

After Recording Return to:



200212020309

Skagit County Auditor

12/2/2002 Page 1 of 46 3:24PM

John Peth & Sons, Inc.
13397 D'Arcy Rd
Bow, WA 98232

re PARCELS 4/5 Wells

MODIFICATION OF EASEMENT GRANT

Ref. # 200011210076
(re-recording of 200009150023) Document Summary
Grantor(s) (Burdened Properties):

(as to **PARCEL 4, Lot 2**): Michael D. Yeates
(as to **PARCEL 5**): Amy Louise Jensen

Grantee(s) (Benefitted Properties):

(as to **PARCEL 1**): Dreamland Properties, LLC
(as to **PARCEL 2**): Stephen A. Brandli and Bobbie Jo Brandli
(as to **PARCEL 3, Lot 1**): John Peth & Sons, Inc.
(as to **PARCEL 3, Lot 2**): Don Farmer Insurance Agency, Inc.
(as to **PARCEL 3, Lot 3**): Randall G. Schultz and Barbara G. Schultz
(as to **PARCEL 3, Lot 4, except Tracts B, C and
Open Space East**): John Peth & Sons, Inc.
(as to **PARCEL 3, Portion of Lot 4-Tracts B, C and
Open Space East**): Michael Nemnich and Linda Nemnich
(as to **PARCEL 4, Lot 1**): Michael D. Yeates
(as to **PARCEL 4, Lot 2**): Michael D. Yeates
(as to **PARCEL 4, Lot 3**): James Company, L.L.C.
(as to **PARCEL 4, Lot 4**): James Company, L.L.C.
(as to **PARCEL 5**): Amy Louise Jensen
(as to **PARCEL 6**): Michael Nemnich and Linda Nemnich
(as to **Peth Portion of PARCEL 7**): John Peth & Sons, Inc.
(as to **Nemnich Portion of PARCEL 7**): Michael Nemnich and Linda Nemnich
(as to **PARCEL 8**): John Peth & Sons, Inc.
(as to **PARCEL 9**): Jacob N. Searle
(as to **PARCEL 10**): Jacob N. Searle
(as to **PARCEL 11**): Charles M. Shaw

Legal Descriptions (abbr.): JPN NE NE 24-34-3
D49458

MODIFICATION OF EASEMENT (4/5) - 1

(Burdened Properties):

PARCEL 4: (the following applies to each **Lot 1, Lot 2, Lot 3, Lot 4**):
Prtn NE 1/4 of NE 1/4, S24, T36N, R3E, and Prtns of Govt
Lots 1 & 2 and SE 1/4 of NW 1/4, S19, T36N, R4E, all W.M.,
Skagit Co., WA

PARCEL 5: Prtns of Govt Lots 1 & 2, and of NE 1/4 of NW 1/4, and of SE 1/4
of NW 1/4 S19, T36N, R4E, all W.M., Skagit Co., WA

(Benefitted Properties):

PARCEL 1: Prtn NE 1/4 of NE 1/4, S24, T36N, R3E, and Prtn of Govt
Lot 1, S19, T36N, R4E, all W.M., Skagit Co., WA

PARCEL 2: Prtn NE 1/4 of NE 1/4, S24, T36N, R3E, and Prtn of Govt
Lot 1, S19, T36N, R4E, all W.M., Skagit Co., WA

PARCEL 3: (the following applies to each **Lot 1, Lot 2, Lot 3, Lot 4,** and
the Portion of Lot 4-Tract B etal): Prtn of NW 1/4, S19, T36N,
R4E, all W.M., Skagit Co., WA

PARCEL 4: (the following applies to each **Lot 1, Lot 2, Lot 3, Lot 4**):
Prtn NE 1/4 of NE 1/4, S24, T36N, R3E, and Prtns of Govt Lots
1 & 2 and SE 1/4 of NW 1/4, S19, T36N, R4E, all W.M., Skagit
Co., WA

PARCEL 5: Prtns of Govt Lots 1 & 2, and of NE 1/4 of NW 1/4, and of SE 1/4 of
NW 1/4, S19, T36N, R4E, all W.M. Skagit Co., WA

PARCEL 6: Prtn of Govt Lot 4, S18, T36N, R4E, and Prtns of Govt Lot 1 and of
NE 1/4 of NW 1/4, S19, T36N, R4E, all W.M., Skagit Co., WA

PARCEL 7: Prtn of Govt Lot 4, S18, T36N, R4E, W.M., Skagit Co., WA

PARCEL 8: Prtns of Govt Lots 3 and 4, S18, T36N, R4E, W.M., Skagit Co.,
WA

PARCEL 9: NE 1/4 of SE 1/4, and Prtn of SE 1/4 of NE 1/4, all of S13, T36N,
R3E, W.M., Skagit Co., WA

PARCEL 10: SE 1/4 of NE 1/4, and Prtn of NE 1/4 of NE 1/4, all of S13, T36N,
R3E, W.M., SKAGIT CO., WA

PARCEL 11: Prtn of NE 1/4 of NE 1/4, S13, T36N, R3E, and Prtns of Govt Lots
1, 2, 3, 4, and SE 1/4 of NW 1/4, and NE 1/4 of SW 1/4, and SE
1/4 of SW 1/4, all S18, T36N, R4E, and Prtn of NE 1/4 of NW 1/4,
S19, T36N, R4E, all W.M., Skagit Co., WA

(as to IMPROVEMENTS): Fox Hollow Water System Association

Assessor's Tax Parcel Numbers:

(Burdened Properties): **PARCEL 4 - Lot 1:** P-49458

Lot 2: P-118655

Lot 3: P-118654

Lot 4: P-118653

MODIFICATION OF EASEMENT (4/5) - 2



200212020309
Skagit County Auditor

PARCEL 5 - P-115715

(Benefitted Properties): PARCEL 1 - P-48141, P-115707

PARCEL 2 - P-115709, P-115710

PARCEL 3 - Lot 1: P-118588

Lot 2: P-118589

Lot 3: P-118590

Lot 4: P-49443

Portion of Lot 4-Tract B etal: P-119069

PARCEL 4 - Lot 1: P-49458

Lot 2: P-118655

Lot 3: P-118654

Lot 4: P-118653

PARCEL 5 - P-115715

PARCEL 6 - P-49371

Peth Portion of PARCEL 7 - P-49372, P-115716

Nemnich Portion of PARCEL 7- P-119066, P-119070

PARCEL 8 - P-49370

PARCEL 9 - P-47859, P-119150

PARCEL 10 - P-47842

PARCEL 11 - P-47828, P-49369, P-49426, P-49431

SKAGIT COUNTY WASHINGTON
Real Estate Excise Tax
PAID

DEC 02 2002

Amount Paid \$
By: Skagit County Treasurer
Deputy

Reference Numbers of Documents Affected: 200011210076 (which is a re-record of 200009150023)

