



00027310201206190200050052

Recorded at the request of:

CHICAGO TITLE

When recorded return to:

SJC Land Bank
350 Court Street #6
Friday Harbor, WA 98250



Filed for record at the request of:



CHICAGO TITLE
COMPANY

315 Court Street, PO Box 790
Friday Harbor, WA 98250

Escrow No.: 245347775

SAN JUAN COUNTY WASH.
REAL ESTATE EXCISE TAX
AMOUNT PAID \$ 11,570.00

072022

JUN 19 2012

DB

JAN SEARS
COUNTY TREASURER

STATUTORY WARRANTY DEED

THE GRANTOR(S) Timothy B. Jolley, as his separate estate

for and in consideration of Ten And No/100 Dollars (\$10.00) and other good and valuable consideration

in hand paid, conveys and warrants to San Juan County, a political subdivision of the State of Washington acting through the San Juan County Land Bank

the following described real estate, situated in the County of San Juan, State of Washington:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Abbreviated Legal: (Required if full legal not inserted above.)

Gov. Lot 1, 36-37-3

Tax Parcel Number(s): 373641001000

Subject to:

SEE EXHIBIT "B" ATTACHED HERETO AND MADE A PART HEREOF

STATUTORY WARRANTY DEED
(continued)

Dated: June 4, 2012

✓ Timothy B. Jolley
Timothy B. Jolley

State of WA
County of PIERCE

I certify that I know or have satisfactory evidence that

TIMOTHY B. JOLLEY is the person(s) who appeared before me, and said person(s) acknowledged that
(he/she/they) signed this of instrument and acknowledged it to be (his/her/their) free and voluntary act
for the uses and purposes mentioned in this instrument.

Dated: 6/13/12

Dennis W Sharp
Name: DENNIS W SHARP
Notary Public in and for the State of WA
Residing at: POYALLU, WA
My appointment expires: 9/5/15

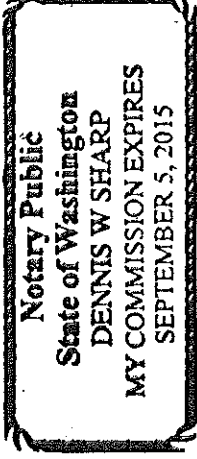


EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 373641001000

PARCEL A:

Government Lot 1, Section 36, Township 37 North, Range 3 West, W.M., in San Juan County, Washington.

PARCEL B:

An easement for ingress, egress and utilities as granted by instrument recorded June 20, 1988, under Auditor's File Number 88151891 a re-record of 88151512 and amended by instruments recorded December 3, 1998 and March 27, 2000 under Auditor's File Numbers 1998 1203003 and 2000 0327004, records of San Juan County, Washington.

A portion relinquished by instrument recorded October 20, 2005 under Auditor's File Number 2005 1020020, records of San Juan County, Washington.

PARCEL C:

An easement for ingress, egress and utilities as granted by instrument recorded October 20, 2005, under Auditor's File Number 2005 1020021, records of San Juan County, Washington.

EXHIBIT "B"
Exceptions

1. Matters contained in that certain Road Maintenance Agreement which document, among other things, may provide for liens and charges.

Recording Date: June 20, 1988
Recording No.: 88151892 a re-record of 88151513

Reference is hereby made to said document for full particulars.

Amended by instrument(s):
Recording Date: December 3, 1998
Recording No.: 1998 1203003

2. Agreement

Executed by: Robert D. Campbell and Mary Jean Campbell and Timothy B. Jolley
Recording Date: May 20, 1998
Recording No.: 1998 0520022

3. Covenants, conditions and restrictions but omitting any covenants or restrictions, if any, including but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law, as set forth in the document

Recording Date: December 3, 1998
Recording No.: 1998 1203003

4. Exceptions and reservations contained in deed whereby the grantor excepts and reserves all oil, gases, coal, ores, minerals, fossils, etc., and the right of entry for opening, developing and working the same and providing that such rights shall not be exercised until provision has been made for full payment of all damages sustained by reason of such entry

Grantor: State of Washington
Recorded: May 23, 1978
Recording No.: 101722

Right of the State of Washington or its successors, subject to payment of compensation, to acquire rights of way for private railroads, skid roads, flumes, canals, water courses or other easements for transporting and moving timber, stone, minerals and other products from this and other land, as reserved in above-referenced deed.

5. Terms and conditions under the easement described in Parcels B and C of Schedule A herein.

6. As to any portion of said land now, formerly or in the future covered by water: Questions or adverse claims related to (1) lateral boundaries of any tidelands or shorelands; (2) shifting in

EXHIBIT "B"
Exceptions

course, boundary or location of the body of water; (3) rights of the State of Washington if the body of water is or was navigable; and (4) public regulatory and recreational rights (including powers of the USA) or private riparian rights which limit or prohibit use of the land or water.

7. Notwithstanding Paragraph 4 of the insuring clauses of the policy or policies to be issued, the policy or policies will not insure against loss arising by reason of any lack of a right of access to and from the land.

Note: There is a gap between the easements in Parcels B and C and the property described in Parcel A.



REAL ESTATE EXCISE TAX AFFIDAVIT
CHAPTER 82.45 RCW - CHAPTER 458-61A WAC

PLEASE TYPE OR PRINT

This form is your receipt
when stamped by cashier.

THIS AFFIDAVIT WILL NOT BE ACCEPTED UNLESS ALL AREAS ON ALL PAGES ARE FULLY COMPLETED
(See back of last page for instructions)

☐ Check box if partial sale of property		If multiple owners, list percentage of ownership next to name.	
1		2	
Name <u>Timothy B. Jolley, as his separate estate</u>		Name <u>San Juan County, a political subdivision acting through the **See Exhibit A for Full Names</u>	
Mailing Address <u>P.O. Box 75</u>		Mailing Address <u>350 Court Street #6</u>	
City/State/Zip <u>Puyallup, WA 98371</u>		City/State/Zip <u>Friday Harbor, WA 98250</u>	
Phone No. (including area code) <u>(253)845-3444</u>		Phone No. (including area code) <u>(360)378-4402</u>	
3		GRANTEE	
Send all property tax correspondence to: ☒ Same as Buyer/Grantee		List all real and personal property tax parcel account numbers - check box if personal property	
Name _____		373641001000 ☐	
Mailing Address _____		☐	
City/State/Zip _____		☐	
Phone No. (including area code) _____		☐	
4		List assessed value(s)	
Street address of property: <u>NHN Orcas Island, Eastsound, WA 98245</u>		<u>\$1,080,300.00</u>	
The property is located in ☐ unincorporated _____ County OR within ☒ city of <u>Eastsound</u>			
☐ Check box if any of the listed parcels are being segregated from another parcel, are part of a boundary line adjustment or parcels being merged.			
Legal description of property (if more space is needed, you may attach a separate sheet to each page of the affidavit)			
SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF			
5		7	
Select Land Use Code(s): <u>11</u>		List all personal property (tangible and intangible) included in selling price.	
Enter any additional codes: _____			
(See back of last page for instructions)			
Is this property exempt from property tax per chapter 84.36 RCW (nonprofit organization)?			
YES NO			
☐ ☒			
6		Reason for exemption _____	
Is this property designated as forest land per chapter 84.33 RCW?			
YES NO			
☐ ☒			
Is this property classified as current use (open space, farm and agricultural, or timber) land per chapter 84.34?			
YES NO			
☐ ☒			
Is this property receiving special valuation as historical property per chapter 84.26 RCW?			
YES NO			
☐ ☒			
If any answers are yes, complete as instructed below.			
(1) NOTICE OF CONTINUANCE (FOREST LAND OR CURRENT USE)			
NEW OWNER(S): To continue the current designation as forest land or classification as current use (open space, farm and agriculture, or timber) land, you must sign on (3) below. The county assessor must then determine if the land transferred continues to qualify and will indicate by signing below. If the land no longer qualifies or you do not wish to continue the designation or classification, it will be removed and the compensating or additional taxes will be due and payable by the seller or transferor at the time of sale. (RCW 84.33.140 or RCW 84.34.106). Prior to signing (3) below, you may contact your local county assessor for more information.			
This land ☐ does ☐ does not qualify for continuance.			
DEPUTY ASSESSOR _____ DATE _____			
(2) NOTICE OF COMPLIANCE (HISTORIC PROPERTY)			
NEW OWNER(S): To continue special valuation as historic property, sign (3) below. If the new owner(s) does not wish to continue, all additional tax calculated pursuant to Chapter 84.26 RCW, shall be due and payable by the seller or transferor at the time of sale.			
(3) OWNER(S) SIGNATURE _____			
PRINT NAME _____			
8		Signature of _____	
Grantor or Grantor's Agent _____		Grantee or Grantee's Agent _____	
Name (print) <u>Timothy B. Jolley</u>		Name (print) <u>Lincoln Bormann</u>	
Date & city of signing <u>June 18, 2012, CITY: Ft</u>		Date & city of signing <u>June 15, 2012, CITY: Ft</u>	
Perjury: Perjury is a class C felony which is punishable by imprisonment in the state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars (\$5000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C)).		A MINIMUM OF \$10.00 IS DUE IN FEE(S) AND/OR TAX *SEE INSTRUCTIONS	

REAL ESTATE EXCISE TAX

AMOUNT PAID \$11,570.00

2200

REV 84 0001ae (10/7/10)

Order No.: 245347775-LA

THIS SPACE - TREASURER'S USE ONLY

JAN SEARS
COUNTY TREASURER



☐ County Treasurer
☐ County Assessor
☐ Dept. of Revenue
☐ Taxpayer

EXHIBIT "A"

Buyer/Grantee Full Name: San Juan County, a political subdivision acting through the San Juan County Land Bank
NHN Orcas Island, Eastsound, WA 98245

PARCEL A:

Government Lot 1, Section 36, Township 37 North, Range 3 West, W.M., in San Juan County, Washington.

