TRANSFER OF DEVELOPMENT RIGHTS

**HISTORY OF TDRS:** The City established our TDR program in 1999 in response to a Growth Management Hearing Board mandate because the City limits had been expanded to include approximately 93 acres of farmland to the southwest of the City; and 19.8 acres of farmland to the north of the City.

The referenced 93-acre site located to the southwest of the City is currently owned by Seaward Investment, Inc.; and is also known as the Alfco property. The referenced 19.8-acres to the north of the City was originally owned by the City, and was deeded over to Nookachamps, LLC for the development of their wetland mitigation bank. Through the process of deeding the 19.8-acres to Nookachamps, LLC staff discovered flaws in the original legal descriptions and surveying such that these TDRs no longer exist. Please see the accompanying map (labeled as **Map 1**) that shows the location of both of these original sites.

The 1999 TDR Ordinance (Ordinance 2940; that created Mount Vernon Municipal Code Chapter 17.119) stipulated that there was one (1) TDR per acre assigned to the sending sites. The Alfco and City owned properties are what are labeled “sending sites” as they are, in essence, sending their development potential from their site to another site located elsewhere within the City.

Even though the Alfco property is a sending site per the City’s TDR ordinance this property has an underlying zoning of Residential-Agricultural (R-A) that allows a maximum density of 1.24 dwelling units per acre and a minimum lot size of 35,000 square feet. This means that this property has always had the ability to be subdivided and developed so long as the City’s development regulations are met. The TDR ordinance only provides a different way for this property owner to be compensated for the development potential of this property; it does not remove the ability for this property to be developed if the owner wished to develop it instead of selling off the TDRs from this site.

On January 12, 2005 the City Council (with the approval of Ordinance 3233) increased the number of development rights FROM one (1) per acre TO two (2) per acre. This means that Alfco’s original 93 TDRs were increased to 186 TDRs.

**USE OF TDRS:** The City has five (5) developments from 2006 to 2010 that desired to use TDRs as follows:

- Iris Meadows (LU06-090) - 11 TDRs;
- Digby Heights (LU07-013) - 18 TDRs;
- Trumpeter Place (LU07-023) - 14 TDRs;
- Cedar Heights II (LU07-009) - 8 TDRs; and,
- Rockcrest (LU10-019) - 28 TDRs.
However, once the recession hit only two of the above-listed developments have finalized their subdivisions using TDRs. These two subdivisions include Digby Heights and Trumpeter Place. The remaining subdivisions have either expired or were finalized with reduced density not using their originally anticipated TDRs.

When TDRs are purchased the development potential that each TDR represents is extinguished. Joe Woodmansee purchased 70 TDRs from Seward Investments in 2007 (Deed of and Agreement Relating to Development Rights, AFN: 200710230067). Since 70 TDRs have been purchased, 35 acres of conservation easements have been recorded. These conservation easements make development of these specific 35-acres not possible. Please see the accompanying **Map 2** that shows the areas where the development rights have been extinguished.

**ATTACHED:**
- Map 1: Location of both original TDR sending sites
- Map 2: ALFCO Sending Site with TDR Details
- TDR Documents: Deed purchasing 70 TDRs, Conservation Easements, TDR Record of Survey, and TDR Extinguishment
MAP 1 – LOCATION OF TDR SENDING SITES IN MOUNT VERNON
Site Statistics:

Total Area = 93 acres (2 TDRs per acre)
Total Number of TDRs originally available = 186
Number of TDRs purchased = 70 (35 acres)
Number of TDRs remaining = 116 (58 acres)
QUIT CLAIM DEED CONVEYING TRANSFERABLE DEVELOPMENT RIGHTS (TDRs)

Grantors(s):
1. SEAWARD INVESTMENTS, LLC, a Washington limited liability company
2.
3.

Grantee(s)
1. JOE WOODMANSEE & KIM WOODMANSEE, husband and wife
2.
3.

Legal Description:
1. Ptn Gov Lot 3, S30 T34N, R4E, W.M.
2. Additional legal description is on Exhibit A of this document

Assessor’s Property Tax Parcel or Account Number at the Time of Recording
P28779, P28783, P28784, P28780, P28784

Reference Numbers of Documents Assigned or Released:
DEED OF AND AGREEMENT RELATING TO DEVELOPMENT RIGHTS

THIS DEED AND AGREEMENT is made this 22nd day of October, 2007, BY AND BETWEEN SEAWARD INVESTMENTS, LLC, a Washington limited liability company, hereinafter referred to as "Grantors," and JOE WOODMANSEE & KIM WOODMANSEE, husband and wife, hereinafter referred to as "Grantee."

WHEREAS:

The Grantors are the present owners of the lands described in Exhibit A which is attached hereto and incorporated herein by reference (the "Land").

The Grantors recognize that the Land is Residential/Agricultural ("RA") land and has been identified as a sending site as defined in Mount Vernon Municipal Code 17.119, and they desire to preserve land devoted to agricultural and open space uses.

The Grantors are willing to grant and convey to the Grantee a portion of the Development Rights in the Land as such rights are defined in Mount Vernon Municipal Code 17.119 (said rights being the interest in and the right to use and subdivide land for any and all residential, commercial, and industrial purposes and activities which are not incident to agricultural and open space uses), on the terms and conditions and for the purposes hereinafter set forth. The Grantee is willing to purchase a portion of the Development Rights in the Land and accept this instrument of conveyance.

The Grantee has determined that the acquisition by the Grantee of Development Rights in Residential/Agricultural ("RA") land will benefit the public through the preservation of property devoted to agricultural uses.

The grant and conveyance of Development Rights by the Grantors to the Grantee will preserve the Land for activities consistent with agricultural uses in perpetuity in accordance with the specific terms and conditions hereinafter set forth.

