

Conservation Easement
for Parcel A2

MLH
SP-24-00014



When recorded return to:

Cascade Land Conservancy
5000 Columbia Center, 701 Fifth Avenue
Seattle, Washington 98104-7078
Attention: Konrad J. Liegel
Bill Mundy
2500 Canterbury Lane E #301
Seattle WA 98112

Real Estate Excise Tax

RECEIVED
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Kittitas County CDS

GRANT DEED OF CONSERVATION EASEMENT

THIS GRANT DEED OF CONSERVATION EASEMENT is made this 28th day of December, 2000, by Wilbur H. and Mary Ann Mundy (husband and wife), having an address at 2500 Canterbury Lane E. #301, Seattle, WA 98112 ("Grantor"), in favor of Cascade Land Conservancy, a Washington nonprofit corporation qualified to do business in Washington, having an address at 5000 Columbia Center, 701 Fifth Avenue, Seattle, Washington 98104-7078 ("Grantee").

I. RECITALS

A. Grantor is the owner in fee simple of that certain real property (hereinafter the "Protected Property") in Kittitas County, Washington, more particularly described in Exhibit "A" (legal description) and shown on Exhibit "B" (site plan), which are attached hereto and incorporated herein by this reference.

B. The Protected Property possesses agricultural, natural, scenic, and open space values (collectively, "Conservation Values") of great importance to Grantor, the people of Kittitas County and the people of the State of Washington.

C. The Protected Property consists of prime agricultural land and forested habitat.

D. The legislatively declared policies of the State of Washington in the Washington State Open Space Tax Act, Chapter 84.34 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 for the production of food, fiber and forest crop, and to assure the use and enjoyment of natural resources and scenic beauty for the economic and social well being of the state and its citizens." Under the Open Space Act, lands eligible for preferential real property tax treatment include lands such as the subject Protected Property where the preservation in its present use would conserve and enhance natural resources and promote conservation of agricultural lands.

E. The Protected Property is visible from the State Route 970 and Interstate 90, providing scenic values to the people of Washington that use this public area.

F. The Protected Property would also be extremely desirable property for substantial residential development because of its location and orientation. In the absence of a Grant Deed of Conservation Easement, the Protected Property could be developed in a manner which would



200012290005
Page: 2 of 22
12/29/2000 10:28A
EAS 29.00

destroy the open-space, agricultural and forest character of the Protected Property and its ecological value.

G. The specific Conservation Values of the Protected Property are documented in an inventory of relevant features of the Protected Property, of the same date as this Easement, on file at the offices of Grantee and incorporated herein by this reference ("Baseline Documentation"), which consists of reports, maps, photographs, and other documentation that provide, collectively, an accurate representation of the Protected Property at the time of this grant and which is intended to serve as an objective information baseline for monitoring compliance with the terms of this grant. Grantor and Grantee further agree that, within six (6) months of the execution hereof, a collection of additional Baseline Documentation may be compiled by Grantee, and incorporated herein by this reference. Failure to timely compile the additional Baseline Documentation shall not affect the enforceability or validity of any other provision hereof.

H. Grantor intends that the Conservation Values of the Protected Property be preserved and maintained by the continuation of land uses on the Protected Property that do not significantly impair or interfere with those Conservation Values. These current uses include the agricultural, residential and timber management uses consistent with this Easement.

I. Grantor, owners in fee of the Protected Property, have the right to identify, protect, and preserve in perpetuity the Conservation Values of the Protected Property, and desires to transfer such rights to Grantee.

J. Grantee is a publicly supported, tax-exempt nonprofit organization, qualified under Sections 501(c)(3) and 170(h) of the Internal Revenue Code of 1986, as amended, and also qualified as a nonprofit nature conservancy corporation under RCW 64.04.130 and 84.34.250, whose primary purpose is to promote the preservation of open space and critically important ecological systems in King, Snohomish, Pierce and surrounding counties in Washington State.

K. Grantee agrees by accepting this grant to honor the intentions of Grantor stated herein and to preserve and protect in perpetuity the Conservation Values of the Protected Property for the benefit of this generation and the generations to come.

H. CONVEYANCE AND CONSIDERATION

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



200012290005

Page: 3 of 22

12/29/2000 10:28A

EAS 29.00

Kittitas Co Auditor BILL MUNDY

B. This conveyance is a conveyance of an interest in real property under the provisions of RCW 64.04.130, and is made as an absolute, unconditional, unqualified, and completed gift subject only to the mutual covenants and terms, conditions, and restrictions hereinafter set forth, and for no other consideration whatsoever.

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

D. Grantor conveys a minimum of 121.5 acre-feet of water rights to insure productive agricultural land.

III. PURPOSE

It is the purpose of this Easement to assure that the Protected Property will be retained forever predominantly to preserve agricultural lands, scenic and open space values, wildlife habitat, and forestlands, and to prevent any use of the Protected Property that will significantly impair or interfere with the Conservation Values of the Property. Grantor intends that this Easement will confine the use of the Property to such activities that are consistent with this purpose. Unless specifically provided for herein, this Easement shall not be construed as affording to the general public physical access to the Property.

IV. RIGHTS CONVEYED TO GRANTEE

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

A. Identification and Protection. To identify, preserve and protect in perpetuity and to enhance by mutual agreement the Conservation Values of the Protected Property;

B. Access.

1. To enter upon the Protected Property annually, at a mutually agreeable time and upon prior written notice to the Grantor, for the purpose of making a general inspection to assure compliance with this Easement.