THIS MODIFICATION OF EASEMENT AGREEMENT (hereinafter the "**Modification**") is made as of this ____ day of November, 2002, by each of the current Burdened Property owners as listed in **Exhibit "D"** which is herein incorporated by reference ("**Grantors**"), and by each of the current Benefitted Property owners or their associations as listed in **Exhibit "E"** which is herein incorporated by reference or their future associations ("**Grantees**"), and by the original owner and developer of all the properties, John Peth & Sons, Inc., a Washington corporation ("**Developer**"), and this Modification modifies and amends that "Easement Grant" dated September 14, 2000, Skagit County Recording No. 200011210076, which is a re-recording of Recording No. 200009150023 (hereinafter the "**Easement Grant**"). The parties shall also sometimes be referred to herein as "**owner**" / "**owners**" or "**party**" / "**parties**".

RECITALS

A. The Grantors are the sole owners of certain real properties located in Skagit County, Washington, legally described in **Exhibit "A"**, attached hereto (the "**Burdened Property**").

MODIFICATION OF EASEMENT (4/5) - 3



200212020309
Skagit County Auditor

B. The Grantees are the sole owners of real properties located adjacent to and/or near the Burdened Property, legally described in **Exhibit "B"**, attached hereto (the "**Benefitted Property**").

C. In the year 2000, the then-owners of all of the properties described in **Exhibits "A" and "B"** herein caused to be recorded a well easement, entitled and herein referred to as the Easement Grant, for three (3) wells. Said Easement Grant was executed and recorded prior to the parties' ability to ascertain and designate which specific properties would benefit from which specific wells.

D. The parties now desire to modify said Easement Grant and to specifically designate which properties and owners shall benefit from and be responsible for which specific wells.

MODIFICATION AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the undersigned each agree as follows:

1. Termination of Some Benefitted Properties' Rights, Interests, Benefits and Responsibilities. The owners of the following Benefitted Properties hereby convey and quit claim back to the Grantors and/or to the owners of the remaining and additional Benefitted Properties, and further terminate, disavow, waive and disclaim any and all rights, interests, claims, benefits and responsibilities that they have acquired from and through the Easement Grant or by use or possession subsequent thereto:

<u>Terminating Benefitted Properties</u>	<u>Current Owners</u>
PARCEL 1	Dreamland Properties, LLC
PARCEL 2	Stephen A. Brandli and Bobbie Jo Brandli
Portion of Lot 4-Tract B etal, PARCEL 3	Michael Nemnich and Linda Nemnich
Lot 3 and Lot 4 only, of PARCEL 4	James Company, L.L.C.
PARCEL 6	Michael Nemnich and Linda Nemnich
PARCEL 7 (portion of)	John Peth & Sons, Inc.
PARCEL 7 (portion of)	Michael Nemnich and Linda Nemnich
PARCEL 8	John Peth & Sons, Inc.
PARCEL 11	Charles M. Shaw

2. Modification/Restriction of Benefits of the Remaining Benefitted Properties. The owners of the following Benefitted Properties ("**Remaining Benefitted Properties**") hereby agree to the modification and/or restriction of theirs and their properties' beneficial rights

MODIFICATION OF EASEMENT (4/5) - 4



200212020309
Skagit County Auditor

and obligations as originally set forth in the Easement Grant, and convey, quit claim, terminate, disavow, waive and disclaim any and all rights, interests, claims, benefits and responsibilities originally acquired from and through the Easement Grant **except for** those rights, interests, benefits and responsibilities as set forth in the subsequent paragraphs of this Modification:

Modifying/Restricting

Remaining Benefitted Properties

Current Owners

Lot 1 of PARCEL 3
Lot 2 of PARCEL 3
Lot 3 of PARCEL 3
Lot 4 of PARCEL 3 (except the Tract B
etal Portion)
PARCELS 9 & 10

John Peth & Sons, Inc.
Don Farmer Insurance Agency, Inc.
Randall G. Schultz and Barbara B. Schultz
John Peth & Sons, Inc.
Jacob N. Searle

3. Additional Benefitted Properties. The Grantors agree to add the following properties as Benefitted Properties ("**Additional Benefitted Properties**"), and the owners of said Additional Benefitted Properties agree to their restricted rights, interests, benefits and responsibilities as set forth in the subsequent paragraphs of this Modification:

Additional
Benefitted Properties

Current Owners

Lot 1 of PARCEL 4
Lot 2 of PARCEL 4
All of PARCEL 5

Michael D. Yeates
Michael D. Yeates
Amy Louise Jensen

4. Easement Area. The Grantors hereby grant, convey and confirm a permanent, non-exclusive easement over, under, across, through and upon those portions of the Burdened Properties which are legally described in **Exhibit "C"** attached hereto (the "**Easement Area**"), which Easement Area is further depicted and identified in **Exhibit "F"** hereto, for the following summarized uses and benefits of and to the following Remaining and Additional Benefitted Properties and/or any association formed by the owners of said properties for the purpose of owning and/or operating the Wells (defined below) and the well-related Improvements (defined below) in the Easement Area:

Remaining and Additional
Benefitted Properties (as more fully
described in Exhibit "B")

Use/Benefit (as more fully described
in Exhibit "C" and "F")

Lots 1, 2, 3 & 4 (except the Tract B etal
Portion) of PARCEL 3;

a) a 20 foot easement off LINE A



Lots 1 & 2 of PARCEL 4;
Fox Hollow Water System
Association

- b) a 60 foot easement off LINE B
- c) one (1) Well and well protection easement area of the "**First Circle**"

All of PARCEL 5

- a) a 20 foot easement off LINE A
- b) a 60 foot easement off LINE B
- c) one (1) Well and well protection easement area of the "**Second Circle**"

All of PARCEL 9;
All of PARCEL 10

- a) a 20 foot easement off LINE A
- b) a 60 foot easement off LINE B
- c) one (1) Well and well protection easement area of the "**Third Circle**"

If, in the future, membership in any well association should change to include owners of properties that are not included herein as "benefitted properties" for that particular well, then Grantors hereby agree to further modify the Easement Grant to add said new properties and owners as benefitted properties and grantees.