NOW THEREFORE WITNESSETH, that the Grantors, for and in consideration of Ten Dollars and other good and valuable consideration paid to the Grantors by the Grantee, the receipt and sufficiency of which is hereby acknowledged, and the Grantors being therewith fully satisfied, do by these presents convey and quit claim unto the Grantee forever seventy (70) Development Rights in respect to the Land, which is legally described in Exhibit A, and hereby perpetually binding the Land to the restrictions limiting permitted activities to agricultural and open space uses as specifically delineated in those certain Conservation Easements for the Land, dated January 19, 2007 and October 5, 2007 and recorded under Skagit County Auditor’s File No. 200701260138 and 200710080100.

2
By signing this deed and having it recorded or allowing it to be recorded, the Grantor extinguishes seventy (70) Transferable Development Rights conveyed by this deed and previously granted by the City of Mount Vernon, Washington to the real property described in Exhibit A attached hereto and incorporated herein by this reference as if set forth in full. The Grantor warrants that the City of Mount Vernon has certified that seventy (70) of the Transferable Development Rights, as defined in Chapter 17.119 of the City of Mount Vernon, Washington’s municipal code or its successor, were originally attached to the real property legally described in Exhibit A of which the Grantor had previously conveyed the appropriate conservation easement to the City or City approved entity which sufficiently limits development of the Land in perpetuity as of the date of this document. The recording reference number of the conservation easements recorded on the real estate which is legally described on Exhibit A are 200701260138 and 200710080100.

The Grantors and Grantee further agree that the Development Rights may only be used on real property identified as a receiving site as defined in Chapter 17.119 of the City of Mount Vernon, Washington’s municipal code or its successor.

The Grantors and Grantee hereby agree that the Land shall be bound by and permanently subject to the following restrictive covenants, terms, and conditions. None of these covenants, terms, and conditions shall be construed as allowing a use that is not otherwise permitted by applicable state and local laws, codes, standards, and ordinances.

RESTRICTIONS ON USE OF THE LAND

The Grantors and Grantee hereby agree that the Land shall be bound by and permanently subject to the conservation easements recorded on the Land under Skagit County Auditor’s File Nos. 200701260138 and 200710080100 and incorporated herein by this reference.

ADDITIONAL COVENANTS AND AGREEMENTS

The Grantors and Grantee further agree as follows:

Covenant Against Encumbrances. The Grantors covenant that they have not done or executed, or allowed to be done or executed, any act, deed, or thing whatsoever whereby the Development Rights hereby conveyed, or any part thereof, now or at any time hereafter, will or may be charged or encumbered in any manner or way whatsoever.

No Alteration or Amendment. The terms, conditions, restrictions, and covenants contained herein shall not be altered or amended unless such alteration or amendment shall be made with the written consent of the Grantee, or its successors or assigns, and any such alteration or amendment shall be consistent with the purposes of Mount Vernon Municipal Code 17.119, as heretofore or hereafter amended.

Restrictions Binding on Successors. The Grantors and Grantee agree that the terms, conditions, restrictions, and covenants contained herein shall be binding upon the Grantors, their agents, personal representatives, heirs, assigns, and all other successors in interest to the Land and possessors of the Land, and shall be permanent terms, conditions, restrictions,
covenants, servitudes, and easements running with and perpetually binding the Land.

**Transfer of Rights by Grantee.** The Grantee agrees that the Development Rights to the Land shall not be sold, given, divested, transferred, or otherwise reconveyed in whole or in part in any manner except as provided in Mount Vernon Municipal Code 17.119, as heretofore or hereafter amended.

**Condemnation.** All interests in the Land, including but not limited to the Development Rights shall remain subject to any condemnation action as provided by law.

**Severability.** If any section or provision of this instrument shall be held by any court of competent jurisdiction to be unenforceable, this instrument shall be construed as though such section or provision had not been included in it, and the remainder of this instrument shall be enforced as the expression of the parties' intentions. If any section or provision of this instrument is found to be subject to two constructions, one of which would render such section or provision invalid, and one of which would render such section or provision valid, then the latter construction shall prevail. If any section or provision of this instrument is determined to be ambiguous or unclear, it shall be interpreted in accordance with the policies and provisions expressed in Mount Vernon Municipal Code 17.119.

IN WITNESS WHEREOF, the parties have hereunto set their hand and seals the day and year first above written.

GRANTOR

SEAWARD INVESTMENTS, INC.

By: [Signature]

Its Vice President/General Manager

GRANTEE

JOE WOODMANSEE

KIM WOODMANSEE

SKAGIT COUNTY WASHINGTON REAL ESTATE EXCISE TAX

OCT 23 2007

Amount Paid $ 19,121.30

By [Signature]

Deputy

200710230067

Skagit County Auditor

10/23/2007 Page 4 of 6 11:42AM
State of Washington  )
                ) ss
County of Skagit  )

I certify that I know or have satisfactory evidence that JEANNE CRANNELL 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 VICE PRESIDENT / GENERAL MANAGER of SEAWARD INVESTMENTS, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: 10-22-09
(Signature)
NOTARY PUBLIC
SANDRA D. OLSON
Print Name of Notary
My appointment expires: 2-20-11

State of Washington  )
                ) ss
County of Skagit  )

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

Dated: 10-20-09
(Signature)
NOTARY PUBLIC
SANDRA D. OLSON
Print Name of Notary
My appointment expires: 2-20-11
STATE OF WASHINGTON, ss.

Count of Skagit

On this 22 day of October, 2007, before me personally appeared

and acknowledged that (he/she) signed the same as (his/her) free and voluntary act and deed as Attorney in Fact for

and stated that the Power of Attorney authorizing the execution of this instrument has not been revoked and that said principal is now living and is not insane.

GIVEN under my hand and official seal the day and year last above written.