2. To enter upon the Protected Property at such other times as are necessary if there is reason to believe that a violation of the Easement is occurring, for the purposes of enforcing the provisions of this Easement.

C. Scientific/Educational Use. For the benefit of the public, to allow persons or groups to enter upon the Protected Property for educational, scientific and biological purposes to observe and study on the Protected Property; provided that any such persons or groups first are approved by the Grantor, make prior arrangements with the Grantor, agree to provide the Grantor with copies of any data or reports resulting from such research, and agree to abide by any restrictions on access set forth by the Grantor.



200012290005

Page: 4 of 22

12/29/2000 10:26A

EAS 29.00

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D. Injunction and Restoration. To enjoin any activity on, or use of, the Protected Property which is inconsistent with this Easement, including trespasses by members of the public, and undertake or cause to be undertaken the restoration of such areas or features of the Protected Property as may be damaged by activities contrary to the provisions hereof, all in accordance with Section IX.

E. Assignment. To assign, convey, or otherwise transfer Grantee's interest in the Protected Property in accordance with Section XIV herein.

V. USES AND ACTIVITIES CONSISTENT WITH THE PUPOSE OF THE EASEMENT

A. General. Grantor reserves for itself and its heirs, successors, and assigns, any use of, or activity on, the Protected Property which is not inconsistent with the purposes of the Easement and which is not prohibited herein. Without limiting the generality of the foregoing, Grantor specifically reserves for itself and its heirs, successors, and assigns, the following uses and activities:

B. Residential Use

1) Building Zone: Residential development is allowed on Parcels 2-6 of the short plat of the Protected Property (Exhibit C). The Building Zones on parcels 2-6 are to be identified and subject to prior written approval by Grantee and shall not exceed one acre in size. The Building zones will be identified for the purpose of providing a specified area for construction, maintenance, and on-going use of one single-family dwelling on Parcels 2, 3, 4, 5 and 6, as identified on Exhibit C. Grantor and its personal representatives, heirs, successors, and assigns, may engage in any use of, or activity in, the Building Zone that is not inconsistent with the Purpose of this Easement and that is not prohibited by this Easement. Without limiting the generality of this subsection, Grantor and its personal representatives, heirs, successors, and assigns, are specifically permitted to engage in the following uses and activities subject to applicable law and as provided for herein:

a) Structures and Other Development on Parcels 2, 3, 4, 5 and 6: To construct, maintain and use one single-family dwelling and associated structures provided that all structures and other development associated with the single-family dwelling, including but not limited to garage, guest house and other outbuildings, lawn, pools, trellises, terraced gardens and orchards, septic systems and wells, shall be confined within the boundary of a specified Building Zone, except Parcel 6, where a vineyard and orchard may be located outside the building zone; and provided that the location of the Building Zone shall be subject to prior written approval of the Grantee; and provided that the Building Zone shall be located to protect scenic values from State Route 970 and Interstate 90; and provided that the Building Zone be

located a minimum of 50 feet from the edge of parcel 1 to minimize impacts to its conservation values.

b) Timber Harvest: The cutting of trees is prohibited except:

- i) to control insects and disease in accordance with good forest management practices.
- ii) to prevent injury and property damage
- iii) for firewood to be used solely on the property
- iv) as necessary to create sites for construction of structures and other development allowed and approved through the provisions of section B above.
- v) As necessary for construction of a new road allowed and approved through the provisions of section E below.
- vi) As necessary for installation and repair of utilities, including septic system serving any building or structure allowed and approved through the provisions of Section B above.
- vii) Within 100 feet of any building or structure allowed and approved through the provisions of Section B above.

C. Agricultural Use. To maintain, promote, and enhance agricultural uses of the land within agricultural areas identified in Exhibit C (Parcel 1), provided that such activities are carried out in compliance with federal, state, and local regulations and in a manner that does not impact the integrity of the watershed, water quality and quantity, wildlife and fish habitat, and the natural scenic qualities of the Protected Property. Existing agricultural uses include: the planting, raising, and harvesting of hay or similar grass like crops. The following limitations apply to agricultural activities:

1. Unless expressly noted in this Easement, agricultural activities may not include uses prohibited in this Easement.

a) The establishment and maintenance of a commercial feedlot is prohibited. For the purposes of this Easement, a commercial feedlot is a confined area or facility within which the land is not grazed or cropped at least annually and which is used to receive livestock that has been raised off the Protected Property for feeding and fattening for market.

b) The number of livestock maintained on the Protected Property at any one time may not exceed the carrying capacity of the Protected Property as defined by a county conservation district or other credible farm organization.

c) Agricultural chemicals may be used on the Protected Property only in the amounts and with the frequency constituting the minimum necessary to accomplish reasonable agricultural and residential objectives. The use of such chemicals shall be conducted in such a manner as to minimize the adverse effect upon the Conservation Values of the Protected Property and to avoid any impairment of the natural ecosystem.

reasonable agricultural and residential objectives. The use of such chemicals shall be conducted in such a manner as to minimize the adverse effect upon the Conservation Values of the Protected Property and to avoid any impairment of the natural ecosystem.