Further, in the future, if membership in any well association should change to not include properties or their owners that are identified herein as "benefitted properties" or grantees for that particular well, then said no-longer-included grantees agree to terminate their rights herein, both as to themselves and as to their property.

5. Use of Easement Area. See said Easement Grant. For clarification, the Easement Area shall be jointly and non-exclusively used for three (3) existing water wells ("**Wells**") and their related Improvements (defined below), for the supply and conveyance of water therefrom, and for the repairs, maintenance, support and operation therefor, and for ingress and egress for all uses incidental thereto, whether by the Grantees or an association formed by them for such purpose. Said Wells are each within the Easement Area in **Exhibit "C"** described and are depicted and identified in **Exhibit "F"** hereto; and are assigned and conveyed to the specific Remaining and Additional Benefitted Properties and/or Grantees as follows:

- a. "1st Circle" Well: Lots 1, 2, 3 & 4 (except the Tract B etal Portion) of PARCEL 3;
Lots 1 & 2 only of PARCEL 4;
Fox Hollow Water System Association
- b. "2nd Circle" Well: all of PARCEL 5
- c. "3rd Circle" Well: all of PARCEL 9;
all of PARCEL 10

6. Wells; Pumps; Piping. The Developer has already provided three (3) completed Wells in the Easement Area, each Well capable of serving its respective Remaining and Additional Benefitted Properties (as identified in this Modification). The Developer has also

MODIFICATION OF EASEMENT (4/5) - €



200212020309

Skagit County Auditor

provided and installed a well pump for each Well, and the electrical infrastructure for such a pump. Developer has provided water piping from each Well to a boundary line of each Well's respective Benefitted Properties, exact location at Developer's sole discretion, said piping to the respective Benefitted Property only. Said well piping shall be located within the recorded easement(s) for Fox Hollow Road (see Recording Nos. 200009150024 and 200111260264). The Wells, well pumps, and piping shall meet the County and Health District standards for such items existing at the time the permits are granted to construct said items, or if no permits are required then such standards as are existing at the time construction begins on said items. The Wells, well pumps, pump houses, electrical infrastructure and piping shall all be herein referred to as the "**Improvements**". The owners of the Remaining and Additional Benefitted Properties or their association, if applicable, accept the Improvements "as is".

Ownership of the Improvements has been or shall be transferred and conveyed by the Developer when said Developer conveys the respective properties Benefitted by each of the three (3) Wells. For and in consideration already received, as well as in consideration of the signing of this Modification, the Developer confirms its transfer, and does hereby transfer, convey and quit claim all well-supporting tangible equipment, including the Improvements, to the current and future owners of the following respective Remaining and Additional Benefitted Properties, to run with the land as to the Burdened Property, and for the Grantees to own and to run with the land as to the Benefitted Properties until such time as the Grantees form an association for the purpose of owning and/or operating said Improvements:

<u>Improvements</u>	<u>To Benefitted Property</u>
Improvements for "2nd Circle" Well	to all of PARCEL 5
Improvements for "3rd Circle" Well	to all of PARCEL 9 and all of PARCEL 10

Since the owners of the following Benefitted Properties have already formed an association, the Developer hereby transfers, conveys and quit claims all below-identified Improvements to the association known as "Fox Hollow Water System Association", a Washington nonprofit miscellaneous and mutual corporation (the "**1st Circle Well Association**"):

<u>Improvements</u>	<u>To Benefitted Property</u>
Improvements for "1st Circle" Well	to all of PARCEL 3 (except the Tract B etal Portion of Lot 4); to Lots 1 & 2 only of PARCEL 4

7. Repair and Maintenance of Improvements; Operation of Wells and Improvements. The owners of each Remaining and Additional Benefitted Property, or an



association formed by them for such purpose, shall be responsible for its/their proportionate share of the costs of operating, repairing, maintaining and replacing the Improvements for its/their respective Well, except that each Remaining and Additional Benefitted Property owner shall be solely responsible for maintaining and repairing its/their respective property's piping from the point that said piping enters their property. With the exception of the costs incurred by Developer in connection with its initial construction, and with the further exception that each Remaining and Additional Benefitted Property owner shall be solely responsible for maintaining and repairing its/their respective property's piping from the point that said piping enters their property, each of the Wells and its Improvements shall be repaired, maintained and operated by an association, and if no association, by or under the supervising direction of the following "Supervisor":

<u>Well</u>	<u>Owner of Benefitted Property</u>
First Circle Well and Improvements	Matt Farmer
Second Circle Well and Improvements	Amy Louise Jensen
Third Circle Well and Improvements	Jacob N. Searle

or by such other Supervisor as the Benefitted Property owners for each Well may from time to time elect by "Majority" vote, if there is no association. ("Majority" to be determined by a more than 50% written vote by the owners of the Benefitted Properties for that respective Well and its Improvements only, with one (1) vote allotted for each complete 1,000 square feet owned).

If there is no association, any owner believing it is necessary for repairs or maintenance or operational work ("**Work**") to be performed on its respective Well and/or Improvements shall notify the other owners of Benefitted Properties serviced by said Well and its Improvements, in writing, as to the nature and estimated cost of such proposed Work, and setting a time and place for a meeting to discuss the proposed work, which meeting shall be not less than one week nor more than two weeks following the date of delivery of the notice. If a Majority are in favor of the proposed Work to be done, then the Supervisor shall cause for the Work to be completed. The Supervisor shall then cause all of the applicable Benefitted Properties and their owners to be billed their proportionate share. Said amounts owing shall be paid within thirty (30) days of receipt or shall automatically become a lien on that Benefitted Property and shall begin to accrue interest.