SANDRA D. OLSON
COMMISSION EXPIRES 2-20-2010

NOTARY PUBLIC

My appointment expires 3-11-2011
Exhibit "A"

Tracts 1 through 13 (inclusive), 19 through 22 (inclusive), 28 through 40 (inclusive), 41 through 45 (inclusive), as depicted on that certain Record of Survey map recorded under Skagit County Auditor’s File No. 200701260137.

All being a portion of the following described property:

Parcel “A”

That portion of the East 832 feet of Government Lots 1 and 2, Section 30, Township 34 North, Range 4 East, W.M., lying South of that existing County Road known as the Kimble Road No. XCV; EXCEPT the following described tracts:

1. BEGINNING at the West 1/4 of said Section 30;
thence North 1°36'30" East along the West line of said Section 30, a distance of 1,387.43 feet to a point on the centerline of that County Road known as the Kimble Road No. XCV;
thence South 89°57'21" East along the centerline of said County Road, a distance of 498.80 feet to the TRUE POINT OF BEGINNING of this description;
thence continuing South 89°57'21" East along the centerline of said County Road a distance of 200 feet;
thence South 2°01'24" West a distance of 150 feet;
thence North 89°57'21" West a distance of 200 feet;
thence North 2°01'24" East a distance of 150 feet to the TRUE POINT OF BEGINNING of this description.

2. BEGINNING at the West 1/4 corner of said Section 30;
thence North 1°36'30" East along the West line of said Section 30, a distance of 1,387.43 feet to a point on the center line of the County Road;
thence South 89°57'21" East along the center line of said County Road, a distance of 890.39 feet to the TRUE POINT OF BEGINNING of this description;
thence South 2°01'24" West 230 feet;
thence North 89°57'21" West 220 feet;
thence North 2°01'24" East 80 feet, more or less, to the South line of a tract conveyed to W. L. Williamson, et ux, by deed dated October 25, 1968, recorded April 7, 1972 under Auditor's File No. 766685;
thence South 89°57'21" East 28.41 feet, more or less, to the Southeast corner of said Williamson tract;
thence North 2°01'24" East along the East line of said Tract 150 feet to the centerline of the aforementioned County Road;
thence South 89°57'21" East along the centerline of said road 191.59 feet, more or less, to the TRUE POINT OF BEGINNING.

3. That certain Westerly portion of said East 832 feet conveyed to Elizabeth (Betty) J. Sward by Deed recorded as Skagit County Auditor's File No. 200307100092.
Parcel "B"

Government Lot 3, Section 30, Township 34 North, Range 4 East, W.M., EXCEPT the West 330 feet thereof.

Parcel "C"

The South 1/2 of Government Lot 4; the Northeast 1/4 of Government Lot 4 and the South 16.5 feet of the Northwest 1/4 of Government Lot 4 all in Section 30, Township 34 North, Range 4 East, W.M.;

ALSO that portion of the Southeast 1/4 of the Southwest 1/4 of Section 30, Township 34 North, Range 4 East, W.M., described as follows:

BEGINNING at the Southwest corner of said subdivision; thence North along the West line thereof 20 feet; thence South 45° East to a point on the South line of said Section, 20 feet East of the POINT OF BEGINNING; thence West to the POINT OF BEGINNING.

ALSO the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4, Section 31, Township 34 North, Range 4 East, W.M.

ALL OF THE ABOVE PARCELS BEING SUBJECT TO AND TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of records.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.
CONSERVATION EASEMENT

GRANTORS: SEAWARD INVESTMENTS, INC., a Washington corporation
GRANTEE: CITY OF MOUNT VERNON, a municipal corporation
Legal Description:
  Abbreviated Form: Ptn Gov Lot 3, S30 T34N, R4E, W.M.
  Additional on: Exhibit B
Assessor’s Tax Parcel Nos: P28779

This Conservation Easement is made this 5th day of October, 2007 by SEAWARD INVESTMENTS, INC., a Washington corporation, having an address of PO Box 98, Mount Vernon, Washington 98273, hereinafter referred to as “Grantor” in favor of the City of Mount Vernon, a municipal corporation and political subdivision of the State of Washington, having an address of 910 Cleveland Avenue, Mount Vernon, WA, 98273, hereinafter referred to as “Grantee”.

WITNESSETH:

WHEREAS, Grantor solely owns in fee simple certain real property in the City of Mount Vernon, Washington, more particularly described in Exhibit “A”, attached hereto and incorporated by this reference.

WHEREAS, In exchange for the severance of development rights from Grantor’s property, the Grantor desires to preserve, in its existing condition in perpetuity, a portion of Grantor’s property, more particularly described on the attached Exhibit “B” and as represented by the map referenced by the Exhibit “C”, attached hereto and incorporated by this reference as the “Property”; and

NOW THEREFORE, in consideration of the mutual covenants, terms, conditions and restrictions contained herein, and in consideration of the creation of ten (10) development rights pursuant to the provisions of Chapter 17.119 et. seq. of the Mount Vernon Municipal Code., which development rights derive from 5 one acre tracts as shown on the map referenced by the
attached Exhibit “C”. Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity, over the Property described in Exhibit “B”, of the nature and character and to the extent hereinafter set forth as the “Conservation Easement”. Grantor fully warrants title to said Property on the attached Exhibit “B” and as represented by the map referenced by the Exhibit “C”, and will warrant and defend the same against the lawful claims of all persons whomsoever.

1. Purpose. The purpose of this Conservation Easement is to assure that the Property will be retained forever in its existing natural or agricultural state and to prevent any use of the Property that is otherwise inconsistent. Agricultural use of the Property, excluding the future construction of residential units, shall be considered as being consistent with this purpose. Nothing in this easement shall encumber or affect any of Grantor’s rights relating to any portion of Grantor’s property that is not described on the attached Exhibit “B”.