2. Grantor may maintain, renovate, expand or replace the existing agricultural structures in substantially their present location, as shown on Exhibit C. Any expansion or replacement of any existing agricultural structure may not substantially alter its character or function or increase its present height, or the land surface it occupies by more than twenty-five percent (25%) without the prior written approval of Grantee. Any replacement agricultural building, structure or improvement must be at least two hundred (200) feet from the upland edge of any creek, wetland, or the normal high tide line of tidal waters unless prior written approval is obtained from the Grantee.

D. Recreational. To conduct recreational activities such as hiking, bird watching, or cross country skiing on the Protected Property, provided that such activities are conducted in a manner and intensity that does not adversely impact plant and wildlife habitat on the Protected Property. No motorized recreational vehicles or other activities that could disrupt the wildlife or destroy essential habitat or agricultural lands are allowed.

E. Road Maintenance. To construct, maintain, renovate, expand, or replace existing roads and trails that are necessary for Conservation Purposes and to serve the residential and agricultural areas. The design and location of any construction, renovation, expansion, or replacement shall be subject to the prior approval of the Grantee and maintenance of the roads and trails may not adversely impact the Conservation Values of the Protected Property.

F. Commercial Activities. To conduct a business in a Residential Homesite.

G. Solar Facilities. To place or construct facilities for the development and utilization of solar energy resources solely for use on the Protected Property.

H. Fences. To construct and maintain fences within or around the agricultural and residential areas; provided that the design and location shall not interfere with the Conservation Values of the Protected Property.

I. Maintenance of Existing Ditching. To maintain existing ditching to protect existing or permitted roads and trails, agricultural structures, residential structures, and permitted uses and activities associated with agricultural and residential structures.

J. Composting and Storage of Wastes. To compost and use organic and vegetative waste resulting from permitted uses and activities on the Protected Property, and to store other wastes generated by permitted uses and activities on the Protected Property, provided that such other wastes are stored temporarily in appropriate containment for removal at reasonable intervals and in compliance with applicable federal, state, and local laws.

L. Emergencies. To undertake other activities necessary to protect public health or safety on the Protected 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 Protected Property is avoided.

VI. PROHIBITED USES

A. General. Any use of, or activity on, the Protected Property inconsistent with the purposes of the Easement is prohibited, and Grantor acknowledges and agrees that it will not conduct, engage in or permit any such use or activity. Without limiting the generality of the foregoing, the following uses of, or activities on, the Protected Property, though not an exhaustive list of inconsistent uses or activities, are inconsistent with the purposes of this Easement and shall be prohibited, except as expressly provided in Section V above:

B. Subdivision. The legal or "de facto" subdivision of the Protected Property except as shown on Exhibit C (Short Plat) allowing for six separate parcels and five homesites.

C. Feedlots. The establishment and maintenance of a commercial feedlot. For the purposes of this Easement, a commercial feedlot is a confined area or facility within which the land is not grazed or cropped at least annually and which is used to receive livestock that has been raised off the Protected Property for feeding and fattening for market.

D. Alteration of Land. The alteration of the surface of the land, including, without limitation, the excavation or removal of soil, sand, gravel, rock, peat, or sod, except as necessary for agricultural or residential purposes, or as deemed necessary by Grantee to preserve or protect the Conservation Values of the Protected Property.

E. Erosion or Water Pollution. Any use or activity that causes or is likely to cause significant soil degradation or erosion or significant pollution of any surface or subsurface waters.

F. Alteration of Water Courses. The alteration or manipulation of watercourses, or the creation of new wetlands, water impoundments, or water courses, except as necessary for agricultural purposes.

G. Nonagricultural use of agricultural fields: Nonagricultural use of the agricultural fields as identified on Exhibit C is prohibited, including but not limited to golf courses, shooting ranges, speedways, dirt bike trails, or for storage of trash, used vehicles, and other uses which would result in severe compaction or degradation of agricultural soils or is contrary to the intent of the Easement.



200012290005

Page: 8 of 22
12/28/2000 10:28A
EAS 29.00

H. Waste Disposal. The disposal or storage of rubbish, garbage, debris, unregistered vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Protected Property.

I. Utilities. The above ground installation of new utility systems or extensions of existing utility systems, including, without limitation, water, sewer, power, fuel, and communication lines and related facilities outside the residential areas identified in Exhibit C.

J. Signs. The placement of commercial signs, billboards, or other advertising material on the Protected Property.

K. Hunting. Hunting or trapping, except to the extent determined necessary by Grantee to preserve or protect the Conservation Values of the Protected Property. Feral domestic mammals and individuals from the family Muridae of the order Rodentia (old world rats and mice) may be killed without approval of Grantee if done in a manner so as not to impact the native plants and animals.

L. Mining. The exploration for, or development and extraction of minerals and hydrocarbons on or below the surface of the Protected Property.

M. Wildlife Disruption. The disruption of wildlife breeding and nesting activities.

N. Off-Road Vehicles and Excessive Noise. The operation of motorcycles, dune buggies, snowmobiles, or other type of off-road motorized recreational vehicles or the operation of other sources of excessive noise pollution except for agricultural and forestry equipment.

VII. NOTICE AND APPROVAL

A. Notice. Grantor shall notify Grantee and receive Grantee's written approval prior to undertaking certain permitted activities provided in Section V- Subsections B (Building Zone) and E (Road construction, renovation, expansion, or replacement). The purpose of requiring Grantor to notify Grantee prior to undertaking certain permitted uses and activities is to afford Grantee an opportunity to ensure that the use or activity in question is designed and carried out in a manner consistent with the purposes of this Easement. Whenever notice is required, Grantor shall notify Grantee in writing not less than thirty (30) days prior to the date Grantor intends to undertake the use or activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantee to make an informed judgment as to its consistency with the purpose of this Easement.