PARCEL B:

An easement for ingress, egress and utilities as granted by instrument recorded June 20, 1988, under Auditor's File Number 88151891 a re-record of 88151512 and amended by instruments recorded December 3, 1998 and March 27, 2000 under Auditor's File Numbers 1998 1203003 and 2000 0327004, records of San Juan County, Washington.

A portion relinquished by instrument recorded October 20, 2005 under Auditor's File Number 2005 1020020, records of San Juan County, Washington.

PARCEL C:

An easement for ingress, egress and utilities as granted by instrument recorded October 20, 2005, under Auditor's File Number 2005 1020021, records of San Juan County, Washington.



00027311201206190210070073

Recorded at the request of:

CHICAGO TITLE

SAN JUAN COUNTY WASH.
REAL ESTATE EXCISE TAX
AMOUNT PAID \$

072823

JUN 19 2012

106

JAN SEARS
COUNTY TREASURER

COPY

Upon Recording, Please Return To:

Washington Recreation and Conservation Office
PO Box 40917

Olympia, WA 98504-0917

Attn: Mike Ramsey

DEED OF RIGHT TO USE LAND FOR
SALMON RECOVERY PURPOSES

Grantor: San Juan County Land Bank

Grantee: STATE OF WASHINGTON, acting by and through the WASHINGTON
STATE SALMON RECOVERY FUNDING BOARD and the WASHINGTON
STATE RECREATION AND CONSERVATION OFFICE, including any
successor agencies.

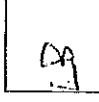
Abbreviated
Legal

Description: Government Lot 1, Section 36, Township 37 North, Range 3 West, W.M., in San
Juan County, Washington. (More particularly described in Exhibit "A" (Legal Description), and
as depicted in Exhibit "B" (Property Map)).

Assessor's Property Tax Parcel Number(s): 373641001000

Reference Numbers of Documents Assigned or Released:

The Grantor enters this Deed for and in consideration of monies coming in whole or in part from
the Puget Sound Acquisition and Restoration Account. Such grant is made pursuant to the
Project Agreement entered into between the Grantor and the Grantee entitled President Channel



Shoreline, Project Number 11-1577 signed by the Grantor on the 2012 day of X and the Grantee the 10 day of X and supporting materials which are on file with the Grantor and the Grantee in connection with the Project Agreement.

X JUNE 2012

The Grantor hereby conveys and grants to the Grantee as the representative of the people of the State, the right to enforce the following duties: The Grantor shall take such reasonable and feasible measures as are necessary to steward and maintain the Real Property as described in Exhibit A: Legal Description, in perpetuity. Such measures shall be consistent with the purposes in the Project Agreement, including protecting, preserving, restoring and/or enhancing the habitat functions on the Real Property, which includes rocky shoreline and pocket beaches. This habitat supports or may support priority species or groups of species including but not limited to juvenile Chinook salmon.

1. The Grantor shall allow public access to the Property as provided in the Project Agreement. Such access shall be subject to the restrictions allowed under the Project Agreement, by written agreement with the Grantee, or under state law. This provision is not intended to prevent reasonable access or use restrictions that are necessary for safe and effective management of the property consistent with salmon recovery purposes and the Project Agreement.
2. The Grantor shall allow access by the Grantee to inspect the Real Property for compliance with the terms of this Deed and the applicable Project Agreement to which the Grantor is a signatory. Such access shall be subject to the restrictions, if any, allowed under the Project Agreement, by written agreement with the Grantee, or under state law. The Grantor warrants it has and shall maintain the legal right and means to reach the property.
3. Without prior written consent by the Grantee or its successors, through an amendment to the Project Agreement or the process set forth below, the Grantor shall not use or allow any use of the Real Property (including any part of it) that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement. The Grantor shall also not grant or suffer the creation of any property interest that is inconsistent with the salmon recovery purposes herein granted and as stated in the Project Agreement.

Grantee's consent to an inconsistent use or property interest under this Deed shall be granted only to the extent permitted by law and upon the following three conditions, which ensure the substitution of other eligible land. The conditions are: (1) the substitute salmon recovery land must be of reasonably equivalent habitat qualities, characteristics and location for the salmon recovery purposes as the Real Property prior to any inconsistent use; (2) the substitute salmon recovery land must be of at least equal fair market value to the Real Property at the time of Grantee's consent to the inconsistent use; and (3) the fair market value of the Real Property at the time of

the Grantee's consent to the inconsistent use shall not take into consideration any encumbrances imposed on or alterations made to that land as a result of the original state grant and other grants if such encumbrances or alterations reduce the value of the Real Property from what it would be without them.

For purposes of this Deed, the Project Agreement includes any amendments thereto that occurred prior to or may occur subsequent to the execution of this Deed.

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

This Deed may not be removed or altered from the Real Property unless specific approval has been granted by the Washington State Recreation and Conservation Office and/or the Washington State Salmon Recovery Funding Board or its successors.

The Washington State Recreation and Conservation Office and the Salmon Recovery Funding Board and/or its successors shall each have a separate and independent right to enforce the terms of this Deed.

REMAINDER OF PAGE IS INTENTIONALLY BLANK; SIGNATURE PAGES FOLLOW

LB

GRANTOR:

San Juan County Land Bank

By: _____

Name: Lincoln Bormann _____

Title: Director _____

Dated this 15th day of June, 2012

STATE OF WASHINGTON)

COUNTY OF San Juan) ss

I certify that I know or have satisfactory evidence that Lincoln Bormann 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 acknowledge it as the Director for the Sponsor, San Juan County Land Bank, and to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

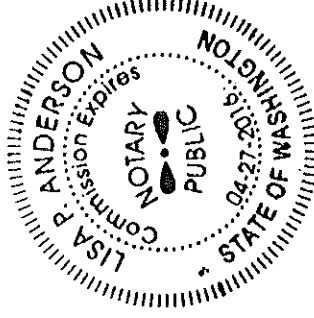
Dated: 06-15-12

Signed: _____

Notary Public in and for the State of Washington,

residing in Friday Harbor

My commission expires 4-27-2014

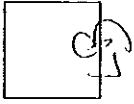
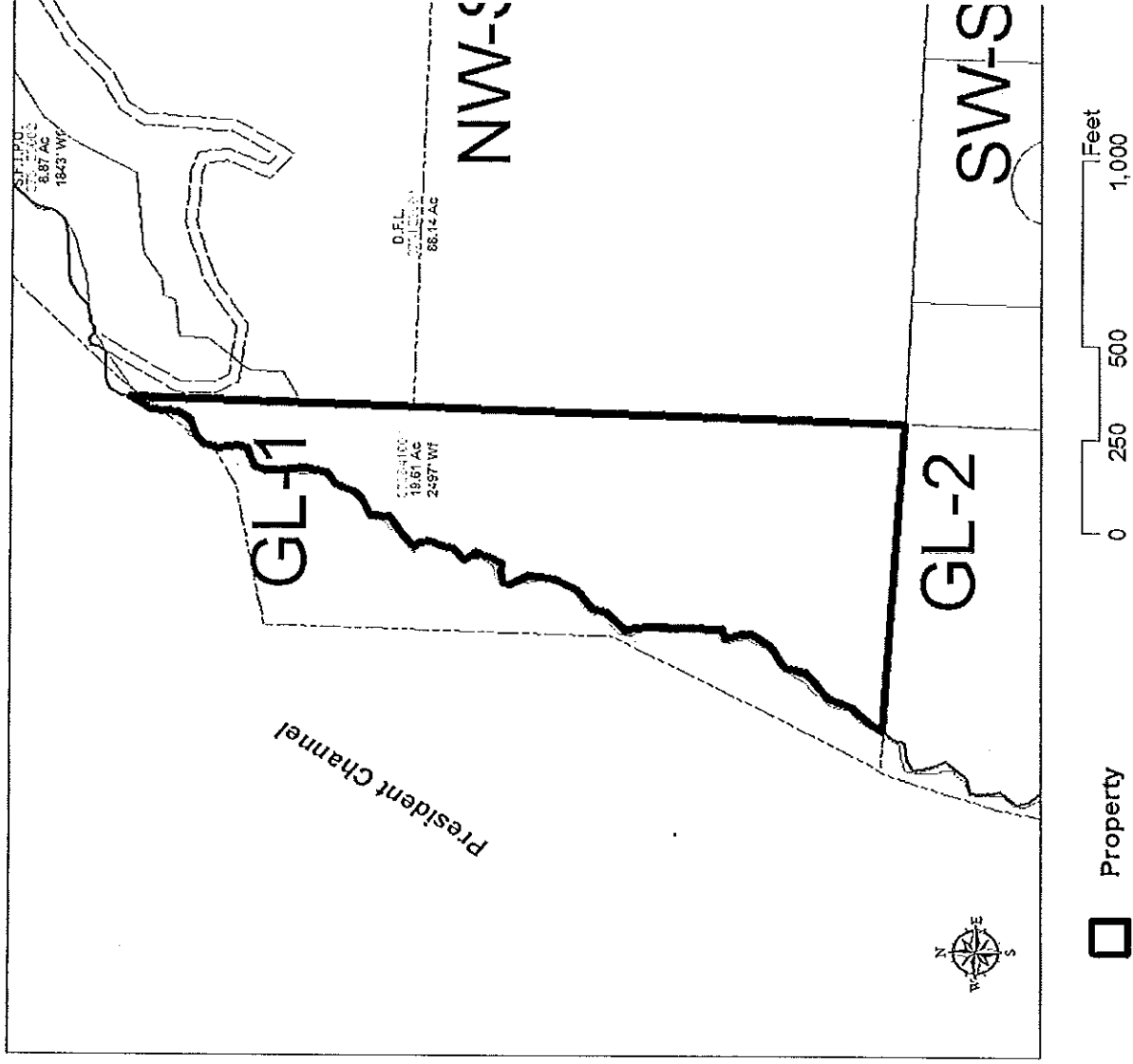


REMAINDER OF PAGE IS INTENTIONALLY BLANK; ADDITIONAL SIGNATURE PAGE FOLLOWS



LB

EXHIBIT B
Property Map



GRANTEE:

STATE OF WASHINGTON, acting by and through THE RECREATION AND
CONSERVATION BOARD, administered by the RECREATION AND
CONSERVATION OFFICE

By: Scott T. Robinson

Name: Scott T. Robinson

Title: Deputy Director

Dated this 15 day of June, 2012

STATE OF WASHINGTON)
COUNTY OF Thurston) ss

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/she) signed this
instrument, on oath stated that (he/she) was authorized to execute the instrument and
acknowledge it as the Deputy Director for the Recreation and
Conservation Office and to be the free and voluntary act of such party for the uses and purposes
mentioned in the instrument.