8. Costs; Liens. Each party shall promptly pay its share of the costs of maintaining, repairing and operating the Well and Improvements, as excepted, within thirty (30) days after receipt of an invoice setting forth the total amount paid and the party's share. If there is an association, the provisions for calculation, assessment, payment, and remedies for non-payment, including lien and foreclosure rights, shall be set forth in the association's bylaws and declaration of covenants and shall apply. If there is no association, any payment not paid when due shall commence to bear interest until paid at the rate of twelve percent (12%) per annum (the "**Default Interest**") and shall continue to accrue such Default Interest until paid. If a party fails to pay its proportionate share when due, the unpaid amount plus the Default Interest shall automatically and immediately become a lien against the defaulting party's property, and the Supervisor may proceed to foreclose said lien in the same manner as provided for foreclosure of deeds of trust



under RCW 61.24. The parties hereby incorporate all rights and remedies in the master form Deed of Trust, recorded under Skagit County Auditor's File No. 716277, Vol. 19, pp. 80-83, or as it may be amended or replaced, as the means of enforcement of the lien rights provided by this Section. The lien for such unpaid sums shall be subordinate to tax liens on the property in favor of any assessing unit and/or special district, but to the extent permitted by applicable law shall have priority over all other liens against the property.

Each owner hereby agrees to indemnify, defend and hold harmless the other owners, and the other owners' rights and interests in the Easement Area, from and against any liens created, caused or allowed by the indemnifying owner on the Easement Area.

9. Insurance and Liability. Each Remaining and Additional Benefitted Property owner shall carry property and liability insurance, for their respective Easement Area, Well and Improvements, in amounts that are commercially reasonable for similar projects within the area, and shall name the other owners (as to that project) as an additional insureds; PROVIDED, that if an association carries property and liability insurance, in commercially reasonable amounts, for its Easement Area, Well and Improvements, and names the other project owners as additional insureds, then said insurance shall be deemed to meet the owners' insurance requirements set forth herein. Each said owner and association shall indemnify, defend and hold the other owners harmless from and against any claims arising from or in connection with the indemnifying owner's use of the Easement Area and the Improvements located thereon. The indemnification obligations under this Section shall extend to all liability, loss, expense, claims, causes of action, damages, costs and fees, including attorney fees, arising from or in connection with use of the Easement Area and the Improvements by said indemnifying party, their successors, assigns, heirs, tenants, agents, employees, guests or invitees. Each party's obligation to provide insurance shall commence as of the date said owner commences actual use of the Easement Area.

10. Resolution of Disputes. Any dispute, claim or controversy between any two or more owners arising out of or relating to this Modification (a "Matter-at-Issue") shall be resolved, if either such party seeks resolution, through binding arbitration. Within five (5) days of one of the parties' request for such, the Matter-at-Issue shall be submitted to binding arbitration. Unless the parties agree by unanimous consent on one arbitrator, each party shall appoint one arbitrator. The two arbitrators shall in turn select a third arbitrator. The Matter-at-Issue shall then be arbitrated and the arbitrator(s) decision shall be binding on all parties. Said arbitration shall be conducted pursuant to the provisions of Chapter 7.04 R.C.W.

11. Covenants Regarding Well Circles. There are three (3) Wells within the Easement Area, as located by Washington State Department of Ecology permits #W101132, #W114376, #W114379. The parties are required to keep the water supplied from said Wells free from impurities which might be injurious to the public health. Therefore, the owners of the applicable Burdened Properties agree and covenant that said owners, their heirs, successors, and assigns shall not construct, maintain, or suffer to be constructed or maintained upon said Properties of the Grantors and within one hundred (100) feet of the Wells herein described, any



potential source of contamination, such as septic tanks and drainfields, sewerlines, underground storage tanks, roads, railroad tracks, vehicles, structures, barns, feed stations, grazing animals, enclosures for maintaining fowl or animal manure, liquid or dray chemical storage, herbicides, insecticides, hazardous waste, or garbage of any kind or description, so long as said Wells are operated to furnish water of public consumption. These covenants shall encumber the Properties only within those circle areas required for the three (3) Wells in existence on the date of this Modification. These covenants shall run with the land, and shall be binding to all parties having or acquiring any right, title, or interest in the Properties containing the circles, and shall inure to the benefit of each owner of the Benefitted Properties.

12. Use of Easement Area by Grantor. The Grantors may continue to use its/their portion of the Easement Area for any and all purposes not inconsistent with the provisions of this Modification or of the Easement Grant.

13. Division of Benefitted Properties. If any of the Benefitted Properties are hereafter divided by lawful separation or sub-division, all parts shall enjoy the benefits of the Easement Grant, as modified unless otherwise set forth in the documents and agreements of an association.

14. Running with the Land. This Modification and the Easement Grant, along with any and all benefits and burdens arising therefrom, and all covenants, conditions, restrictions and reservations included herein, shall run with the land of the herein described Properties and shall be binding upon the owners of the Burdened Properties and the Benefitted Properties and the Improvements and each of their heirs, successors, and assigns, through all successive transfers of the Properties and/or Improvements and/or the granting of any security interests therein, without requirement of further specific reference or inclusion in deeds, contracts or security instruments, and regardless of any subsequent forfeiture, foreclosures, or sales under security instruments, or of any forfeiture, foreclosures, or sales instituted for non-payment of governmental tax, levy or assessment of any kind, as if each of the Properties' future owners or lienholders were the parties to this Modification and to the Easement Grant.

15. Attorney Fees. The prevailing party in any action (including arbitration) brought to enforce or interpret the terms of this Modification shall be entitled to recover its costs and reasonable attorney fees incurred in said action, including on appeal, whether or not suit is commenced.

16. Breach. In the event of any breach or threatened breach of this Modification by any owner of any of the Burdened Properties or the Benefitted Properties, the non-defaulting owner(s) shall have the right to sue for damages and/or for specific performance and/or to enjoin such breach or threatened breach.

17. No Termination Upon Breach. No breach of this Modification or the Easement Grant shall entitle either owner to cancel, rescind or otherwise terminate either document;



provided, however, that this provision shall not limit or otherwise affect any other right or remedy which an owner may have hereunder by reason of any breach of this Modification or the Easement Grant.