B. Approval. Where Grantee's approval is required, Grantee shall grant or withhold its approval in writing within thirty (30) days of receipt of Grantor's written request for approval. Grantee's approval may be withheld only upon a reasonable determination by Grantee that the action as proposed would be inconsistent with the purposes of this Easement. Grantee's approval may include reasonable conditions, which must be satisfied in undertaking the



proposed use or activity. If Grantor must undertake emergency action to protect health or safety on the Property or must act by and subject to compulsion of any governmental agency, Grantor may proceed with such action without Grantee's approval only if Grantor notifies Grantee prior to taking such action and Grantee cannot provide its approval, with or without conditions, within such time as is reasonable under the circumstances.

C. Grantee's Failure to Approve Within the Required Time. Where Grantee's approval is required, and if Grantee does not grant or withhold its approval in the time period and manner set forth herein, Grantor may assume Grantee's approval of the permitted use or activity in question.

D. Addresses for Notices. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other shall be in writing either served personally or sent by first class mail, postage prepaid, addressed to as follows:

To Grantors: Wilbur H. and Mary Ann Mundy
2500 Canterbury Lane E. #301
Seattle, WA 98112

To Grantee: Cascade Land Conservancy
701 Fifth Avenue, Suite 5000
Seattle, Washington 98104-7078

With copies to: Cascade Land Conservancy
615 Second Avenue, Suite 525
Seattle, WA 98104

or to such other address as either party from time to time shall designate by written notices to the other.

VIII. DISPUTE RESOLUTION

If a dispute arises between the parties concerning the consistency of any proposed use or activity with the purpose of this Easement, the parties shall meet together to discuss the dispute and attempt resolution. Thereafter, either party may refer the dispute to mediation or arbitration by request made in writing upon the other. Within thirty (30) days of the receipt of such a request, the parties shall select a single arbitrator to hear the matter. The matter shall be settled in accordance with the Washington State mediation or arbitration statute then in effect, and an arbitration award may be entered in any court having jurisdiction thereof. If the arbitration is pursued, the prevailing party shall be entitled, in addition to such other relief as may be granted to a reasonable sum for all its costs and expenses related to such arbitration, including, without limitation, the fees and expenses of the arbitrator and attorney's fees, which shall be determined by the arbitrator or any court of competent jurisdiction that may be called upon to enforce or

review the award. The parties agree not to proceed with the use or activity pending resolution of the dispute.

IX. GRANTEE'S REMEDIES

A. Notice of Failure. If Grantee determines that the Grantor is in violation of the terms of this Easement or that a violation is threatened, Grantee shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Protected Property resulting from any use or activity inconsistent with the purpose of this Easement, to restore the portion of the Protected Property so injured.

B. Grantor's Failure to Respond. If Grantor:

1. Fails to cure the violation within thirty (30) days after receipt of notice thereof from Grantee;
 2. Under circumstances where the violation cannot reasonable be cured within the thirty (30) day period, fails to begin curing such violation within the thirty (30) day period; or
 3. Fails to continue diligently to cure such violation until finally cured;
- Grantee may bring an action as provided in subsection C.

C. Grantee's Action. Grantee may bring action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, to enjoin the violation, ex parte as necessary, by temporary or permanent injunction, to recover any damages to which it may be entitled for violation of the terms of this Easement or injury to any Conservation Values protected by this Easement, including damages for the loss of the Conservation Values; and to require the restoration of the Protected Property to the condition that existed prior to any such injury. Without limiting Grantor's liability therefore, Grantee, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action on the Protected Property.

D. Immediate Action Required. If Grantee, in its sole discretion, determines that circumstances require immediate action to prevent or mitigate significant damage to the Conservation Values of the Protected Property, Grantee may pursue its remedies under this section without prior notice to Grantor or without waiting for the period provided for cure to expire.

E. Nature of Remedy. Grantee's rights under this section apply equally in the event of either actual or threatened violations of the terms of this Easement, and Grantor agrees that Grantee's remedies at law for any violation of the terms of this Easement are inadequate and that Grantee shall be entitled to the injunctive relief described in this section both prohibitive and mandatory, in addition to such other relief to which Grantee may be entitled, including specific performance of the terms of this Easement, without the necessity of providing either actual damages or the inadequacy of otherwise available legal remedies. Grantee's remedies described



200012290005

Page: 11 of 22
12/28/2000 10:28A
EAS 29.00

Kittitas Co Auditor BILL MUNDY

in this paragraph shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

F. Costs of Enforcement. In the event Grantee must enforce the terms of this Easement, the costs of restoration and Grantee's reasonable enforcement expenses, including attorney's fees, shall be borne by Grantor or those of its heirs, successors, or assigns, against whom a judgment is entered. In the event that Grantee secures redress for an Easement violation without initiating or completing a judicial proceeding, the costs of such restoration and Grantee's reasonable expenses shall be borne by Grantor and those of its heirs, successors, or assigns who are otherwise determined to be responsible for the unauthorized activity or use. If Grantor prevails in any judicial proceeding initiated by Grantee to enforce the terms of the Easement, Grantor's cost of suit, including attorney's fees, shall be borne by Grantee.