Dated: June 15, 2012

Signed: Leslie Ann Frank

Notary Public in and for the State of Washington,
residing in Thurston County

My commission expires July 9, 2013



EXHIBIT A
Legal Description

PARCEL A:

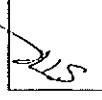
Government Lot 1, Section 36, Township 37 North, Range 3 West, W.M., in San Juan County, Washington.

PARCEL B:

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PARCEL C:

An easement for ingress, egress and utilities as granted by instrument recorded October 20, 2005, under Auditor's File Number 2005 1020021, records of San Juan County, Washington.





Department of
Revenue
Washington State

REAL ESTATE EXCISE TAX AFFIDAVIT

PLEASE TYPE OR PRINT

CHAPTER 82.45 RCW – CHAPTER 458-61A WAC

This form is your receipt
when stamped by cashier.

THIS AFFIDAVIT WILL NOT BE ACCEPTED UNLESS ALL AREAS ON ALL PAGES ARE FULLY COMPLETED

(See back of last page for instructions)

☐ Check box if partial sale of property

If multiple owners, list percentage of ownership next to name.

1 Name San Juan County Land Bank		2 Name State of Washington acting by/thru Washington State Salmon Recovery Funding Board & WA State Recreation and Conserv. Office	
Mailing Address P.O. Box 639 350 Court St #6		Mailing Address P.O. Box 40917	
City/State/Zip Friday Harbor, WA 98250		City/State/Zip Olympia, WA 98504-0917	
Phone No. (including area code)		Phone No. (including area code)	
3 Send all property tax correspondence to: ☒ Same as Buyer/Grantee		List all real and personal property tax parcel account numbers – check box if personal property	
Name		373641001000 ☐	
Mailing Address		☐	
City/State/Zip		☐	
Phone No. (including area code)		☐	
		List assessed value(s)	

4 Street address of property: NHN Orcas Island, Eastsound, WA 98245

This property is located in: San Juan County

☐ Check box if any of the listed parcels are being segregated from a larger parcel.

Legal description of property (if more space is needed, you may attach a separate sheet to each page of the affidavit)

See attached legal description

5 Select Land Use Code(s):
Select Land Use Codes
enter any additional codes:
(See back of last page for instructions)

Is this property exempt from property tax per chapter 84.36 RCW (nonprofit organization)?	YES ☐	NO ☐
---	------------------------------	-----------------------------

6

Is this property designated as forest land per chapter 84.33 RCW?	YES ☐	NO ☐
Is this property classified as current use (open space, farm and agricultural, or timber) land per chapter 84.34?	☐	☐
Is this property receiving special valuation as historical property per chapter 84.26 RCW?	☐	☐

If any answers are yes, complete as instructed below.

(1) NOTICE OF CONTINUANCE (FOREST LAND OR CURRENT USE)
NEW OWNER(S): To continue the current designation as forest land or classification as current use (open space, farm and agriculture, or timber) land, you must sign on (3) below. The county assessor must then determine if the land transferred continues to qualify and will indicate by signing below. If the land no longer qualifies or you do not wish to continue the designation or classification, it will be removed and the compensating or additional taxes will be due and payable by the seller or transferor at the time of sale. (RCW 84.33.140 or RCW 84.34.108). Prior to signing (3) below, you may contact your local county assessor for more information.

This land ☐ does ☐ does not qualify for continuance.

DEPUTY ASSESSOR	DATE
(2) NOTICE OF COMPLIANCE (HISTORIC PROPERTY) NEW OWNER(S): To continue special valuation as historic property, sign (3) below. If the new owner(s) does not wish to continue, all additional tax calculated pursuant to chapter 84.26 RCW, shall be due and payable by the seller or transferor at the time of sale.	
(3) OWNER(S) SIGNATURE	
PRINT NAME	

7 List all personal property (tangible and intangible) included in selling price.

If claiming an exemption, list WAC number and reason for exemption:

WAC No. (Section/Subsection) 458-61a205

Reason for exemption
Govt Entity

Type of Document Deed of Right to Use Land
Date of Document 06-15-12

Gross Selling Price \$	
*Personal Property (deduct) \$	
Exemption Claimed (deduct) \$	
Taxable Selling Price \$	0.00
Excise Tax : State \$	0.00
0.0125 Local \$	0.00
*Delinquent Interest: State \$	
Local \$	
*Delinquent Penalty \$	
Subtotal \$	0.00
*State Technology Fee \$	5.00
*Affidavit Processing Fee \$	5.00
Total Due \$	10.00

A MINIMUM OF \$10.00 IS DUE IN FEE(S) AND/OR TAX
*SEE INSTRUCTIONS

8 I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Signature of Grantor or Grantor's Agent	Signature of Grantee or Grantee's Agent
Name (print) Lisa Anderson, Agent	Name (print) Lisa Anderson, Agent
Date & city of signing: June 19, 2012, Friday Harbor	Date & city of signing: June 19, 2012, Friday Harbor

Perjury: Perjury is a class C felony which is punishable by imprisonment in the state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars (\$5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C)).

EXHIBIT A
Legal Description

PARCEL A:

Government Lot 1, Section 36, Township 37 North, Range 3 West, W.M., in San Juan County, Washington.

PARCEL B:

An easement for ingress, egress and utilities as granted by instrument recorded June 20, 1988, under Auditor's File Number 88151891 a re-record of 88151512 and amended by instruments recorded December 3, 1998 and March 27, 2000 under Auditor's File Numbers 1998 1203003 and 2000 0327004, records of San Juan County, Washington. A portion relinquished by instrument recorded October 20, 2005 under Auditor's File Number 2005 1020020, records of San Juan County, Washington.

PARCEL C:

An easement for ingress, egress and utilities as granted by instrument recorded October 20, 2005, under Auditor's File Number 2005 1020021, records of San Juan County, Washington.





00027312201206190220250250

Recorded at the request of:
CHICAGO TITLE

SAN JUAN COUNTY WAS
REAL ESTATE EXCISE TAX
AMOUNT PAID \$
07262.9

JUN 19 2012

When recorded return to:
The San Juan Preservation Trust
Box 327
Lopez Island WA 98261



DOCUMENT TITLE: GRANT DEED OF CONSERVATION EASEMENT
GRANTOR: SAN JUAN COUNTY, A POLITICAL SUBDIVISION OF THE STATE
OF WASHINGTON ACTING BY AND THROUGH THE SAN JUAN COUNTY
LAND BANK

GRANTEE: THE SAN JUAN PRESERVATION TRUST
ABBREVIATED LEGAL DESCRIPTION: GOVERNMENT LOT 1, SECTION 36,
TOWNSHIP 37 NORTH, RANGE 3 WEST, W.M., IN SAN JUAN
COUNTY, WASHINGTON.

FULL LEGAL DESCRIPTION: EXHIBIT A, PAGE # _____
ASSESSOR'S TAX PARCEL NUMBERS: 373641001000

GRANT DEED OF CONSERVATION EASEMENT

This Grant Deed of Conservation Easement (hereinafter, the "Conservation Easement"), by and between SAN JUAN COUNTY, a political subdivision of the state of Washington, acting by and through the San Juan County Land Bank (hereinafter referred to as "Grantor"), and **THE SAN JUAN PRESERVATION TRUST**, a Washington non-profit corporation (hereinafter referred to as "Grantee"), is made with reference to the following facts:

1 RECITALS.

- 1.1 **Owner.** Grantor is the owner in fee of that certain real property (hereinafter the "Property") inclusive of all standing and downed timber, situated on Orcas Island in San Juan County, State of Washington, more particularly described in Exhibit "A" and shown on Exhibit "B" and Exhibit "C", all of which are attached and made a part hereof by this reference.
- 1.2 **Protected Property.** The Property is part of a significant coastal ecosystem, the San Juan Islands, which is relatively intact and undeveloped

that supports an important juvenile Chinook salmon rearing and migration corridor, natural undeveloped shoreline, and woodlands that provide wildlife habitat for native birds and mammals and possesses ecological, scenic, and open space value. As of the Effective Date of this Conservation Easement, the Property is undeveloped.

- 1.3 **Conservation Values.** The Property's natural undeveloped shoreline, ecological, forest, scenic, and open-space values (hereinafter, the "Conservation Values") are of major importance to Grantor, Grantee, and the people of Orcas Island, San Juan County, and the State of Washington. The Property enhances rural character and wildlife habitat of Orcas Island; is adjacent to a Preservation Trust Conservation Easement to the east and north and Washington State Department of Natural Resources land to the south; and lies along the scenic shoreline of President Channel to the west. The Property can be viewed by the public from President Channel.