18. Captions. The captions and section headings contained in this Modification are for convenience and reference only and in no way define, describe, extend or limit the scope or intent of this Modification, nor the intent of any provision thereof.

19. Amendment. This Modification may not be modified, amended or terminated without the prior written approval of the then owner of the property, and any lienholders on said properties, who are either benefitted and/or burdened by the provisions of any such amendment; PROVIDED, that the owners of properties serviced by one or more Wells, and the Improvements thereto may form an association for the ownership and/or operation of the Well(s) and Improvements. If such an association is formed its written provisions may serve as an amendment hereto, only as to that particular Well(s) and Improvements, and shall supersede any conflicting provisions herein only if the superseding provisions do not detrimentally affect the Burdened Property or owner(s) of the Burdened Property.

20. Governing Law. This Modification shall be governed by and construed in accordance with the laws of the State of Washington.

21. No Counterparts. This Agreement shall be executed in only one original. Said original document shall be recorded.

22. Entire Agreement. There are no verbal or other agreements which modify or affect this Modification, and the parties agree that this Modification and its attached Exhibits, and all other provisions of the Easement Grant not inconsistent herewith, constitute the full and complete understanding between them.

Attached: **Exhibit "A"** Legal Description of Burdened Properties
Exhibit "B" Legal Description of Benefitted Properties
Exhibit "C" Legal Description of Easement Areas
Exhibit "D" List of Burdened Property Owners
Exhibit "E" List of Benefitted Property Owners
Exhibit "F" Diagram of Easement Areas

/
/
/
/
/
/
INDIVIDUAL SIGNATURE AND NOTARIZATION PAGES ARE ATTACHED HERETO AND MADE A PART HEREOF.



DEVELOPER and GRANTEE:

JOHN PETH & SONS, INC.

By: Dan Peth
Daniel Peth, its Secretary

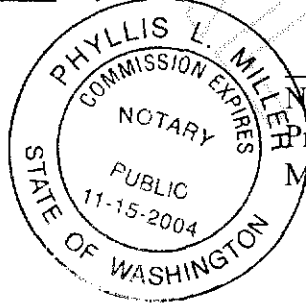
STATE OF WASHINGTON)

: SS

County of Skagit)

I certify that I know or have satisfactory evidence that Daniel Peth is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Secretary of John Peth & Sons, Inc., a Washington Corporation, to be the free and voluntary act and deed of the said corporation for the uses and purposes mentioned in the instrument.

DATED this 22nd day of November, 2002.



Phyllis L. Miller
NOTARY PUBLIC for the State of Washington
Printed Name: Phyllis L. Miller
My commission expires 11-15-04



200212020309
Skagit County Auditor

GRANTOR and GRANTEE:

Michael D. Yeates
Michael D. Yeates

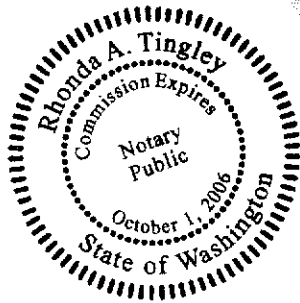
STATE OF WASHINGTON)

:SS

County of Skagit)

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

DATED this 20th day of November, 2002.



Rhonda A. Tingley
NOTARY PUBLIC for the State of Washington
Printed Name: *Rhonda RT Tingley*
My commission expires *10-1-06*



200212020309

Skagit County Auditor

12/2/2002 Page 13 of 46 3:24PM

GRANTEE:

JAMES COMPANY, L.L.C.

By: Genevieve Elton

Printed Name/Title: Genevieve Elton, member

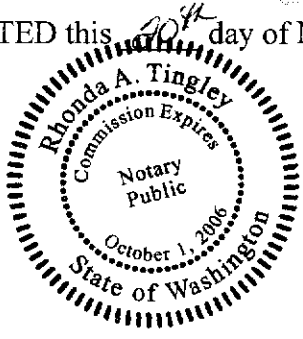
STATE OF WASHINGTON)

: SS

County of Skagit)

I certify that I know or have satisfactory evidence that Genevieve Elton is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the member of James Company, L.L.C., a Washington limited liability company, to be the free and voluntary act and deed of the said entity for the uses and purposes mentioned in the instrument.

DATED this 20th day of November, 2002.



Rhonda R Tingley
NOTARY PUBLIC for the State of Washington
Printed Name: Rhonda R Tingley
My commission expires 10-1-06



200212020309
Skagit County Auditor

12/2/2002 Page 14 of 46 3:24PM

GRANTEE:

DREAMLAND PROPERTIES, LLC

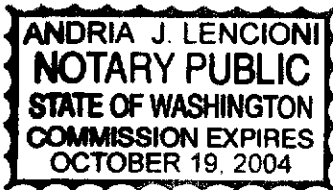
By: *Stephen A. Brandli*
Stephen A. Brandli, *CO-MANAGER*

STATE OF WASHINGTON)

: SS.
County of ~~King~~ *Skagit*)

I certify that I know or have satisfactory evidence that Stephen A. Brandli is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the *CO-MANAGER* of Dreamland Properties, LLC a Washington limited liability company, to be the free and voluntary act and deed of the said entity for the uses and purposes mentioned in the instrument.

DATED this *25th* day of November, 2002.



Andria Lencioni
NOTARY PUBLIC for the State of Washington
Printed Name: *ANDRIA LENCIONI*
My commission expires *10/19/05*.



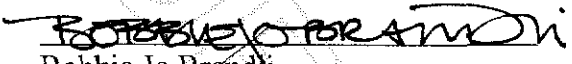
200212020309
Skagit County Auditor

12/2/2002 Page 16 of 46 3:24PM

GRANTEES:



Stephen A. Brandli



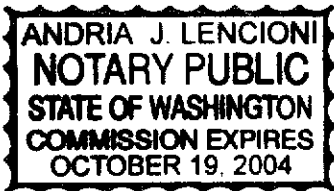
Bobbie Jo Brandli

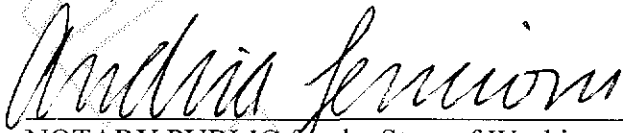
STATE OF WASHINGTON)

:ss
County of ~~King~~ *Snohomish*)

I certify that I know or have satisfactory evidence that Stephen A. Brandli and Bobbie Jo Brandli are the persons who appeared before me, and said persons each acknowledged that they each signed the foregoing instrument and acknowledged it to be their free and voluntary act and deed for the uses and purposes mentioned in this instrument.