G. Grantee's Discretion. Enforcement of the terms of this Easement shall be at the discretion of the Grantee, and any forbearance by the Grantee to exercise its rights under this easement in the event of any breach of any terms of this Easement by Grantor shall not be deemed or construed to be a waiver by Grantee of such term of any Grantee's rights under this Easement. No delay or omission by Grantee in the exercise of any right or remedy upon any breach by Grantors shall impair such right or remedy or be construed as a waiver.

H. Waiver of Certain Defenses. Grantor acknowledges that it has carefully reviewed this Grant Deed of Conservation Easement and have consulted with and been advised by counsel of its terms and requirements. In full knowledge of the provisions of this Grant Deed of Conservation Easement, Grantor hereby waives any claim or defense it may have against Grantee or its successors in interest under or pertaining to this Grant Deed of Conservation Easement based upon waiver, laches, estoppel or prescription.

I. Acts Beyond Grantors Control. Nothing contained in this Easement shall be construed to entitle Grantee to bring any action against Grantor to abate, correct, or restore any condition on the Protected Property or to recover damages for any injury to or change in the Protected Property resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate significant injury to the Protected Property resulting from such causes.

J. Estoppel Certificates. Upon request by Grantor, Grantee shall within thirty (30) days execute and deliver to Grantor any document, including an estoppel certificate, which certifies Grantor's compliance or lack thereof with any obligation of Grantor contained in this Easement and otherwise evidences the status of this Easement as requested by Grantor.

X. ACCESS BY PUBLIC

Access by the general public to any portion of the Protected Property is only through special arrangement with the Grantee and the Grantor.

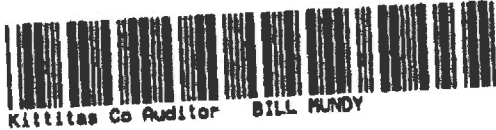
XI. COSTS, LIABILITIES, TAXES, AND INDEMNIFICATION

A. Liabilities and Insurance. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Protected Property, including the maintenance of adequate comprehensive general liability insurance coverage. Such insurance shall include Grantee's interest and name Grantee as an additional insured and provide for at least thirty (30) days notice to Grantee before cancellation and that the act or omission of one insured will not invalidate the policy as to the other insured party. Grantor shall keep the Protected Property free of any liens arising out of any work performed for, material furnished to, or obligations incurred by Grantor.

B. Casualty Loss Insurance Coverage. If reasonably available, Grantor shall maintain casualty loss insurance adequate to restore the Property to its preexisting condition in the event of a casualty loss, and shall furnish Grantee with satisfactory evidence of such insurance coverage upon request. Regardless of whether adequate insurance to effect such restoration has been maintained, the decision to effect restoration of the Protected Property will be determined according to Section XII herein. In the event that (1) restoration does not occur, (2) insurance proceeds exceed the cost of restoration, or (3) the Easement is extinguished on account of the impossibility of restoring the Conservation Values of the Protected Property, the division of insurance proceeds shall be determined in accordance with Section XII herein.

C. Restoration in the Event of Casualty Loss. If circumstances arise under which the Protected Property incurs a casualty loss (as defined by section 165(c)(3) of the Code), all casualty loss proceeds, whether from insurance, tax benefits, or some other source, resulting from such loss and attributable to destruction of the Conservation Values of the Protected Property shall be applied to restore those Conservation Values of the Protected Property to their condition immediately preceding the casualty. If the Protected Property's post-casualty value and economic utility are diminished to an extent which renders such use of the proceeds towards restoration futile or economically impractical, Grantee shall have the option to terminate or extinguish the Easement in accordance with Section XII herein. Exercise by Grantee of the option herein provided shall not be determined a relinquishment of any claim to the casualty loss proceeds which would have gone towards restoration of the Protected Property if Grantee had not exercised such option.

D. Taxes. Grantor shall pay before delinquency all taxes, assessments, fees, charges of whatever description levied on or assessed against the Protected Property by competent authority (collectively "taxes"), including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish Grantee with satisfactory evidence of payment upon request. Grantee is authorized but in no event obligated to make or advance any payment of taxes, upon



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Page: 13 of 22
12/29/2000 10:28A
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three (3) days prior written notice to Grantor, in accordance with any bill, statement, or estimate procured from the appropriate authority, without inquiry into the validity of the taxes or the accuracy of the bill, statement, or estimate, and the obligation created by such payment shall bear interest until paid by the Grantor at the maximum rate allowed by law.

E. Environmental Representations and Warranties. Grantor represents and warrants that to the best of Grantor's knowledge:

1. There are no apparent or latent defects in or on the Protected Property,
2. There has been no release, dumping, burying or abandonment on the Protected Property of any substances, materials, or wastes which are hazardous, toxic, harmful or dangerous, or are designated as, or contain components which are, or are designated as, hazardous, toxic, dangerous, or harmful and/or which are subject to regulation as hazardous or toxic, dangerous, or harmful and/or which are subject to regulation as hazardous or toxic, dangerous or as a pollutant by any federal, state or local law, regulation, statute, or ordinance;
3. Neither Grantor nor Grantor's predecessors in interest have disposed of any hazardous substances off-site, nor have they disposed of substances at sites designated or proposed to be designated as federal or state Superfund sites; and
4. There is no pending or threatened litigation affecting the Protected Property or any portion thereof, which will materially impair the value or usefulness of the Protected Property or any portion thereof to the Grantee. No civil or criminal proceedings have been instigated or are pending against the Grantor or its predecessors by government agencies or third parties arising out of alleged violations of environmental laws, and neither Grantor nor its predecessors in interest have received any notices of violation, penalties, claims, demand letters, or other notifications relating to a breach of environmental laws.