- 1.4 **County Conservation Intent.** The goals and policies of the San Juan County Comprehensive Plan provide for the protection of the natural beauty and visual open space resources of the islands, the maintenance of the present rural and open space character, and respect for the natural environment. The Plan encourages the preservation of scenic resources and renewable natural resources for the benefit of existing and future generations through voluntary mechanisms such as conservation easements. San Juan County has a tax-supported program to purchase land and conservation easements to help preserve land similar to the Property. The Property is part of the Westside and President Channel landscape units on Orcas Island in the San Juan County Open Space and Conservation Plan Open Space Atlas and its landscape contrasts are considered among the most significant in the County.

- 1.5 **State Conservation Intent.** The legislatively declared policies of the State of Washington, in Chapter 84.34 Revised Code of Washington (hereinafter "RCW"), provide that it is in the best interest of the State to maintain, preserve, conserve, and otherwise continue in existence, adequate open-space lands 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. The State has also recognized the importance of private efforts to preserve the natural systems in the State by enacting RCW 64.04.130, the statute authorizing conservation easements.

- 1.6 **State of Washington Deed of Right.** The Salmon Recovery Funding Board (the "SRF Board") awarded a funding grant to Grantor that Grantor used to fund, in part, the acquisition of the Property. In order to receive the

grant funding, the SRF Board required Grantor to execute a Deed of Right, under which Grantor conveyed and granted to the State of Washington individually and as the representative of the people of the State, the right to use the Property for salmon recovery purposes. The Deed of Right is recorded under San Juan County recording number 2012 0619024. Its terms are consistent with and complementary to the Purposes, terms and conditions of this Conservation Easement.

- 1.7 **Public Access.** As appropriate, Grantor and Grantee wish to provide the public with access to the Property for scientific, educational and passive recreational purposes. However, this Conservation Easement does not provide any rights to the general public, including without limitation, any rights of public access to, on or across, or public use of the Property.
- 1.8 **Conservation Values Protected.** To aid in future interpretation of this Conservation Easement, the highest Conservation Value protected by this Conservation Easement shall be natural undeveloped shoreline, followed, in no order of priority, by ecological, forest ecosystem, wildlife habitat, open space and scenic values of the Property.
- 1.9 **Conservation Threat.** The Property would also be extremely desirable property for substantial residential and other development because of its location and orientation. In the absence of this Conservation Easement, the Property could be developed in the future for additional residential and other uses in a manner which would destroy its Conservation Values.
- 1.10 **Grantor Conservation Intent.** Grantor, as the owner of the Property, possesses the affirmative right to identify, preserve, and protect in perpetuity the natural elements and processes and the Conservation Values of the Property, and desires to transfer such rights to the Grantee.
- 1.11 **Qualified Conservation Organization.** Grantee is a “non-profit nature conservancy corporation” as defined by RCW 64.04.130 and RCW 84.34.250, and described in Section 170(b)(1)(A)(vi) of the Internal Revenue Code of 1986 (hereinafter “IRC”), and Grantee is authorized to accept the Conservation Easement.
- 1.12 **Recitals Incorporated By Reference.** The above Recitals are incorporated into this Conservation Easement by this reference.

CONVEYANCE AND CONSIDERATION.

2.1 Conservation Easement Granted. For the reasons stated above, and in consideration of Grantee's contribution of \$400,000 in support of Grantor's purchase of the Property and the mutual covenants contained herein, the Grantor does hereby grant, convey, and warrant to Grantee, and Grantee hereby accepts, a perpetual Conservation Easement on, over and across the Property, consisting of the rights in the Property hereinafter enumerated, subject only to the restrictions set forth in this Conservation Easement.

2.2 Conveyance of Real Property. This conveyance is a conveyance of an interest in real property under the provisions of RCW 64.04.130 and RCW 84.34.210, and is made as an absolute, unconditional, unqualified, and completed conveyance, subject only to the mutual covenants and restrictions hereinafter set forth and title matters of record as of the Effective Date, and for no other consideration whatsoever.

2.3 Water Rights. This Conservation Easement does not transfer any water or water rights to Grantee.

2.4 Grantor Intent. Grantor expressly intends that this Conservation Easement runs with the land and that this Easement shall be binding upon Grantor's personal representatives, heirs, successors, and assigns.

PURPOSE.

3.1 Conservation Purposes. The exclusive purposes of this Conservation Easement are to preserve and protect the Conservation Values of the Property; to allow Grantor and Grantee to provide appropriate public access to the Property consistent with protection of the Conservation Values and with the terms and conditions of this Conservation Easement; and to preserve the Property as a parcel of natural land and wildlife habitat in perpetuity (the "Purposes").

3.2 Grantor Intent. Grantor intends that the Property shall not be converted or directed to any uses other than those provided in this Conservation Easement.

3.3 Baseline Data. In furtherance of the foregoing Purposes, Grantor and Grantee agree that the baseline data consisting of maps, photographs, and other documentation on file at the offices of Grantee and provided to Grantee by Grantor (hereinafter the "Baseline Present Conditions Report") provide, collectively, an accurate representation of the Property at the time of this Grant and are hereby incorporated by this reference. Grantor and

Grantee have acknowledged in a signed statement, a copy of which is attached to this Conservation Easement as Exhibit "D", that the Baseline Present Conditions Report accurately represents the currently available baseline data regarding the condition of the Property as of the Effective Date. The Baseline Present Conditions Report shall be relied upon by Grantor and Grantee as the descriptive base to establish the present condition and guide in the future uses of the Property.

3.4 Public Access. Nothing contained in this Conservation Easement shall be construed as affording to the general public access to any portion of the Property subject to this Conservation Easement.

3.5 Visual Access. Preservation of the Property will protect the general public's visual access natural undeveloped shoreline, open space and forested habitat.

4 **GRANTEE'S RIGHTS.** The rights conveyed to Grantee by this Conservation Easement are the following:

4.1 Protection in Perpetuity. The Grantee shall have the right to identify, preserve, and protect, in perpetuity, the Conservation Values of the Property for public benefit and scenic enjoyment by the general public and for its open-space values.

4.2 Grantee's Access.

4.2.1 Annual Inspection. The Grantee shall have the right to enter upon the land of the Property annually, upon prior written notice to the Grantor, for the purpose of making a general inspection of the land to assure compliance with this Conservation Easement.

4.2.2 Educational and Scientific Purposes. The Grantee and other persons approved by the Grantor may enter upon the Property, upon prior arrangement with Grantor, for educational and scientific purposes to observe and study the Property, or for other purposes allowed by Grantor consistent with this Conservation Easement.

4.2.3 Enforcement. The Grantee shall have the right to enter upon the Property, at such other times as are necessary if there is reason to believe that a violation of this Conservation Easement is occurring, for the purposes of enforcing the provisions of this Conservation Easement.

- 4.3 **Injunction and Restoration.** The Grantee shall have the right to enjoin any activity on, or use of, the Property that is inconsistent with this Conservation Easement, and undertake, cause to be undertaken, or enjoin the restoration of such areas or features of the Property as may be damaged by activities contrary to the provisions hereof all in accordance with Section 7 below.
- 4.4 **Markers.** The Grantee shall have the right, during the annual inspection, to place and replace small markers to identify the boundaries and corners of the Property.
- 4.5 **Advance Written Notice.** The Grantee shall be notified by Grantor, in accordance with the procedures of Section 17 below, before Grantor exercises any reserved right, the exercise of which may have an adverse impact on the Conservation Values of the Property.
- 4.6 **Transfer of Easement.** Grantee shall have the right to assign, convey or transfer Grantee's interest in the Property in accordance with Section 8 below.
- 4.7 **Development Rights.** The Grantor hereby grants to Grantee all rights to develop the property other than those rights used to maintain and steward the property consistent with the Deed of Right referenced in Section 1.6, that are now or hereafter allocated to, implied, reserved, or inherent in the Property; and Grantor and Grantee agree that such rights are terminated and extinguished, and may not be used on or transferred to any portion of the Property as it now or hereafter may be bounded or described, or to any other property adjacent or otherwise, nor used for the purpose of calculating permissible lot yield of the Property or any other property.
- 4.8 **Enforcement.** Enforcement of the terms and conditions of this Conservation Easement shall be at the discretion of the Grantee, in accordance with Section 7 below. Any forbearance on the Grantee's part to exercise its rights hereunder in the event of any breach of this Conservation Easement by Grantor, its heirs, successors or assigns, or any other person or entity, shall not be deemed or construed to be a waiver of the Grantee's rights hereunder in the event of any subsequent breach.