2. Prohibited Uses. Any activity on or use of the Property inconsistent with the purpose of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following activities and use are expressly prohibited:

(a) Construction or placing buildings, signs, billboards or other advertising, utilities or other structure on or above the ground. However, nothing in this easement shall prohibit Grantor from constructing buildings, structures, or other improvements, including but not limited to signs, utilities, fences, irrigation lines, that are strictly associated with agricultural use of the Property. Additionally, Grantor may maintain all existing structures and improvements on the Property. All existing structures and improvements are non-residential accessory structures necessary for the operation of the agricultural use of the Property and shall not result in the subtraction or use of any development rights under MVMC 17.119.030.

(b) Dumping or placing as landfill any soil, material or other substance. Dumping or placing of trash, waste or unsightly or offensive materials. Agricultural material typically associated with agricultural operations, such as top soil or soil amendments, placed or stored in accordance with applicable City Codes and requirements shall not be prohibited.

(c) Removing or destroying trees, shrubs or other vegetation unless done in conjunction with and necessary as a part of agricultural use of the Property. Trees, shrubs and any other vegetation grown in conjunction with agricultural related activities may be removed or destroyed by Grantor at any time.

(d) Non-agricultural related activities which are detrimental to drainage, flood control, water conservation, erosion control, soil conservation or fish and wildlife habitat preservation. Grantor may construct and maintain ditches and associated vegetation in Grantor’s usual and customary manner in keeping with good farming practices.

(e) Division of the Property for residential development in the easement area.
3. Reserved Rights. Reserving unto Grantor, Grantor's successors and assigns, all rights accruing for its ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not expressly prohibited herein and are not inconsistent with the purpose of this Conservation Easement.

4. Rights of Grantee. To accomplish the purposes stated herein, Grantor conveys the following rights to Grantee:

(a) To enter upon and inspect the Property in a reasonable manner and at reasonable times after at least forty eight (48) hours advance notice, to determine if Grantor or Grantor's successors and assigns are complying with the covenants and prohibitions contained in this Conservation easement.

(b) To proceed at law or in equity to enforce the provisions of this Conservation Easement and the covenants set forth herein, to prevent the occurrence of any of the prohibited activities set forth herein, and require the restoration of areas or features of the Property that may be damaged by any activity inconsistent with this Conservation Easement.

5. Grantee's Discretion. No delay or omission by the Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver. Grantee shall not be obligated to Grantor, or to any other person or entity, to enforce the provisions of this Conservation Easement.

6. Grantee's Liability. Grantor will assume all liability for any injury or damage to the person or property of third parties which may occur on the Property arising from Grantor's ownership of the Property. Neither Grantor, nor any person or entity claiming by or through Grantor, shall hold Grantee liable for any damage or injury to person or personal property which may occur on the Property. This paragraph 6 shall not apply to the extent the subject damage or injury is caused by the negligence or willful misconduct of Grantee, its employees or agents.

7. Acts Beyond Grantor's Control. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from natural causes beyond Grantor's control, including without limitation, fire, flood, storm and earth movement, or from any necessary action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property or to persons resulting from such causes.

8. Recordation. Grantor shall record this Conservation Easement in timely fashion in the Official Records of Skagit County, Washington and shall be responsible for all recording costs and taxes necessary to record this Conservation Easement.

9. Successors. The covenants, terms, conditions and restrictions of this Conservation Easement

CONSERVATION EASEMENT - 3
shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successor and assigns and shall continue as a servitude running in perpetuity with the Property.

IN WITNESS WHEREOF, Grantor has executed this Conservation Easement on the day and year first above written.

GRANTOR:
SEAWARD INVESTMENTS, INC.

By: 
JEANNE CRANNE
Its Vice President/General Manager

THE FOREGOING CONSERVATION EASEMENT IS HEREBY APPROVED BY THE CITY OF MOUNT VERNON ON THIS ___ DAY OF SEPTEMBER, 2007.

By: 
JANA HANSON
Director, Community and Economic Development Department

OCT 08 2007
State of Washington  
) ss  
County of Skagit   
)

I certify that I know or have satisfactory evidence that JEANNE CRANNELL 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 VICE-PRESIDENT/GENERAL MANAGER of SEAWARD INVESTMENTS, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated:  

(Signature)  

NOTARY PUBLIC  

Print Name of Notary  

My appointment expires:  

CRAIG CAMMACK  

COMMISSION EXPIRES  

NOTARY PUBLIC  

STATE OF WASHINGTON  

11-1-2010  

CONSERVATION EASEMENT - 5
Exhibit "A"

Parcel "A"

That portion of the East 832 feet of Government Lots 1 and 2, Section 30, Township 34 North, Range 4 East, W.M., lying South of that existing County Road known as the Kimble Road No. XCV; EXCEPT the following described tracts:

1. BEGINNING at the West 1/4 of said Section 30;
   thence North 1°36'30" East along the West line of said Section 30, a distance of 1,387.43 feet to a point on the centerline of that County Road known as the Kimble Road No. XCV;
   thence South 89°57'21" East along the centerline of said County Road, a distance of 498.80 feet to the TRUE POINT OF BEGINNING of this description;
   thence continuing South 89°57'21" East along the centerline of said County Road a distance of 200 feet;
   thence South 2°01'24" West a distance of 150 feet;
   thence North 89°57'21" West a distance of 200 feet;
   thence North 2°01'24" East a distance of 150 feet to the TRUE POINT OF BEGINNING of this description.

2. BEGINNING at the West 1/4 corner of said Section 30;
   thence North 1°36'30" East along the West line of said Section 30, a distance of 1,387.43 feet to a point on the center line of the County Road;
   thence South 89°57'21" East along the center line of said County Road, a distance of 890.39 feet to the TRUE POINT OF BEGINNING of this description;
   thence South 2°01'24" West 230 feet;
   thence North 89°57'21" West 220 feet;
   thence North 2°01'24" East 80 feet, more or less, to the South line of a tract conveyed to W. L. Williamson, et ux, by deed dated October 25, 1968, recorded April 7, 1972 under Auditor's File No. 766685;
   thence South 89°57'21" East 28.41 feet, more or less, to the Southeast corner of said Williamson tract;
   thence North 2°01'24" East along the East line of said Tract 150 feet to the centerline of the aforementioned County Road;
   thence South 89°57'21" East along the centerline of said road 191.59 feet, more or less, to the TRUE POINT OF BEGINNING.