F. Indemnification. 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 attorney's fees, arising from or in any way connected with:

1. Injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property, regardless of cause, unless due solely to the negligence of any of the Indemnified Parties;
2. The obligations specified in subsections A, B, C, and D of this section;
3. The breach of the environmental representation and warranties specified in subsection E of this section; or
4. The existence or administration of this Easement.



XII. SUBSEQUENT TRANSFER OR EXTINGUISHMENT

A. Extinguishment. If circumstances arise in the future that render the purpose of this Easement impossible to accomplish, this Easement can only be terminated or extinguished, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction, and the amount of the proceeds to which Grantee shall be entitled, after the satisfaction of prior claims, from any sale, exchange, or involuntary conversion of all or any portion of the Protected Property subsequent to such termination or extinguishment, shall be determined, unless otherwise provided by Washington law at the time, in accordance with subsection B herein. Grantee shall use all such proceeds in a manner consistent with the conservation purposes of this grant.

B. Valuation. This Easement constitutes a real property interest immediately vested in Grantee, which, for the purpose of subsection A herein, the parties stipulate to have a fair market value determined by multiplying the fair market value of the Protected Property unencumbered by the Easement (minus any increase in the value after the date of this grant attributable to improvements) by the ratio of the value of the Easement at the time of this grant to the value of the Protected Property, without deduction for the value of the Easement, at the time of this grant. The values at the time of this grant shall be those values used to calculate the deduction for federal income tax purposes allowable by reasons of this grant, pursuant to section 170(h) of the Internal Revenue Code of 1986, as amended. For the purposes of this paragraph, the ratio of the value of the Easement to the value of the Protected Property unencumbered by the Easement shall remain constant.

C. Condemnation. If the Easement is taken, in the whole or in the part, by the exercise of the power of eminent domain, Grantee shall be entitled to compensation in accordance with applicable law.

D. Subsequent Transfers. Grantor agrees (1) to incorporate the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Protected Property, including without limitation, a leasehold interest, and (2) to describe this Easement in and append it to, any executory contract for the transfer of any interest in the Protected Property. Grantor further agrees to give written notice to the Grantee of the transfer of any interest of at least thirty (30) days prior to the date of such transfer. Such notice to Grantee shall include the name, address, and telephone number of the prospective transferee or his or her representative. The failure of the Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

XIII. AMENDMENT

If circumstances arise under which an amendment to or modification of this Easement would be appropriate, Grantor and Grantee are free to jointly amend this Easement; provided that no amendment shall be allowed that shall affect the qualification of this Easement or the status of Grantee under any applicable laws, including RCW 64.04.130, Chapter 84.34 RCW, or Section 170(h) of the Internal Revenue Code, as amended, and any amendment shall be



consistent with the purpose of this Easement, and shall not affect its perceptual duration. Any such amendment shall be recorded in the official records of Kittitas County, Washington, and any other jurisdiction in which such recording is required.

XIV. ASSIGNMENTS

A. Assignment. This Easement is transferable, but Grantee may assign its rights and obligations under this easement only to an organization that is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable), and the applicable regulations promulgated thereunder, and authorized to acquire and hold conservation easements under RCW 64.04.130 or RCW 84.34.250 (or any successor provision then applicable). As a condition of such transfer, Grantee shall require that the Conservation Purposes that this Easement is intended to advance continue to be carried out by the transferee. Grantee shall notify Grantor in writing, at Grantor's last known address, in advance of such assignment.

B. Succession. If at any time it becomes impossible for Grantee to ensure compliance with the covenants contained herein and Grantee has not named a successor organization, or the Grantee shall cease to exist, then its rights and duties hereunder shall become vested and fall upon such other entity, with purposes similar to Cascade Land Conservancy constituting a "qualified organization" within the meaning of the Internal Revenue Code of 1986 (or corresponding provision of any future statute); provided that if such vesting in the entities named above is deemed to be void under the Rule Against Perpetuities, the rights and obligations under this Easement shall vest in such organization as a court of competent jurisdiction shall direct, pursuant to the applicable Washington law and the Internal Revenue Code (or corresponding provision of any future statute) and with due regard to the purposes of this Easement.

XV. RECORDATION

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

XVII. GENERAL PROVISIONS

A. Controlling Law. The laws of the State of Washington shall govern the interpretation and performance of this Easement.

B. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the purpose of this 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



200012290005
Page: 16 of 22
12/29/2000 10:28A
EAS 29.00

consistent with the purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

C. Severability. If any provision of this Easement, or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement, or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

D. Entire Agreement. This instrument sets forth the entire agreement of the parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Easement, all of which are merged herein. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment that complies with Section XIII herein.

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

F. "Grantor" - "Grantee". The term "Grantor" and "Grantee," wherever used herein, and any pronouns used in the place thereof, shall be held to mean and include, respectively the above-named Grantor, and its personal representatives, heirs, successors, and assigns, and the above-named Grantee, its successors and assigns.