DATED this 25th day of November, 2002.





NOTARY PUBLIC for the State of Washington
Printed Name: ANDRIA LENCIONI.
My commission expires 10/19/04.



200212020309
Skagit County Auditor

12/2/2002 Page 17 of 46 3:24PM

GRANTEE:

DON FARMER INSURANCE AGENCY, INC.

By: Don Farmer, President
Don Farmer, its President

STATE OF OREGON)

:SS

COUNTY OF CURRY

I certify that I know or have satisfactory evidence that Don Farmer 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 President of Don Farmer Insurance Agency, Inc. an Oregon corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

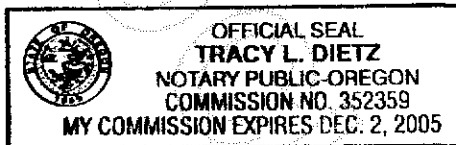
DATED this 25th day of November 2002.

Tracy L. Dietz

NOTARY PUBLIC for the State of Oregon

Printed Name: Tracy L. Dietz

My commission expires 12-2-2005



Skagit County Auditor

12/2/2002 Page 18 of 46 3:24PM

GRANTEES:

Michael Nemnich
Michael Nemnich

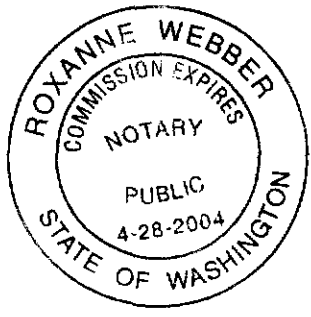
Linda Nemnich
Linda Nemnich

STATE OF WASHINGTON)

:SS
County of ~~Skagit~~ *Snohomish*

I certify that I know or have satisfactory evidence that Michael Nemnich and Linda Nemnich are the persons who appeared before me, and said persons each acknowledged that they each signed the foregoing instrument and acknowledged it to be their free and voluntary act and deed for the uses and purposes mentioned in this instrument.

DATED this 20th day of November, 2002.



Roxanne Webber
NOTARY PUBLIC for the State of Washington
Printed Name: Roxanne Webber
My commission expires 4-28-04.



200212020309
Skagit County Auditor

12/2/2002 Page 19 of 46 3:24PM

GRANTEES:

Jacob N. Searle
Jacob N. Searle

STATE OF WASHINGTON)

: SS
County of Skagit)

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

DATED this 22nd day of November, 2002.

Tamara L. Schorno
NOTARY PUBLIC for the State of Washington
Printed Name: Tamara L. Schorno
My commission expires Aug 3, 2004



GRANTEES:

Charles M. Shaw

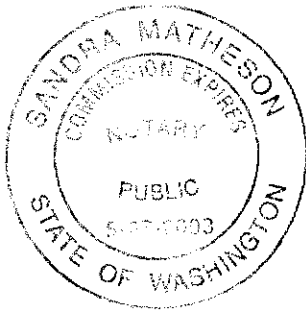
Charles M. Shaw

STATE OF WASHINGTON)

County of Skagit^{SS})

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

DATED this 19 day of November, 2002.



Sandra Matheson
NOTARY PUBLIC for the State of Washington
Printed Name: SANDRA MATHESON
My commission expires 5-27-2003



200212020309
Skagit County Auditor

12/2/2002 Page 21 of 46 3:24PM

GRANTEES:

Randall G. Schultz
Randall G. Schultz

Barbara B. Schultz
Barbara B. Schultz

STATE OF WASHINGTON)

:SS
County of ~~Skagit~~ Whatcom

I certify that I know or have satisfactory evidence that Randall G. Schultz and Barbara B. Schultz are the persons who appeared before me, and said persons each acknowledged that they each signed the foregoing instrument and acknowledged it to be their free and voluntary act and deed for the uses and purposes mentioned in this instrument.

DATED this 21 day of November, 2002.

Diana Challerder
NOTARY PUBLIC for the State of Washington
Printed Name: DIANA CHALLENGER
My commission expires 11-27-2004

NOTARY PUBLIC
STATE OF WASHINGTON
DIANA CHALLENGER
My Appointment Expires NOV. 27, 2004



200212020309

Skagit County Auditor

12/2/2002 Page 22 of 46 3:24PM

GRANTEE:

FOX HOLLOW WATER SYSTEM ASSOCIATION

By: Dan Peth
Printed Name/Title: DAN PETH, President

STATE OF WASHINGTON)

: SS
County of Skagit)

I certify that I know or have satisfactory evidence that Dan Peth is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of Fox Hollow Water System Association, a Washington non-profit miscellaneous and mutual corporation, to be the free and voluntary act and deed of the said corporation for the uses and purposes mentioned in the instrument.

DATED this 2 day of December, 2002.

Cheryl D. Lanier
NOTARY PUBLIC for the State of Washington
Printed Name: Cheryl D. Lanier
My commission expires 11-15-04



200212020309
Skagit County Auditor

12/2/2002 Page 23 of 46 3:24PM

EXHIBIT "A"

LEGAL DESCRIPTIONS OF BURDENED PROPERTIES

Lot 2 of PARCEL 4

Lot 2, Short Plat No. 99-0031, approved November 19, 2001, and recorded under Auditor's File No. 200111200077, and being a portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 36 North, Range 3 East, W.M., and a portion of Government Lots 1, 2 and the Southeast 1/4 of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL 5

see attached



LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 5 - AFTER BOUNDARY LINE ADJUSTMENT