3. That certain Westerly portion of said East 832 feet conveyed to Elizabeth (Betty) J. Sward by Deed recorded as Skagit County Auditor's File No. 200307100092.
Parcel "B"

Government Lot 3, Section 30, Township 34 North, Range 4 East, W.M., EXCEPT the West 330 feet thereof.

Parcel "C"

The South 1/2 of Government Lot 4; the Northeast 1/4 of Government Lot 4 and the South 16.5 feet of the Northwest 1/4 of Government Lot 4 all in Section 30, Township 34 North, Range 4 East, W.M.;

ALSO that portion of the Southeast 1/4 of the Southwest 1/4 of Section 30, Township 34 North, Range 4 East, W.M., described as follows:

BEGINNING at the Southwest corner of said subdivision;
thence North along the West line thereof 20 feet;
thence South 45° East to a point on the South line of said Section, 20 feet East of the POINT OF BEGINNING;
thence West to the POINT OF BEGINNING.

ALSO the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4, Section 31, Township 34 North, Range 4 East, W.M.

ALL OF THE ABOVE PARCELS BEING SUBJECT TO AND TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of records.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.
Exhibit "B"

Tracts 41 through 45 (inclusive), as depicted on that certain Record of Survey map recorded under Skagit County Auditor’s File No. 200701260137.

Situate in the City of Mount Vernon, Skagit County, Washington.
That certain four (4) page Record of Survey map recorded under Skagit County Auditor's File No. 200701260137. The map shown hereon is for representational purposes only.
CONSERVATION EASEMENT

GRANTORS: SEAWARD INVESTMENTS, INC., a Washington corporation
GRANTEE: CITY OF MOUNT VERNON, a municipal corporation
Legal Description:
Abbreviated Form: Ptn Gov Lot 1,2,3 & 4, S30 T34N, R4E, W.M.
Additional on: Exhibit B
Assessors Tax Parcel Nos: P28790 and P28794
P29793 in sec 31, T34N, R4E W.M.

This Conservation Easement is made this 9th day of January, 2007 by SEAWARD INVESTMENTS, INC., a Washington corporation, having an address of PO Box 98, Mount Vernon, Washington 98273, hereinafter referred to as “Grantor” in favor of the City of Mount Vernon, a municipal corporation and political subdivision of the State of Washington, having an address of 910 Cleveland Avenue, Mount Vernon, WA, 98273, hereinafter referred to as “Grantee”.

WITNESSETH:

WHEREAS, Grantor solely owns in fee simple certain real property in the City of Mount Vernon, Washington, more particularly described in Exhibit “A”, attached hereto and incorporated by this reference.

WHEREAS, In exchange for the severance of development rights from Grantor’s property, the Grantor desires to preserve, in its existing condition in perpetuity, a portion of Grantor’s property, more particularly described on the attached Exhibit “B” and as represented by the map referenced by the Exhibit “C”, attached hereto and incorporated by this reference as the “Property”; and

NOW THEREFORE, in consideration of the mutual covenants, terms, conditions and
restrictions contained herein, and in consideration of the creation of sixty (60) development rights pursuant to the provisions of Chapter 17.119 et. seq. of the Mount Vernon Municipal Code., which development rights derive from 30 one acre tracts as shown on the map referenced by the attached Exhibit “C”. Grantor hereby voluntarily grants and conveys to Grantee a conservation easement in perpetuity, over the Property described in Exhibit “B”, of the nature and character and to the extent hereinafter set forth as the “Conservation Easement”. Grantor fully warrants title to said Property on the attached Exhibit “B” and as represented by the map referenced by the Exhibit “C”, and will warrant and defend the same against the lawful claims of all persons whonssoever.

1. Purpose. The purpose of this Conservation Easement is to assure that the Property will be retained forever in its existing natural or agricultural state and to prevent any use of the Property that is otherwise inconsistent. Agricultural use of the Property, excluding the future construction of residential units, shall be considered as being consistent with this purpose. Nothing in this easement shall encumber or affect any of Grantor’s rights relating to any portion of Grantor’s property that is not described on the attached Exhibit “B”.

2. Prohibited Uses. Any activity on or use of the Property inconsistent with the purpose of this Conservation Easement is prohibited. Without limiting the generality of the foregoing, the following activities and use are expressly prohibited:

(a) Construction or placing buildings, signs, billboards or other advertising, utilities or other structure on or above the ground. However, nothing in this easement shall prohibit Grantor from constructing buildings, structures, or other improvements, including but not limited to signs, utilities, fences, irrigation lines, that are strictly associated with agricultural use of the Property. Additionally, Grantor may maintain all existing structures and improvements on the Property. All existing structures and improvements are non-residential accessory structures necessary for the operation of the agricultural use of the Property and shall not result in the subtraction or use of any development rights under MVMC 17.119.030.

(b) Dumping or placing as landfill any soil, material or other substance. Dumping or placing of trash, waste or unsightly or offensive materials. Agricultural material typically associated with agricultural operations, such as top soil or soil amendments, placed or stored in accordance with applicable City Codes and requirements shall not be prohibited.

(c) Removing or destroying trees, shrubs or other vegetation unless done in conjunction with and necessary as a part of agricultural use of the Property. Trees, shrubs and any other vegetation grown in conjunction with agricultural related activities may be removed or destroyed by Grantor at any time.
(d) Non-agricultural related activities which are detrimental to drainage, flood control, water conservation, erosion control, soil conservation or fish and wildlife habitat preservation. Grantor may construct and maintain ditches and associated vegetation in Grantor’s usual and customary manner in keeping with good farming practices.