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

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

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

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



200012290005
Page: 17 of 22
12/28/2000 10:28A
EAS 29.00

XVIII. SCHEDULE OF EXHIBITS

- A. Legal Description of Property Subject to Easement
- B. Site Map
- C. Short Plat Map

TO HAVE AND TO HOLD unto Grantee, its successors, and assigns forever.

IN WITNESS WHEREOF, the undersigned Grantor has executed this instrument.

WILBUR H. MUNDY AND MARY ANN MUNDY, husband and wife

Wilbur H. Mundy
Wilbur H. Mundy

Mary Ann Mundy
Mary Ann Mundy

Dated: 12-28-00

CASCADE LAND CONSERVANCY does hereby accept the above Grant Deed of Conservation Easement.

Dated: December 28, 2000 CASCADE LAND CONSERVANCY
Grantee

By

[Signature]
Its Executive Director

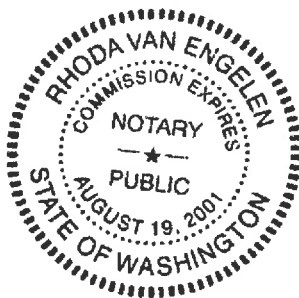


200012290005
Page: 18 of 22
12/29/2000 10:28A
EAS 29.00

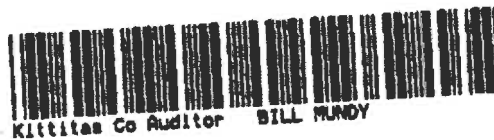
STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me, Wilbur H. Mundy, and Mary Ann Mundy, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 22 day of Dec, 2000.



Rhoda Van Engelen
NOTARY PUBLIC in and for the State of
Washington, residing at
King County WA
My Commission expires: 8/19/2001



200012290005
Page: 19 of 22
12/29/2000 10:20A
EAS 29.00

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

On this day personally appeared before me, Gene G. Owens, known to me to be the Executive Director of Cascade Land Conservancy, the corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated he was authorized to execute said instrument.

Given under my hand and official seal this 18 day of December, 2000.



Carol B. Koppelman
NOTARY PUBLIC in and for the State of
Washington, residing at
King County
My Commission expires: 4.26.03



200012290005

Page: 20 of 22
12/29/2000 10:28A
EAS 29.00

Kittitas Co Auditor BILL MUNDY

Exhibit A: Legal Description of Property Subject to Easement

The Southeast Quarter of the Southeast Quarter of Section 28, Township 20 North, Range 16 East, W.M., in the County of Kittitas, State of Washington:

AND

The Northeast Quarter of the Northeast Quarter of Section 33, Township 20 North, Range 16 East, W.M., in the County of Kittitas, State of Washington; EXCEPT right of way for Masterson Road (formerly W. Masterson Road).



