with lease of residential dwelling

The County considered the alternative of a lease situation, wherein the Breckenridge Property is sold to a third-party commercial farming buyer, and the existing residential dwelling would be leased back to Breckenridge. This alternative does allow for the opportunity for sell the Breckenridge Property and continue to own the residential dwelling. This alternative also hinges on Breckenridge and a third-party purchaser to voluntarily agree upon mutually satisfactory lease terms for the residential dwelling creating significant uncertainty for Breckenridge.

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