(e) Division of the Property for residential development in the easement area.

3. Reserved Rights. Reserving unto Grantor, Grantor’s successors and assigns, all rights accruing for its ownership of the Property, including the right to engage in or permit or invite others to engage in all uses of the Property that are not expressly prohibited herein and are not inconsistent with the purpose of this Conservation Easement.

4. Rights of Grantee. To accomplish the purposes stated herein, Grantor conveys the following rights to Grantee:

(a) To enter upon and inspect the Property in a reasonable manner and at reasonable times after at least forty eight (48) hours advance notice, to determine if Grantor or Grantor’s successors and assigns are complying with the covenants and prohibitions contained in this Conservation easement.

(b) To proceed at law or in equity to enforce the provisions of this Conservation Easement and the covenants set forth herein, to prevent the occurrence of any of the prohibited activities set forth herein, and require the restoration of areas or features of the Property that may be damaged by any activity inconsistent with this Conservation Easement.

5. Grantee’s Discretion. No delay or omission by the Grantee in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver. Grantee shall not be obligated to Grantor, or to any other person or entity, to enforce the provisions of this Conservation Easement.

6. Grantee’s Liability. Grantor will assume all liability for any injury or damage to the person or property of third parties which may occur on the Property arising from Grantor’s ownership of the Property. Neither Grantor, nor any person or entity claiming by or through Grantor, shall hold Grantee liable for any damage or injury to person or personal property which may occur on the Property. This paragraph 6 shall not apply to the extent the subject damage or injury is caused by the negligence or willful misconduct of Grantee, its employees or agents.

7. Acts Beyond Grantor’s Control. Nothing contained in this Conservation Easement shall be construed to entitle Grantee to bring any action against Grantor for any injury to or change in the Property resulting from natural causes beyond Grantor’s control, including without limitation,
fire, flood, storm and earth movement, or from any necessary action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Property or to persons resulting from such causes.

8. Recordation. Grantor shall record this Conservation Easement in timely fashion in the Official Records of Skagit County, Washington and shall be responsible for all recording costs and taxes necessary to record this Conservation Easement.

9. Successors. The covenants, terms, conditions and restrictions of this Conservation Easement shall be binding upon, and inure to the benefit of, the parties hereto and their respective personal representatives, heirs, successor and assigns and shall continue as a servitude running in perpetuity with the Property.

IN WITNESS WHEREOF, Grantor has executed this Conservation Easement on the day and year first above written.

GRANTOR:
SEAWARD INVESTMENTS, INC.

By: ____________________________
JEANNE CRANNELL

In: ____________________________

THE FOREGOING CONSERVATION EASEMENT IS HEREBY APPROVED BY THE CITY OF MOUNT VERNON ON THIS 19th DAY OF JANUARY, 2007.

By: ____________________________
JANA HANSON
Director, Community and Economic Development Department
State of Washington
County of Skagit

I certify that I know or have satisfactory evidence that JEANNE CRANNELL 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 VICE-PRESIDENT of SEAWARD INVESTMENTS, INC. to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated: January 19th 2007

(Signature)
Craig Cammock

Print Name of Notary
My appointment expires: 11-1-2010
Exhibit "A"

Parcel "A"

That portion of the East 832 feet of Government Lots 1 and 2, Section 30, Township 34 North, Range 4 East, W.M., lying South of that existing County Road known as the Kimble Road No. XCV; EXCEPT the following described tracts:

1. BEGINNING at the West 1/4 of said Section 30;
   thence North 1°36'30" East along the West line of said Section 30, a distance of 1,387.43 feet to a point on the centerline of that County Road known as the Kimble Road No. XCV;
   thence South 89°57'21" East along the centerline of said County Road, a distance of 498.80 feet to the TRUE POINT OF BEGINNING of this description;
   thence continuing South 89°57'21" East along the centerline of said County Road a distance of 200 feet;
   thence South 2°01'24" West a distance of 150 feet;
   thence North 89°57'21" West a distance of 200 feet;
   thence North 2°01'24" East a distance of 150 feet to the TRUE POINT OF BEGINNING of this description.

2. BEGINNING at the West 1/4 corner of said Section 30;
   thence North 1°36'30" East along the West line of said Section 30, a distance of 1,387.43 feet to a point on the centerline of the County Road;
   thence South 89°57'21" East along the center line of said County Road, a distance of 890.39 feet to the TRUE POINT OF BEGINNING of this description;
   thence South 2°01'24" West 230 feet;
   thence North 89°57'21" West 220 feet;
   thence North 2°01'24" East 80 feet, more or less, to the South line of a tract conveyed to W. L. Williamson, et ux, by deed dated October 25, 1968, recorded April 7, 1972 under Auditor's File No. 766685;
   thence South 89°57'21" East 28.41 feet, more or less, to the Southeast corner of said Williamson tract;
   thence North 2°01'24" East along the East line of said Tract 150 feet to the centerline of the aforementioned County Road;
   thence South 89°57'21" East along the centerline of said road 191.59 feet, more or less, to the TRUE POINT OF BEGINNING.

3. That certain Westerly portion of said East 832 feet conveyed to Elizabeth (Betty) J. Sward by Deed recorded as Skagit County Auditor's File No. 200307100092.
Parcel "B"

Government Lot 3, Section 30, Township 34 North, Range 4 East, W.M., EXCEPT the West 330 feet thereof.

Parcel "C"

The South 1/2 of Government Lot 4; the Northeast 1/4 of Government Lot 4 and the South 16.5 feet of the Northwest 1/4 of Government Lot 4 all in Section 30, Township 34 North, Range 4 East, W.M.;

ALSO that portion of the Southeast 1/4 of the Southwest 1/4 of Section 30, Township 34 North, Range 4 East, W.M., described as follows:

BEGINNING at the Southwest corner of said subdivision;
thence North along the West line thereof 20 feet;
thence South 45° East to a point on the South line of said Section, 20 feet East of the POINT OF BEGINNING;
thence West to the POINT OF BEGINNING.