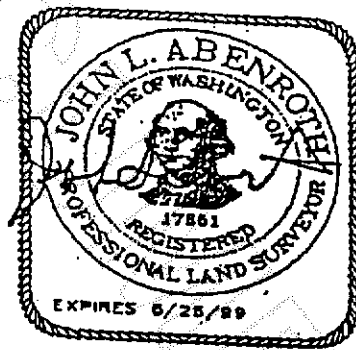
May 10, 1999

That portion of Government Lot 1, Government Lot 2, the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Beginning at a point on the south line of said Government Lot 1 which lies $S86^{\circ}40'31''E$, a distance of 704.65 feet from the southwest corner thereof; thence $N15^{\circ}30'27''E$, a distance of 211.18 feet to a point on a non tangent curve to the left having a chord bearing of $S85^{\circ}49'51''E$ and a radius of 150.27 feet; thence easterly along said curve through a central angle of $22^{\circ}40'36''$ and an arc length of 59.47 feet; thence $N82^{\circ}49'51''E$, a distance of 98.22 feet; thence $N07^{\circ}10'09''W$, a distance of 30.00 feet; thence $N45^{\circ}17'49''E$, a distance of 340.99 feet; thence $N04^{\circ}46'41''E$, a distance of 185.84 feet; thence $S80^{\circ}28'24''E$, a distance of 771.16 feet to the westerly line of the Colony Road; thence $S11^{\circ}12'06''W$ along said line of Colony Road, a distance of 286.90 feet to the point of curvature of a curve to the right having a radius of 1115.92 feet; thence southerly along said curve through a central angle of $22^{\circ}38'00''$ and an arc length of 440.82 feet; thence $S33^{\circ}50'06''W$ along said line of Colony Road, a distance of 469.10 feet to a point which lies $N33^{\circ}50'06''E$, a distance of 64.00 feet from the south line of the north 20 acres of that portion of the southeast quarter of the northwest quarter and Government Lot 2 of said Section 19 lying west of the county road as laid out and established on November 1, 1929; thence $N56^{\circ}22'22''W$, a distance of 904.18 feet; thence $N15^{\circ}30'27''E$, a distance of 37.65 feet to the point of beginning of this description.

Containing 20.00 acres.

Situated in Skagit County, Washington.



5/19/99

EXHIBIT A-1



200212020309
Skagit County Auditor

EXHIBIT "B"

LEGAL DESCRIPTIONS OF BENEFITTED PROPERTIES

PARCEL 1

see attached

PARCEL 2

see attached

PARCEL 3, Lot 1

Lot 1, Short Plat No. PL00-0345, approved November 13, 2001, and recorded under Auditor's File No. 200111130172, and being a portion of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL 3, Lot 2

Lot 2, Short Plat No. PL00-0345, approved November 13, 2001, and recorded under Auditor's File No. 200111130172, and being a portion of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL 3, Lot 3

Lot 3, Short Plat No. PL00-0345, approved November 13, 2001, and recorded under Auditor's File No. 200111130172, and being a portion of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL 3, Lot 4 (except Tracts B, C and Open Space East)

Lot 4, Short Plat No. PL00-0345, approved November 13, 2001, and recorded under Auditor's File No. 200111130172, and being a portion of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

MODIFICATION OF EASEMENT (4/5) - 25



200212020309
Skagit County Auditor

EXCEPTING therefrom, Tract "B", Tract "C", and the following described tract:

The Open Space Future Development (East) portion as designated on the face of said Short Plat; Except a strip of land 8.54 feet wide lying easterly of, adjacent to, contiguous with the East line, and between the Easterly extensions of the North and South lines of the Buildable Area of said Lot 4.

Situate in the County of Skagit, State of Washington.

PARCEL 3, Portion of Lot 4-Tracts B, C and Open Space East

Tract B, Tract C, and the Open Space Future Development (East) portion of Lot 4, Short Plat No. PL00-0345, approved November 13, 2001 and recorded under Auditor's File No. 200111130172,

EXCEPT a strip of land 8.54 feet wide lying Easterly of, adjacent to, contiguous with the East line, and between the Easterly extensions of the North and South lines of the Buildable Area of said Lot 4.

Situate in the County of Skagit, State of Washington.

PARCEL 4, Lot 1

Lot 1, Short Plat No. 99-0031, approved November 19, 2001, and recorded under Auditor's File No. 200111200077, and being a portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 36 North, Range 3 East, W.M., and a portion of Government Lots 1, 2 and the Southeast 1/4 of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL 4, Lot 2

Lot 2, Short Plat No. 99-0031, approved November 19, 2001, and recorded under Auditor's File No. 200111200077, and being a portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 36 North, Range 3 East, W.M., and a portion of Government Lots 1, 2 and the Southeast 1/4 of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL 4, Lot 3

Lot 3, Short Plat No. 99-0031, approved November 19, 2001, and recorded under



Auditor's File No. 200111200077, and being a portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 36 North, Range 3 East, W.M., and a portion of Government Lots 1, 2 and the Southeast 1/4 of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL 4, Lot 4

Lot 4, Short Plat No. 99-0031, approved November 19, 2001, and recorded under Auditor's File No. 200111200077, and being a portion of the Northeast 1/4 of the Northeast 1/4 of Section 24, Township 36 North, Range 3 East, W.M., and a portion of Government Lots 1, 2 and the Southeast 1/4 of the Northwest 1/4 of Section 19, Township 36 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL 5

see attached

PARCEL 6


see attached

Peth Portion of PARCEL 7 (P-115716, P-49372)

That portion of Government Lot 4 of Section 18, Township 36 North, Range 4 East, W.M., described as follows:

BEGINNING at the Southwest corner of said Government Lot 4;
thence South $86^{\circ}50'58''$ East along the South line thereof, a distance of 436.54 feet;
thence North $06^{\circ}29'49''$ West, a distance of 327.78 feet;
thence North $81^{\circ}01'50''$ East, a distance of 432.32 feet;
thence North $60^{\circ}30'10''$ East, a distance of 203.23 feet;
thence North $11^{\circ}34'42''$ East, a distance of 276.30 feet;
thence North $01^{\circ}05'51''$ East, a distance of 504.01 feet to a point on the North line of said Government Lot 4 which is 143.55 feet West of the Southwest corner of the East 245.84 feet of said Government Lot 4;
thence North $87^{\circ}25'56''$ West along the North line of said Government Lot 4, a distance of 592.73 feet;
thence South $23^{\circ}32'39''$ West, a distance of 608.04 feet;