200012290005
Page: 21 of 22
12/29/2000 10:28A
EAS 29.00

Exhibit B: Site Map

TAX LOTS
TOTAL ACRES: 79.1

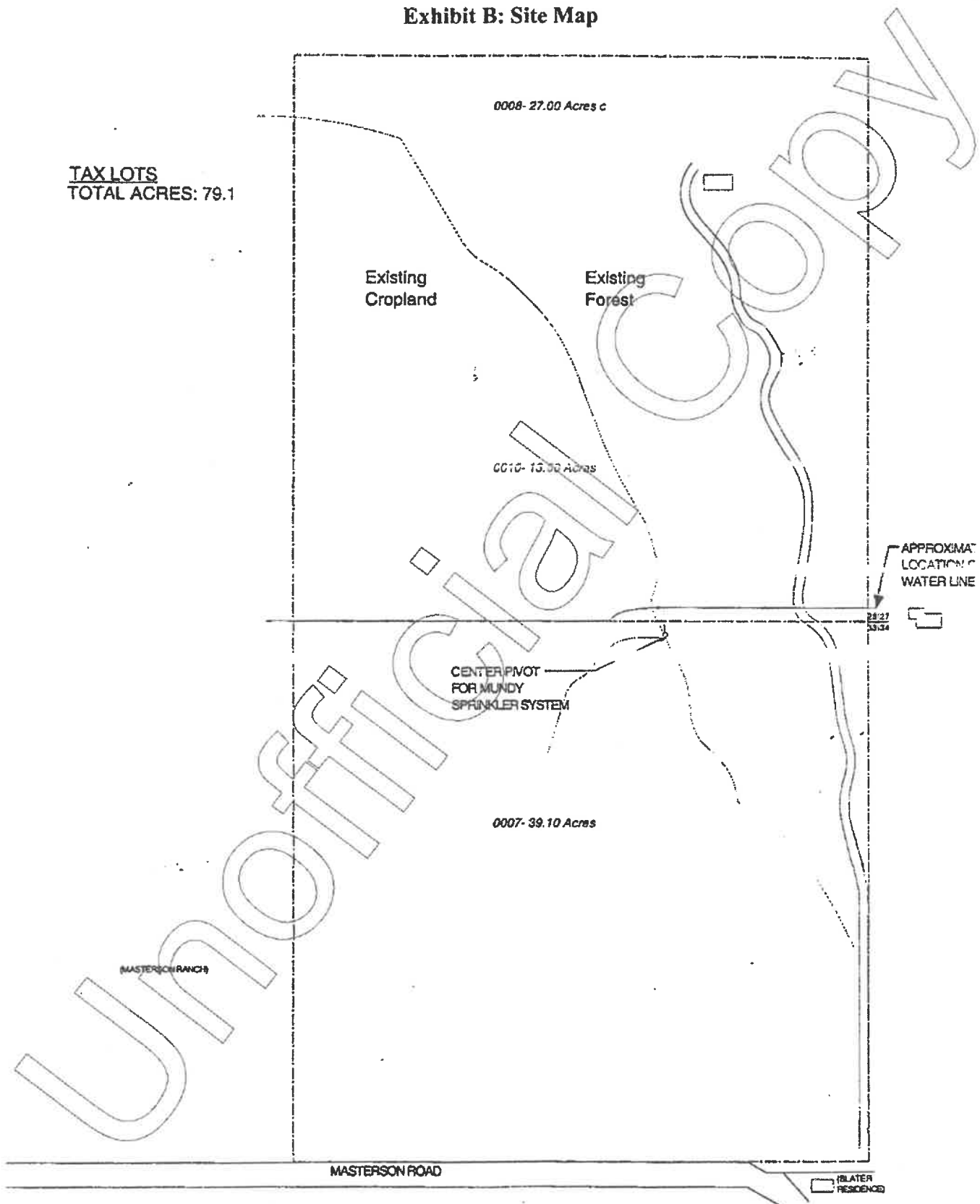
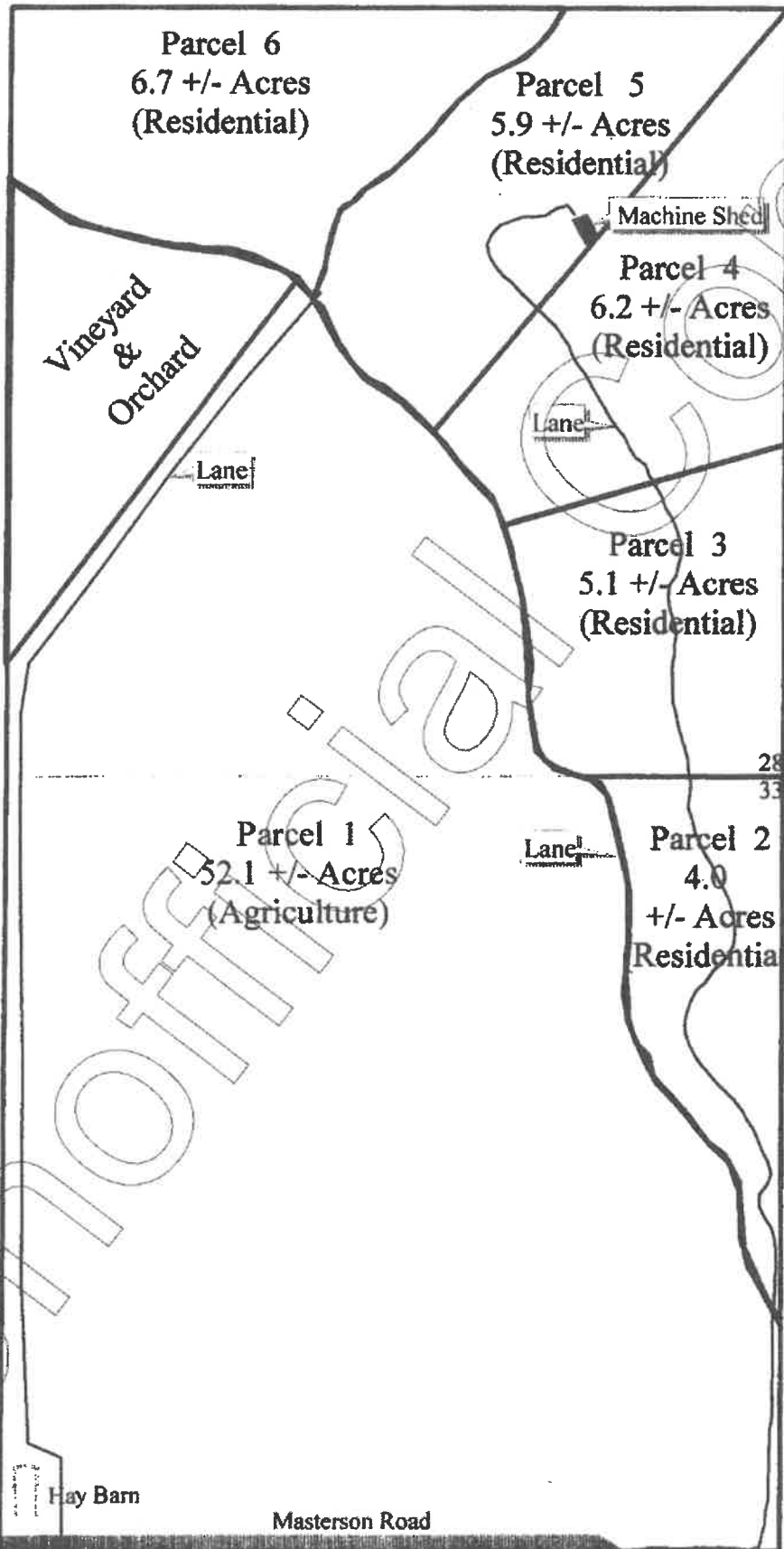


Exhibit C: Short Plat Map

0 400 800 Feet



20061229005
Page: 22 of 22
12/29/2006 10:26a
Kittling Co Auditor BILL MUNDY
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