5 **PERMITTED AND RESERVED USES AND ACTIVITIES.** Grantor reserves for itself and its personal representatives, heirs, successors, and assigns, all rights accruing from ownership of the Property, including the right to engage in, or permit or invite others to engage in, any use of, or activity on, the Property that is consistent with the Purposes of the Conservation Easement and that is not otherwise prohibited by this Conservation Easement. Without limiting the

generality of this section, Grantor specifically reserves for itself and its personal representatives, heirs, successors, and assigns, the following uses and activities:

- 5.1 **Land Conservation.** To maintain the Property as a natural preserve for native plants and animals consistent with the terms of this Conservation Easement and the Deed of Right referenced in Section 1.6.
- 5.2 **Access Easement.** Grantor may grant a road or other access easement across the Property to provide legal access to the adjacent property to the south, provided that such access easement is granted within four years of the effective date of this Conservation Easement, and further provided that such access easement is located on the Property along a route greater than 200 ft. inland as measured horizontally from the ordinary high water mark, and further provided that Grantee receives notice of and approves the terms of such access easement (including location, width and construction materials) following the procedures provided for in Section 17 of this Conservation Easement.
- 5.3 **Forest Health.** Grantor may remove individual standing or fallen trees to contain insect or disease outbreaks and/or fallen trees following significant natural disturbances in a manner consistent with maintenance of the Conservation Values of this Conservation Easement.
- 5.4 **Trails/Paths.** To use, construct and maintain pedestrian trails 4 feet or less in width for non-motorized access. Non-motorized trail use may include incidental horseback (or other animal) riding that is consistent with the maintenance of the Conservation Values of this Conservation Easement.
- 5.5 **Noxious Weeds/Introduced Species.** To remove noxious, invasive and introduced weeds and introduced animal species from the Property.
- 5.6 **Archaeological/Lime Kiln Investigations.** To undertake legally permitted archaeological investigations or investigations of the historic lime kiln with appropriate professional oversight, provided that any such activity shall be conducted so that interference with the Conservation Values of the Property is avoided or minimized to the greatest extent possible if avoidance is not practicable.
- 5.7 **Public Health and Safety.** To undertake other activities necessary to protect public health or safety on the Property, or which are actively required by and subject to compulsion of any governmental agency with authority to require such activity, provided that any such activity shall be conducted so that interference with the Conservation Values of the Property is avoided to the greatest extent possible.

PROHIBITED USES AND ACTIVITIES. Any use of or activity on, the Property inconsistent with the Purposes of this Conservation Easement is prohibited, and the Grantor acknowledges and agrees that it will not conduct, engage in or permit any such use or activity. The following uses and practices on the Property are inconsistent with the Purposes of this Conservation Easement and shall be prohibited; except to the extent a use or practice is specifically reserved in Section 4, Section 5 or this section; and provided that this is not an exhaustive recital of all of those uses and practices which are prohibited as inconsistent with the Purposes of the Conservation Easement:

6.1 Construction and Improvements. The construction or placement of any buildings, docks, utilities, roads, parking areas, fences or other structures, on the Property.

6.2 Subdivision. The division, subdivision or de facto subdivision of the Property, which includes, but is not limited to, any subdivision, short subdivision, platting, binding site plan, testamentary division, or other process by which the Property is divided into lots or which title to different portions of the Property are held by different owners. This restriction shall not be interpreted to prohibit boundary line modification provided, however, that Grantor shall notify Grantee in writing and obtain Grantee's approval in advance of any boundary line modification.

6.3 Alteration of Land. Change in the topography of the land, or shoreline alteration through the excavation or placing of soil, dredging spoils, breakwaters, bulkheads, groins, jetties, shoreline armoring, or other material which limit bluff erosion or littoral sediment transport or lead to changes in sediment supply and associated changes in beach and habitat stability including pocket beaches and accreted shoreforms; pond construction; or archaeological excavation on the Property.

6.4 Alteration of Wetlands/Watershed Resources. The draining, filling, dredging, ditching or diking of wetland areas; the manipulation or alteration of any marshes, wetlands, or surface drainage patterns including stormwater runoff by filling, draining, channelizing outfalls, devegetation or the pollution or degradation of surface or subsurface waters on or under the Property. Nothing in this Conservation Easement shall exempt wetlands on the Property from all applicable local, regional and federal laws and regulations governing wetlands.

6.5 Roads/Trails. Construction of any roads, trails, or paths for vehicular use on the Property.

- 6.6 **Docks/Boat Ramps/Beach Access Structures.** The construction or placement of docks, boat ramps, pilings, or beach access structures or any other over-water structures on the shoreline of the Property.
- 6.7 **Utilities.** The placement of any utility lines, pipes, wires or fuel tanks, whether above- or underground, on the Property.
- 6.8 **Certain Electronic Equipment.** The location, construction, placement, use or maintenance of any type of electronic amplifying, transmitting, receiving or relay device, including, without limitation, amplified sound systems, radio, cellular telephone, microwave and other types of towers, antennae, satellite dishes and related equipment on the Property.
- 6.9 **Mining and Mineral Development.** The exploration for or development and extraction of minerals, hydrocarbons, limestone, fossils, soils, sand, rock, gravel, geothermal resources or other materials, including water, on or below the surface of the Property.
- 6.10 **Signs.** The construction or placement of commercial signs, billboards, or other commercial advertising material on the Property. This provision shall not be interpreted to prohibit Grantor from placing small signs that indicate the name of the Property or acknowledge the state of Washington funding contribution related to the purchase of the Property or other small signs indicating the protected conservation status of the Property and rules governing use of the Property; provided that such signs are designed and located to avoid or minimize impact on the Conservation Values of the Property.
- 6.11 **Dumping/Waste Disposal/Storage.** The dumping or disposal of used vehicles, old machinery, rubbish, garbage, debris, hazardous materials or other unsightly or offensive material on the Property or the storage of any such objects on the Property.
- 6.12 **Tree Harvest or Vegetation Removal.** Removal or destruction of trees, including clear-cutting or any other form of commercial logging, or gathering of wood or other vegetation on the Property.
- 6.13 **Introduced Vegetation.** The intentional introduction of invasive plant species on the Property.
- 6.14 **Grazing.** The grazing, browsing or pasturing of domestic animals on the Property.

6.15 Development Rights. The use or transfer of any development rights that are now or hereafter allocated to, implied, reserved, or inherent in the Property to any other property.

6.16 Commercial Recreation. Other than de minimis use of the Property for commercial recreational activities, as such terms are defined by Section 2031(c)(8)(B) of the IRC and the applicable Treasury Regulations. By prohibiting more than a de minimis use of the Property for commercial outdoor recreational activities, it is the intent of the parties to prevent the Property from becoming the site of a commercial recreational enterprise, such as a commercial campground, a golf course, an exclusive hunting grounds or club, a commercial site for an all-terrain vehicle, motocross or other racetrack, a dressage field or other similar intensive or predominantly commercial use.

6.17 Industrial and Commercial Uses. The use of the Property for any industrial or non-recreational commercial purpose.

6.18 Off-Road Vehicles and Excessive Noise. The operation of motorcycles, ATV's, dune buggies, snowmobiles, or any other type of motorized recreational vehicles, or the operation of other sources of compaction or erosion that could adversely and materially impact the Conservation Values of the Property.

6.19 Camping. Public or commercial camping on the Property or development of permanent campsites. This restriction does not prohibit temporary recreational or property management related camping by the Grantor and Grantor's guests.

6.20 Night Lighting. The use of any continuous type of night lighting on the Property. This restriction does not prohibit downward directed night illumination for safety.

7. REMEDIES.

7.1 Dispute Resolution. If a dispute arises between the Grantor and the Grantee concerning the consistency of any proposed action, activity, or use with the Purposes of this Conservation Easement, the parties shall meet together to discuss the dispute and attempt resolution as needed, but not later than fifteen days after receipt of a written request for a meeting to resolve the problem. Thereafter, either party may refer the dispute to arbitration by request made in writing upon the other. Within thirty (30) days of receipt of such a request, the parties shall select a single arbitrator to hear the matter. If the parties are unable to agree on the selection of the

arbitrator, then the presiding judge of San Juan County Superior Court shall appoint one. The matter shall be settled in accordance with chapter 7.04A RCW or the state arbitration statute then in effect, and a judgment on the arbitration award may be entered in any court having jurisdiction thereof. The prevailing party shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for all its costs and expenses, not including attorneys' fees, related to such arbitration which shall be determined by the arbitrator and any court of competent jurisdiction that may be called upon to enforce or review the award. Each party shall be responsible for its own legal fees. The parties agree not to proceed with the proposed action, activity, or use pending resolution of the dispute.

7.2 Grantee's Action.

7.2.1 Injunctive Relief. Irrespective of any other remedies provided for Grantee, Grantee may, following reasonable written notice to Grantor, institute suits or actions to enjoin any violation by Grantor of this Conservation Easement by injunction, including prohibitory and/or mandatory injunctive relief, and to require the restoration of the premises to the condition and appearance required under this Conservation Easement.

7.2.2 Restoration. Should any person or entity, including Grantor, its heirs, successors or assigns, undertake any activity in violation of the terms of this Conservation Easement, Grantee shall have the right to force the restoration of that portion of the Property affected by such activity to the condition that existed prior to the undertaking of such unauthorized activity. In such case, the costs of such restoration and the Grantee's expenses shall be borne by Grantor or those of its heirs, successors, or assigns against whom a judgment is entered, or, in the event that the Grantee secures redress without initiating or completing a judicial proceeding, by Grantor or those of its heirs, successors, or assigns who are otherwise determined to be responsible for the unauthorized activity.

7.2.3 Damages. Grantee shall be entitled to recover damages for violation of the terms of this Conservation Easement or injury to the Conservation Values, including, without limitation, damages for the loss of environmental, aesthetic or scenic values. Without limiting Grantor's liability in any way, Grantee, in its sole discretion, may apply any damages it recovers to the cost of undertaking corrective or restorative action on the Property.

7.2.4 Immediate Action Required. If Grantee, in its sole and absolute discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values, Grantee may pursue its remedies under this Section 7 without prior notice to Grantor.

7.3 Acts Beyond Grantor's Control. Notwithstanding any other provisions in this Conservation Easement, nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor to abate, correct or restore any condition on the Property or to recover damages for any injury to or change in the Property resulting from causes beyond Grantor's control, including, but not limited to, fire, flood, storm, insect infestation, or earth movement; actions taken by third parties not connected to Grantor (such as trespassers); or from prudent actions taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property resulting from such causes.