ALSO the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4, Section 31, Township 34 North, Range 4 East, W.M.

ALL OF THE ABOVE PARCELS BEING SUBJECT TO AND TOGETHER WITH easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of records.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.
LISSE & ASSOCIATES, PLLC
320 Milwaukee St, PO Box 1109, Mount Vernon WA 98273 (360) 419-7442 FAX (360) 419-0581

Exhibit "B"

Tracts 1 through 13 (inclusive), Tracts 19 through 22 (inclusive) and Tracts 28 through 40 (inclusive) as depicted on that certain Record of Survey map recorded under Skagit County Auditor's File No. 200701240137.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.
LISSE & ASSOCIATES, PLLC
320 Milwaukee St, PO Box 1109, Mount Vernon WA 98273 (360) 419-7442 FAX (360) 419-0581

Exhibit "C"

That certain four (4) page Record of Survey map recorded under Skagit County Auditor's
File No. 0001660137. The map shown hereon is for
representational purposes only.
Document Title(s):
QUIT CLAIM DEED CONVEYING
TRANSFERABLE DEVELOPMENT RIGHTS (TDRs)
AND
TDR EXTINGUISHMENT DOCUMENT

Grantor(s):
1. Woodmansee, Joseph D.
2. Woodmansee, Kimberly A.
3. etc. additional names on page ____ of this document

Grantee(s):
1. SummerSun Estates, LLC
2. etc. additional names on page ____ of this document

Legal Description:
1. Abbreviated form (lot, block, plat name, section-township and range)
The West ½ of East ½ of the SW ¼ of the NW ¼ of Section 15, Township 34, North
Range 4 East, W.M.
2. Additional legal description is on page 5 of 6 of this document

Assessor's Property Tax Parcel or Account Number at the Time of Recording:
P24851

Reference Numbers of Documents assigned or released:

- Page 1 of 6 -
QUIT CLAIM DEED CONVEYING
TRANSFERABLE DEVELOPMENT RIGHTS (TDRs)
AND
TDR EXTINGUISHMENT DOCUMENT

Know all Persons by These Here Presents:

The Grantor Joseph D. and Kimberly A. Woodmansee (here insert the name or names and place of residence), for and in consideration of $10.00 Ten Dollars (here insert consideration) conveys and quitclaims to SummerSun Estates, LLC (here insert grantee's name or names) all interest in 14 (here insert the number) Transferrable Development Rights authorized under the City of Mount Vernon, Washington's Transferrable Development Rights Program authorized by Chapter 17.119 of the City of Mount Vernon, Washington's municipal code, or its successor. The rights were granted to the real estate which is legally described on Exhibit A attached hereto and incorporated herein by this reference as if set forth in full. This deed shall only convey the Transferrable Development Rights and conveys no interest in the real property described in Exhibit A.

By signing this deed and having it recorded or allowing it to be recorded, the Grantor extinguishes 14 (insert number) Transferrable Development Rights conveyed by this deed and previously granted by the City of Mount Vernon, Washington to the real property legally described on Exhibit A attached hereto and incorporated herein by this reference as if set forth in full. The Grantor warrants that the City of Mount Vernon has certified that 14 (insert amount) of Transferrable Development Rights, as defined in Chapter 17.119 of the City of Mount Vernon, Washington's municipal code or its successor, were originally attached to the real property legally described on Exhibit A of which Grantor had previously conveyed 47 (insert number) Transferrable Development Rights as of the date of this document. The recording reference number of the TDR easement recorded on the real estate which is legally described on Exhibit A is P28779, P29293, P28784, P28780, P28764, P28867, and P28776. Original TDR Certificate Number 00774.

The TDR(s) will be used on the real property legally described on Exhibit B attached hereto and incorporated herein by this reference as if set forth in full. These development rights will be used for the following purposes:
To increase by one additional unit per acre the density of the development at Receiving Site P24851.
Dated this 25th day of September, 2015.

GRANTOR

[Signature]
Joseph D. Woodmansee

[Signature]
Kimberly A. Woodmansee

GRANTEE

SummerSun Estates, LLC
Paul Woodmansee, Member
1003 Cleveland Ave
Mount Vernon, WA 98273

STATE OF WASHINGTON
COUNTY OF SKAGIT

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

DATED: 9/25/2015

[Signature]
Vanessa Lewis
(Print Name)
NOTARY PUBLIC
My appointment expires: 5/31/2017
STATE OF WASHINGTON )
COUNTY OF SKAGIT ) ss.

I certify that I know or have satisfactory evidence that Kimberly A. Woodmansee is the person who appeared before me, and said person acknowledged that she signed this instrument and acknowledged it to be her free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: 9/25/2015

(Signature)
Vanessa Lewis
(Print Name)
NOTARY PUBLIC
My appointment expires: 5/31/2017

STATE OF WASHINGTON )
COUNTY OF SKAGIT ) ss.

I certify that I know or have satisfactory evidence that Paul Woodmansee is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it as the member of Sunnysun Estates, LLC free and voluntary act for the uses and purposes mentioned in this instrument.

DATED: 9/25/2015

(Signature)
Vanessa Lewis
(Print Name)
NOTARY PUBLIC
My appointment expires: 5/31/2017
EXHIBIT A
Legal Description of the Property
from which the TDRs are being Conveyed and Extinguished

Tracts 1 through 13 (inclusive), 19 through 22 (inclusive), 28 through 40 (inclusive), 41 through 45 (inclusive), as depicted on that certain Record of Survey map recorded under Skagit County Auditor's File No. 200701260137.