8 **SUCCESSION.** The benefits of this Conservation Easement shall be assignable but only to a qualified organization within the meaning of Section 170(h)(3) of the IRC which is organized or operated primarily or substantially for one of the conservation purposes specified in Section 170(h)(4)(A) of the IRC. Any assignment of benefits by the Grantee (or successors) must require the transferee to carry out the Purpose of this Conservation Easement. The Grantee shall notify the Grantor, in writing, at the Grantor's last known address, in advance of such assignment. If at any time it becomes impossible for the Grantee to ensure compliance with the covenants contained in this Conservation Easement and the Grantee has not named a successor or successor organization, or the Grantee shall cease to exist, then its rights and duties hereunder shall become vested in and fall upon the following-named entities provided that such entities accept this Conservation Easement and are then organizations meeting the requirements of Section 170(h)(3) of the IRC (or its successor statute), in the following order:

- (1) The Nature Conservancy, a District of Columbia non-profit corporation, having its principal office at 4245 North Fairfax Drive, Suite 100, Arlington, VA 22203;
- (2) Such other entity as may have been formed for purposes similar to The San Juan Preservation Trust, constituting a "qualified organization" within the meaning of the Internal Revenue Code of 1986 (or its successor provision).

Provided that if such vesting in the entities named above is deemed to be void under the Rule against Perpetuities, then the rights and obligations under this Conservation Easement shall vest in such organization as a court of competent

jurisdiction shall direct, pursuant to the applicable Washington law and the IRC (or corresponding provision of any future statute) and with due regard to the Purposes of this Conservation Easement, including, but not limited to, the Conservation Values of the Property.

9 **TAXES AND EXPENSES.**

9.1 **Property Taxes.** Grantor agrees to pay any and all real property taxes and/or assessments levied by competent authority on the Property. If Grantee is ever required to pay any taxes or assessments on its interest in the Property, Grantor shall reimburse Grantee for the same.

9.2 **Cost of Maintenance.** Grantor shall bear all the costs of maintenance of the Property, including but not limited to charges associated with any road maintenance agreement, ingress and egress easement, and utility easement benefitting or burdening the Property.

9.3 **Liens.** Grantor shall prevent the perfection of any liens against the Property arising out of any work performed for, material furnished to, or obligations incurred by Grantor.

10 **PROPORTIONATE VALUE; EMINENT DOMAIN.**

10.1 **Valuation.** The Grantor and the Grantee agree that the donation of the Conservation Easement gives rise, for purposes of this Section 10, to a property right immediately vested in the Grantee, with a fair market value that is at least equal to the proportionate value that the Conservation Easement, determined as of the Effective Date, bears to the value of the Property (excluding the value of buildings and other improvements) at that time. The proportionate value of Grantee's property rights shall remain constant. If the Grantor obtains an appraisal for the Property, Grantor shall provide the Grantee with a copy of that appraisal. If a change in conditions surrounding the Property makes impossible or impracticable the continued use of the Property for conservation purposes, and gives rise to extinguishment of this Conservation Easement by judicial proceedings, the Grantee, on a subsequent sale, exchange or involuntary conversion of the Property, shall be entitled to a portion of the proceeds at least equal to that proportionate value of the Conservation Easement. The Grantee shall use its share of the proceeds in a manner consistent with the Purposes set forth in this Conservation Easement or for the "protection of a relatively natural habitat of fish, wildlife, or plants or similar ecosystem," or the "preservation of open space" as those phrases are used in IRC Section 170(g)(4)(a), as amended, and in regulations promulgated thereunder.

10.2 Eminent Domain. If ever all or part of the Property is taken in exercise of eminent domain by public, corporate, or other authority so as to abrogate the restrictions imposed by this Conservation Easement, the Grantor and the Grantee shall join in appropriate actions at the time of such taking to recover the full value of the taking and all incidental or direct damages resulting from the taking. All expenses reasonably incurred by the Grantor and the Grantee in this action shall be paid out of the recovered proceeds and the proceeds remaining after the payment of such expenses shall be allocated in accordance with section 10.1 above.

11 HOLD HARMLESS. Grantor shall hold harmless, indemnify, and defend Grantee and its members, directors, officers, employees, agents, and contractors and the heirs, personal representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including without limitation, reasonable attorneys' fees, arising from or in any way connected with: (1) injury to or 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 Property, regardless of cause, except to the extent caused by the willful or negligent acts of any of the Indemnified Parties; (2) the obligations specified in paragraphs 9.1 and 9.2; (3) the violation or alleged violation of, or other failure to comply with, any state, federal or local law, regulation or requirement, including without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 USCA §§9601 *et seq.*) ("CERCLA"), the Washington State Model Toxics Control Act, chapter 70.105D RCW ("MTCA") or any successor or related law, by any person other than any of the Indemnified Parties; (4) the presence or release in, on, or from the Property, at any time, 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 polluting to the air, water or soil, or in any way harmful or threatening to human health or the environment, unless caused solely by any of the Indemnified Parties; and (5) the existence or administration of this Conservation Easement.

12 LIABILITY.

12.1 Environmental Liability. Grantor is solely responsible and Grantee has no responsibility whatsoever for the operation of the Property or the monitoring of hazardous and other conditions thereon. Notwithstanding any other provision of this Conservation Easement to the contrary, the parties do not intend, and this Conservation Easement shall not be construed, such that: (1) it creates in the Grantee the obligations or liabilities of an "owner" or "operator" as those words are defined and used in the environmental laws, including without limitations the

CERCLA, MTCA or any successor or related law; or (2) it creates in the Grantee obligations or liabilities of a person described in 42 U.S. Code §9607(a)(3), RCW 70.105D.040 or any successor or related law. The term “environmental laws” includes, without limitation, any federal, state, local, or administrative agency statute, regulation, rule, ordinance, order, or requirement relating to environmental conditions or hazardous substances.

12.2 Liability for Public Use. By enhancing public access to the Property for educational and passive recreational purposes described in this Easement, neither Grantor nor Grantee shall be deemed to be liable for unintentional injuries to users of Property, as provided for in RCW 4.24.210 or successor provision.

12.3 Representation and Warranty. Grantor hereby represents and warrants to Grantee that, within seller’s knowledge, there is no condition at, on, under or related to the Property presently or potentially posing a significant threat to human health or the environment and, to the best of Grantor’s knowledge, there has been no production, use, treatment, storage, transportation, or disposal of any hazardous substances on the Property.

13 **COVENANTS.** It is the express intent of the Grantor and Grantee that the provisions of this Conservation Easement shall run with the land and burden title to the Property in perpetuity, and shall be binding upon and inure to the benefit of the heirs, successors, and assigns of the parties hereto.

14 **“GRANTOR” - “GRANTEE”.** The terms “Grantor” and “Grantee”, wherever used in this Conservation Easement, and any pronouns used in place thereof, shall be held to mean and to include, respectively the above-named Grantor, and heirs, successors, personal representatives, and assignees of said Grantor, and each of them, and the above-named Grantee, its successors and assigns.

15 **SEVERABILITY.** In the event that any provision of this grant or the application thereof to any person or circumstance shall be determined to be invalid or unenforceable, the remainder of the provisions hereof, and the application of such provisions to persons or circumstances other than those as to which it is determined to be invalid, shall not be affected thereby.

16 **SUBSEQUENT TRANSFERS; NO MERGER.**

16.1 Binding Effect. Grantor agrees to incorporate the terms of this Conservation Easement in any deed or other legal instrument by which they divest themselves of any interest in all or a portion of the Property, including without limitation, a leasehold interest, and shall notify Grantee in writing of any transfer within five business days after closing. The failure of Grantor to perform any act required by this paragraph shall not impair the

validity of this Conservation Easement or limit its enforceability in any way.

16.2 Merger of Title. In the event that Grantee acquires the fee title to the real estate covered by this Conservation Easement, it is the intent of the parties, both Grantor and Grantee, that no merger of title shall take place which would merge the restrictions of the Conservation Easement with fee title to the Property and thereby eliminate them, as the parties intend that no such merger take place and that the restrictions on the use of the real estate, as embodied in this Conservation Easement shall, in the event title becomes vested in Grantee, become and remain permanent and perpetual restrictions on the use of the Property and that merger, which would eliminate such restrictions, shall not take place.

17 NOTICES.

17.1 Means of Notice. All notices required or permitted to be given under the terms of this Conservation Easement shall be in writing, sent as registered or certified mail or other courier providing reliable proof of delivery, and addressed as set forth below:

To Grantor:

The San Juan County Land Bank
350 Court St. #6
Friday Harbor, WA 98250

To the Grantee:

The San Juan Preservation Trust
Box 327
Lopez Island WA 98261

Either Grantor or Grantee may, by proper notice to the other, designate another address for the giving of notices. All notices shall be deemed given on the third day following the day the notice is mailed in accordance with this Section 17.

17.2 Prior Notice and Approval. The purpose of notice and approval is to afford Grantee an opportunity to ensure that the activities or uses in question are designed and carried out in a manner consistent with the Purposes and terms of this Conservation Easement. Where notice to Grantee is required, Grantor shall describe in such notice 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 terms of this Conservation Easement and the Purpose thereof. Where Grantee's approval is required as provided in Section 5 above, Grantee shall have twenty (20) days from receipt of the notice to request additional information to evaluate the proposed activity. Where no additional information is requested, Grantee shall grant or withhold its approval in writing within forty-five (45) days of receipt of Grantor's written request for approval. Where additional information is requested, Grantee shall grant or withhold its approval in writing within thirty (30) days from receipt of the additional information. Grantee's approval may be withheld only upon a reasonable determination by Grantee that the action as proposed would be inconsistent with the Purposes and terms of this Conservation Easement. If Grantee determines that the activity or use as contemplated by Grantor in its notice is not consistent with the Purposes and/or terms of the Conservation Easement, Grantee shall inform Grantor in writing of its determination and of any reasonable conditions that would make the activity or use in question consistent with the Purposes and terms of this Conservation Easement. When Grantee's approval is required, and when Grantee does not grant or withhold its approval in the time period and manner set forth herein, Grantor may conclusively assume Grantee's approval of the permitted use or activity in question, as described in Grantor's notice thereof.

17.3 Optional Notice and Consultation. If Grantor is unsure whether a proposed use or activity is prohibited by this Conservation 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 its consistency with the Purposes and to provide comments thereon to Grantor. This subsection does not itself impose a requirement of prior approval of the activity described in any such notice; however, if Grantee does not provide written objections within forty-five (45) days after receipt of Grantor's notice, Grantee will be deemed to have approved of the proposed use or activity.

18 LIBERAL CONSTRUCTION. Any general rule of construction to the contrary notwithstanding, this Conservation Easement shall be liberally construed in favor of the grant to effect the Purposes of this Conservation Easement and the policy and purpose of RCW 64.04.130 and chapter 84.34 RCW. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purposes of this Conservation Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

19 **AMENDMENTS.** Grantor and Grantee recognize that circumstances could arise that justify amendment of certain of the terms, covenants, or restrictions contained in this Conservation Easement, and that some activities may require the discretionary consent of the Grantee. To this end, the Grantor and Grantee have the right to agree to amendments and discretionary consents to this Conservation Easement without prior notice to any other party, provided that in the sole and exclusive judgment of the Grantee, such amendment or discretionary consent furthers or is not inconsistent with the Purposes of this Conservation Easement. This Conservation Easement shall not be amended, modified, or terminated except in writing in a document signed by the Grantor and Grantee. No amendment shall be allowed that would adversely affect the qualifications of this Conservation Easement as a charitable gift or the status of the Grantee under any applicable laws. Any such amendment shall be consistent with the Purposes of this Conservation Easement, shall not affect its perpetual duration, shall not permit additional development other than development permitted by this Conservation Easement on its Effective Date and shall not permit any impairment of the significant Conservation Values of the Property. Any amendment shall be consistent with the Grantee's Conservation Easement Amendment Policy. Any such amendment shall be recorded in the land records San Juan County of Washington. Nothing in this section shall require Grantor or Grantee to agree to any amendment.

20 **RECITALS.** Each recital set forth above is hereby incorporated into this Conservation Easement as though fully set forth herein.

21 **RECORDATION.** Grantee shall record this instrument in a timely fashion, in the Official Records of San Juan County, Washington, and other appropriate jurisdictions, and Grantee may re-record it at any time as may be required to preserve its rights in this Conservation Easement.

22 **GOVERNING LAW.** The interpretation and performance of this Conservation Easement shall be governed by the laws of the State of Washington.

23 **NO FORFEITURE.** Nothing contained in this Conservation Easement will result in a forfeiture or reversion of Grantor's title in any respect.

24 **ENTIRE AGREEMENT.** This instrument sets forth the entire agreement of the parties with respect to the Property and supersedes all prior discussions, negotiations, understandings or agreements relating to the Property, all of which are merged into this Conservation Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Section 19 above.

25 **TERMINATION OF RIGHTS AND OBLIGATIONS.** Notwithstanding anything contained in this Conservation Easement to the contrary, upon transfer of

a party's interest in all or a portion of the Property, that party's rights and obligations under this Conservation Easement terminate to the portion transferred, except that liability for acts or omissions occurring prior to transfer shall survive transfer.

26 **COUNTERPARTS.** This instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same document, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. In the event of any disparity between the counterparts produced, the recorded counterpart shall be controlling.

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

28 **EFFECTIVE DATE.** This Conservation Easement shall be effective as of the date of recording.

{Signature Pages to Follow}

IN WITNESS WHEREOF, the undersigned Grantor has executed this Conservation Easement
this 8th day of June 20 17.

SAN JUAN COUNTY

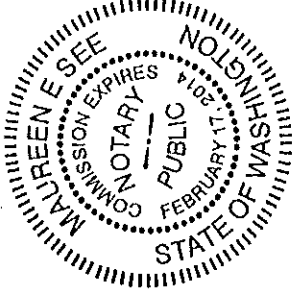
By [Signature]
Its Director

STATE OF WASHINGTON)
) ss
COUNTY OF SAN JUAN)

On this 8th day of June 20 17, before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared Lincoln Botman, to me known to be the Director of the SAN JUAN COUNTY LAND BANK, the entity of SAN JUAN COUNTY, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation for the uses and purposes therein mentioned, and on oath stated that he/she is authorized to execute the said instrument.

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

Maureen See
Notary Public in and for said state, residing
at Julia Harbor WA
My commission expires: 2-17-14
Print Name: MAUREEN SEE



APPROVED AS TO FORM ONLY:
RANDALL K. GAYLORD

BY: [Signature] 6/8/17
JONATHAN W. CAIN
DEPUTY PROSECUTING ATTORNEY

THE SAN JUAN PRESERVATION TRUST does hereby accept the above Conservation Easement.

THE SAN JUAN PRESERVATION
TRUST

By *T. R. Seafort*
Its Executive Director

State of Washington)
County of Sauvian) ss

I certify that I know or have satisfactory evidence that T. R. Seafort 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 Executive Director of The San Juan Preservation Trust 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 19 day of June, 2012.

Lisa P. Anderson
Notary Public in and for said state,
residing at 151 Day Harbor
My commission expires: 4-27-2016

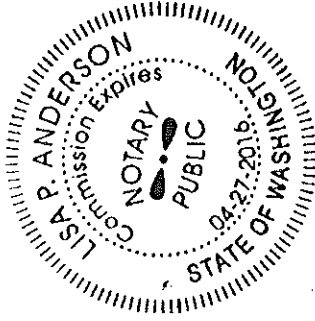


EXHIBIT "A"

Legal Description of the Property

Government Lot 1, Section 36, Township 37 North, Range 3 West, W.M., in San Juan County, Washington.

SUBJECT TO easements and restrictions of record.

EXHIBIT "B"

Map of Property Protected by the Conservation Easement

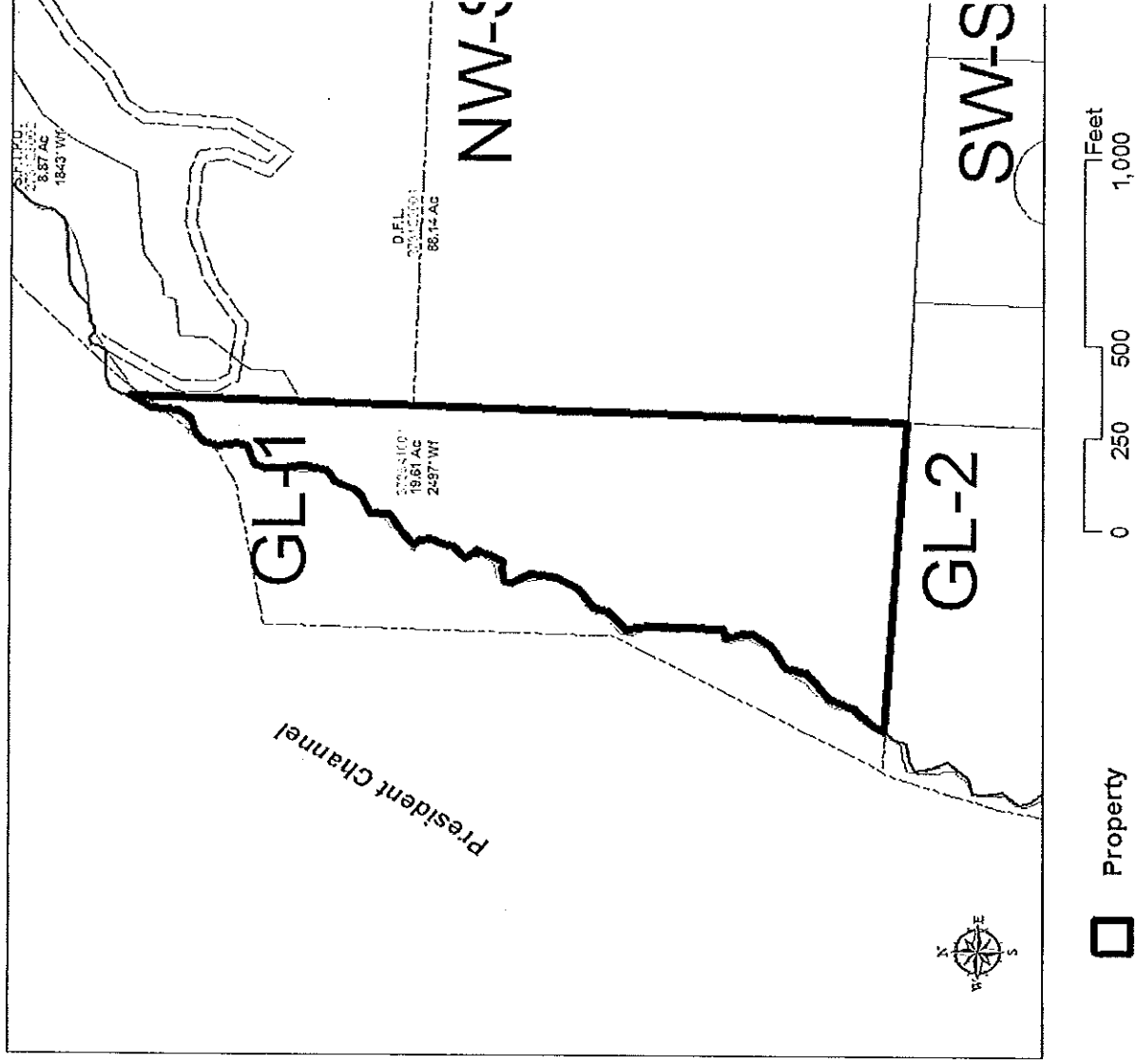


EXHIBIT "C"