All being a portion of the following described property:

Parcel “A”

That portion of the East 832 feet of Government Lots 1 and 2, Section 30, Township 34 North, Range 4 East, W.M., lying South of that existing County Road known as the Kimble Road No. XCV; EXCEPT the following described tracts:

1. BEGINNING at the West 1/4 of said Section 30;
   thence North 1°36'30" East along the West line of said Section 30, a distance of 1,387.43 feet to a point on the centerline of that County Road known as the Kimble Road No. XCV;
   thence South 89°57'21" East along the centerline of said County Road, a distance of 498.80 feet to the TRUE POINT OF BEGINNING of this description;
   thence continuing South 89°57'21" East along the centerline of said County Road a distance of 200 feet;
   thence South 2°01'24" West a distance of 150 feet;
   thence North 89°57'21" West a distance of 200 feet;
   thence North 2°01'24" East a distance of 150 feet to the TRUE POINT OF BEGINNING of this description.

2. BEGINNING at the West 1/4 corner of said Section 30;
   thence North 1°36'30" East along the West line of said Section 30, a distance of 1,387.43 feet to a point on the center line of the County Road;
   thence South 89°57'21" East along the center line of said County Road, a distance of 890.39 feet to the TRUE POINT OF BEGINNING of this description;
   thence South 2°01'24" West 230 feet;
   thence North 89°57'21" West 220 feet;
   thence North 2°01'24" East 80 feet, more or less, to the South line of a tract conveyed to W. L. Williamson, et al., by deed dated October 25, 1968, recorded April 7, 1972 under Auditor's File No. 766685;
   thence South 89°57'21" East 28.41 feet, more or less, to the Southeast corner of said Williamson tract;
   thence North 2°01'24" East along the East line of said Tract 150 feet to the centerline of the aforementioned County Road;
   thence South 89°57'21" East along the centerline of said road 191.59 feet, more or less, to the TRUE POINT OF BEGINNING.

3. That certain Western portion of said East 832 feet conveyed to Elizabeth (Betty) J. Sward by Deed recorded as Skagit County Auditor's File No. 200307100092.
EXHIBIT A-Cont.

Legal Description of the Property
from which the TDRs are being Conveyed and Extinguished

Parcel "B"

Government Lot 3, Section 30, Township 34 North, Range 4 East, W.M., EXCEPT the West 330 feet thereof.

Parcel "C"

The South 1/2 of Government Lot 4; the Northeast 1/4 of Government Lot 4 and the South 16.5 feet of the Northwest 1/4 of Government Lot 4 all in Section 30, Township 34 North, Range 4 East, W.M.;

ALSO that portion of the Southeast 1/4 of the Southwest 1/4 of Section 30, Township 34 North, Range 4 East, W.M., described as follows:

BEGINNING at the Southwest corner of said subdivision;
thence North along the West line thereof 20 feet;
thence South 45° East to a point on the South line of said Section, 20 feet East of the POINT OF BEGINNING;
thence West to the POINT OF BEGINNING;

ALSO the Northwest 1/4 of the Northeast 1/4 of the Northwest 1/4, Section 31, Township 34 North, Range 4 East, W.M.

ALL OF THE ABOVE PARCELS BEING SUBJECT TO AND TOGETHER WITH

 easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of records.

Situate in the City of Mount Vernon, County of Skagit, State of Washington.
EXHIBIT B
Legal Description of the Property
On which the TDRs will be Used for Their First Use

PARCEL "A"

THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 34 NORTH, RANGE 4 EAST, H.W.

EXCEPT STATE ROAD NO. 106 RUNNING ALONG THE SOUTH LINE THEREOF AS CONVEYED TO THE STATE OF WASHINGTON BY DEED RECORDED SEPTEMBER 6, 1939, IN VOLUME 176 OF DEEDS, PAGE 509, RECORDS OF SKagit COUNTY, WASHINGTON.

ALSO EXCEPT FROM THE ABOVE DESCRIBED TRACT THE SOUTH 600 FEET THEREOF.

ALSO EXCEPT THE NORTH 30 FEET THEREOF, AS DEEDED TO THE CITY OF MOUNT VERNON IN DEED DATED OCTOBER 24, 1964 AND RECORDED UNDER AUDITOR'S FILE NO. 64-1270026.

PARCEL "A-1"


PARCEL "B"

THE WEST 1/2 OF THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 15, TOWNSHIP 34 NORTH, RANGE 4 EAST, H.W., IN THE COUNTY OF SKagit, STATE OF WASHINGTON.

EXCEPT THE SOUTH 50 FEET THEREOF.

EXCEPT THAT PORTION CONVEYED TO THE CITY OF MOUNT VERNON BY QUIT CLAIM DEED RECORDED UNDER AUDITOR'S FILE NO. 82-03424002X AND 82-11320047, RECORDS OF SKagit COUNTY, WASHINGTON.

ALSO EXCEPT COUNTY ROADS.

AND ALSO EXCEPTING FROM THE ABOVE DESCRIBED TRACT THE WEST 17,000 FEET (AS MEASURED FROM THE EAST RIGHT-OF-WAY MARGIN OF MARTIN ROAD AS CONVEYED TO THE CITY OF MOUNT VERNON BY QUIT CLAIM DEED RECORDED UNDER AUDITOR'S FILE NO. 82-11320047) OF THE SOUTH 15,000 FEET THEREOF.

TOGETHER WITH A 20,000 FOOT WIDE BASEMENT FOR UTILITIES OVER, UNDER AND ACROSS THE SOUTH 20,000 FEET OF THE LAST DESCRIBED EXCEPTION.

ALL OF THE ABOVE BEING SUBJECT TO AND TOGETHER WITH BASEMENTS, RESERVATIONS, RESTRICTIONS, COVENANTS, LIENS, LEASES, COURT CAUSES AND OTHER INSTRUMENTS OF RECORD.

ALL OF THE ABOVE SITUATE IN THE CITY OF MOUNT VERNON, COUNTY OF SKagit, STATE OF WASHINGTON.