Aerial Photo of the Property Protected by the Conservation Easement

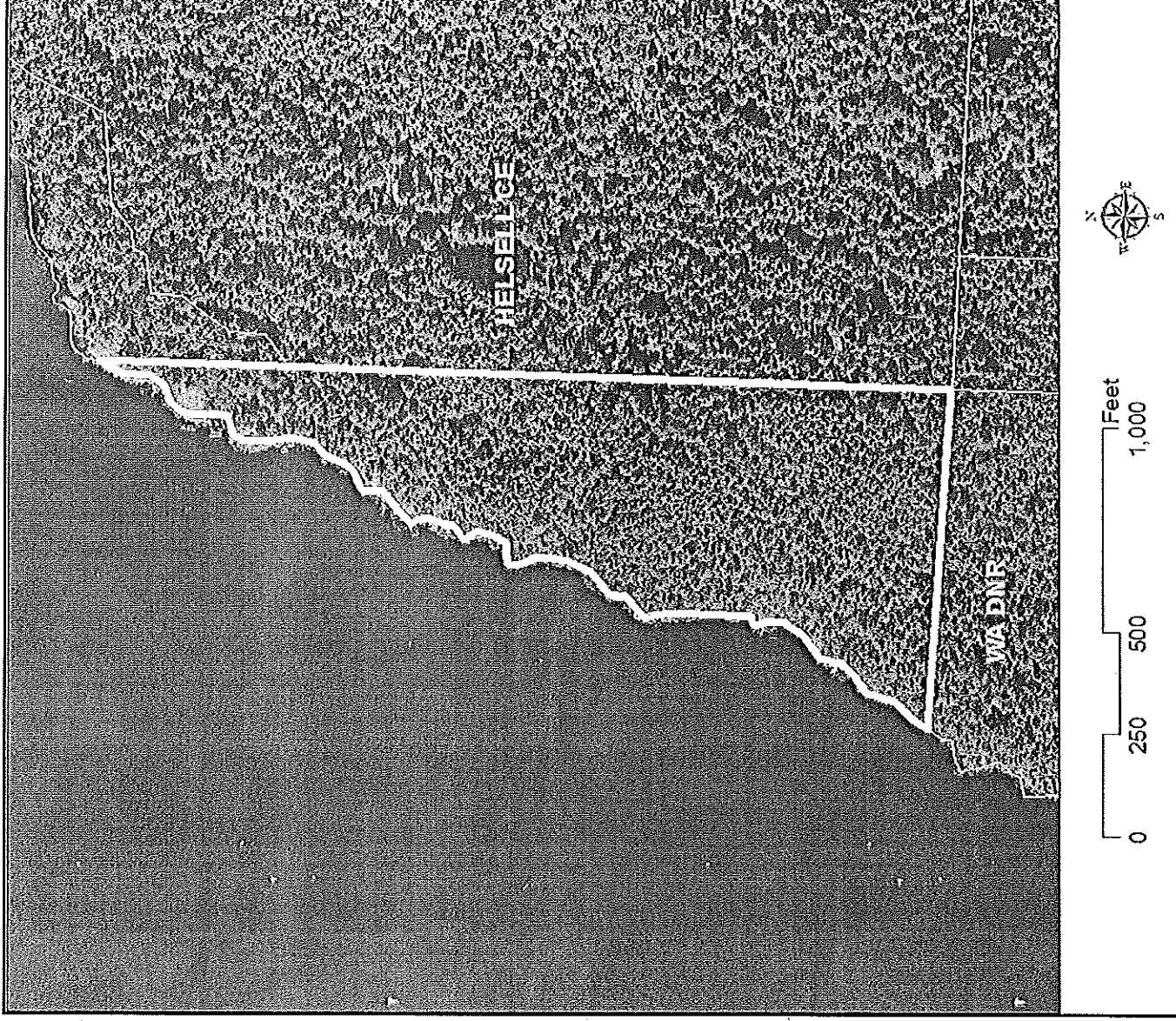


EXHIBIT "D"

Acknowledgement of Baseline Present Conditions Report

Grantor and Grantee acknowledge that each has read the Baseline Present Conditions Report, dated June 14, 2012, and that the report accurately reflects the currently available baseline data regarding the condition of the Property subject to the Conservation Easement as of the Effective Date of the Conservation Easement.

THE SAN JUAN COUNTY LAND BANK By: <u>[Signature]</u> Its <u>Director</u> Date: <u>6-14-12</u>	THE SAN JUAN PRESERVATION TRUST By: <u>[Signature]</u> Its <u>Executive Director</u> Date: <u>June 19, 2012</u>
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PLEASE TYPE OR PRINT

REAL ESTATE EXCISE TAX AFFIDAVIT

CHAPTER 82.45 RCW - CHAPTER 458-61A WAC

THIS AFFIDAVIT WILL NOT BE ACCEPTED UNLESS ALL AREAS ON ALL PAGES ARE FULLY COMPLETED

This form is your receipt when stamped by cashier.

☐ Check box if partial sale of property

If multiple owners, list percentage of ownership next to name.

1	SELLER GRANTOR	2	BUYER GRANTEE
Name <u>San Juan County, a political subdivision of the State of WA,</u> acting by & thru the SJC Land Bank		Name <u>The San Juan Preservation Trust</u>	
Mailing Address <u>350 Court St #6</u>		Mailing Address <u>P.O. Box 327</u>	
City/State/Zip <u>Friday Harbor WA 98250</u>		City/State/Zip <u>Lopez Island, WA 98261-0327</u>	
Phone No. (including area code) _____		Phone No. (including area code) _____	
3 Send all property tax correspondence to: ☐ Same as Buyer/Grantee		List all real and personal property tax parcel account numbers - check box if personal property	
Name _____		373641001000 ☐ 1080300.00	
Mailing Address _____		☐	
City/State/Zip _____		☐	
Phone No. (including area code) _____		☐	

4 Street address of property: NHN Orcas Island, Eastsound, WA 98245

This property is located in San Juan County

☐ Check box if any of the listed parcels are being segregated from a larger parcel.

Legal description of property (if more space is needed, you may attach a separate sheet to each page of the affidavit)

See attached legal description

5 Select Land Use Code(s):
Select Land Use Codes
enter any additional codes: _____
(See back of last page for instructions)

Is this property exempt from property tax per chapter 84.36 RCW (nonprofit organization)? YES ☐ NO ☐

6 Is this property designated as forest land per chapter 84.33 RCW? YES ☐ NO ☐
Is this property classified as current use (open space, farm and agricultural, or timber) land per chapter 84.34? YES ☐ NO ☐
Is this property receiving special valuation as historical property per chapter 84.26 RCW? YES ☐ NO ☐

If any answers are yes, complete as instructed below.

(1) NOTICE OF CONTINUANCE (FOREST LAND OR CURRENT USE) NEW OWNER(S): To continue the current designation as forest land or classification as current use (open space, farm and agriculture, or timber) land, you must sign on (3) below. The county assessor must then determine if the land transferred continues to qualify and will indicate by signing below. If the land no longer qualifies or you do not wish to continue the designation or classification, it will be removed and the compensating or additional taxes will be due and payable by the seller or transferor at the time of sale. (RCW 84.33.140 or RCW 84.34.108). Prior to signing (3) below, you may contact your local county assessor for more information.

This land ☐ does ☐ does not qualify for continuance.

DEPUTY ASSESSOR	DATE
(2) NOTICE OF COMPLIANCE (HISTORIC PROPERTY) NEW OWNER(S): To continue special valuation as historic property, sign (3) below. If the new owner(s) does not wish to continue, all additional tax calculated pursuant to chapter 84.26 RCW, shall be due and payable by the seller or transferor at the time of sale.	
(3) OWNER(S) SIGNATURE	
PRINT NAME	

7 List all personal property (tangible and intangible) included in selling price.

If claiming an exemption, list WAC number and reason for exemption:

WAC No. (Section/Subsection) 458-61A-205

Reason for exemption
government entity

Type of Document Deed of Conservation Easement

Date of Document 6/19/12

Gross Selling Price \$ 400,000.00

*Personal Property (deduct) \$ 400,000.00

Exemption Claimed (deduct) \$ 0.00

Taxable Selling Price \$ 0.00

Excise Tax : State \$ 0.00

0.0125 Local \$ 0.00

*Delinquent Interest: State \$ _____

Local \$ _____

*Delinquent Penalty \$ 0.00

Subtotal \$ 5.00

*State Technology Fee \$ 50240.00

*Affidavit Processing Fee \$ 10.00

Total Due \$ _____

A MINIMUM OF \$10.00 IS DUE IN FEE(S) AND/OR TAX

*SEE INSTRUCTIONS

8 I CERTIFY UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

Signature of Grantor or Grantor's Agent	Signature of Grantee or Grantee's Agent
Name (print) <u>Lincoln Bormann</u>	Name (print) <u>Lisa Anderson, Agent</u>
Date & city of signing: <u>06-19-2012 Friday Harbor</u>	Date & city of signing: <u>06-19-2012 Friday Harbor</u>

Perjury: Perjury is a class C felony which is punishable by imprisonment in the state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollars (\$5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1C)).

REV 84 0001ae (a) (2/1/08)

THIS SPACE - TREASURER'S USE ONLY

COUNTY TREASURER

072624

JAN SEARS
COUNTY TREASURER

EXHIBIT "A"

Legal Description of the Property

Government Lot 1, Section 36, Township 37 North, Range 3 West, W.M., in San Juan County, Washington.

SUBJECT TO easements and restrictions of record.