MODIFICATION OF EASEMENT (4/5) - 27


200212020309
Skagit County Auditor
12/2/2002 Page 28 of 46 3:24PM

thence North 89°07'08" West, a distance of 221.81 feet to a point on the West line of said Government Lot 4 which is 716.38 feet North of the Southwest corner thereof;
thence South 00°52'52" West along said West line, a distance of 716.38 feet to the point of beginning of this description;

EXCEPT that portion of Parcel 7 of Quit Claim Deed recorded under Auditor's File No. 199907280171 lying in the Southwest 1/4 of the Southwest 1/4 of Section 18, Township 36 North, Range 4 East, W.M., described as follows:

Beginning at the most Northerly corner of Parcel 6 of Statutory Warranty Deed recorded under Auditor's File No. 199910060074 being a point on the East line of said Parcel 7;
thence North 11°34'42" East along said East line, a distance of 276.30 feet;
thence North 01°05'51" East along said East line, a distance of 100.76 feet;
thence South 89°46'27" West, a distance of 282.07 feet;
thence South 09°50'51" West, a distance of 498.73 feet to the South line of said Parcel 7;
thence North 81°01'50" East along said South line, a distance of 134.74 feet;
thence North 60°30'10" East along the Southeasterly line of said Parcel 7, a distance of 203.23 feet to the point of beginning.

SITUATE in the County of Skagit, State of Washington.

Nemnich Portion of PARCEL 7 (P-119066, P-119070)

That portion of Parcel 7 of Quit Claim Deed recorded under Auditor's File No. 199907280171 lying in the Southwest 1/4 of the Southwest 1/4 of Section 18, Township 36 North, Range 4 East, W.M., described as follows:

Beginning at the most Northerly corner of Parcel 6 of Statutory Warranty Deed recorded under Auditor's File No. 199910060074 being a point on the East line of said Parcel 7;
thence North 11°34'42" East along said East line, a distance of 276.30 feet;
thence North 01°05'51" East along said East line, a distance of 100.76 feet;
thence South 89°46'27" West, a distance of 282.07 feet;
thence South 09°50'51" West, a distance of 498.73 feet to the South line of said Parcel 7;
thence North 81°01'50" East along said South line, a distance of 134.74 feet;
thence North 60°30'10" East along the Southeasterly line of said Parcel 7, a distance of 203.23 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL 8

see attached



200212020309

Skagit County Auditor

12/2/2002 Page 29 of 46 3:24PM

PARCEL 9

see attached

PARCEL 10

see attached

PARCEL 11

see attached



200212020309

Skagit County Auditor

Skagit
Surveyors & Engineers LLC

806 Melcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 1 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of the northeast quarter of the northeast quarter of Section 24, Township 36 North, Range 3 East, W.M. and that portion of Government Lot 1 of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Beginning at the southeast corner of the northeast quarter of the northeast quarter of said Section 24; thence N88°29'52"W along the south line thereof, a distance of 1248.14 feet; thence N24°28'14"E, a distance of 887.24 feet; thence S88°27'07"E parallel with the north line of said Section 24, a distance of 943.79 feet; thence S11°14'01"W, a distance of 484.14 feet; thence S05°13'21"E, a distance of 341.32 feet to the point of beginning of this description.

Containing 20.01 acres.

Situated in Skagit County, Washington.

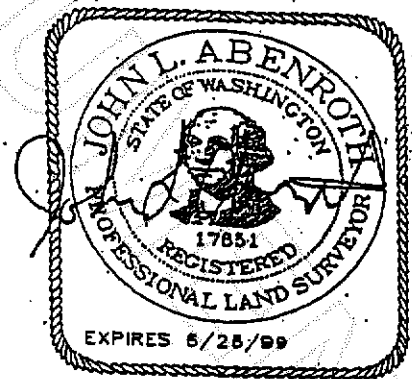


EXHIBIT B-1

5/19/99



200212020309
Skagit County Auditor

Skagit
Surveyors & Engineers LLC
806 Melville St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1858

LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 2 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of the northeast quarter of the northeast quarter of Section 24, Township 36 North, Range 3 East, W.M. and that portion of Government Lot 1 of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Beginning at a point on the south line of the northeast quarter of the northeast quarter of said Section 24 which lies N88°29'52"W, a distance of 1248.14 feet from the southeast corner thereof; thence N24°28'14"E, a distance of 887.24 feet; thence S88°27'07"E parallel with the north line of said northeast quarter of the northeast quarter, a distance of 943.79 feet; thence N13°16'20"W, a distance of 511.16 feet to the north line of said northeast quarter of the northeast quarter; thence N88°27'07"W along said north line, a distance of 1279.87 feet to the northwest corner thereof; thence S00°41'26"E along the west line of said northeast quarter of the northeast quarter, a distance of 1312.39 feet to the southwest corner thereof; thence S88°29'52"E along the south line of said northeast quarter of the northeast quarter, a distance of 70.00 feet to the point of beginning of this description.

Containing 20.01 acres.

Situated in Skagit County, Washington.

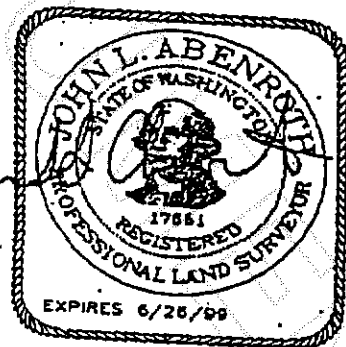


EXHIBIT B-2

5/19/99



200212020309
Skagit County Auditor

Skagit
Surveyors & Engineers
805 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1858

LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 5 - AFTER BOUNDARY LINE ADJUSTMENT

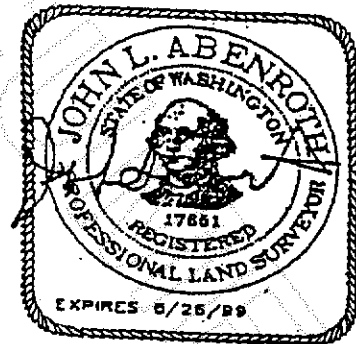
May 10, 1999

That portion of Government Lot 1, Government Lot 2, the northeast quarter of the northwest quarter and the southeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Beginning at a point on the south line of said Government Lot 1 which lies S86°40'31"E, a distance of 704.65 feet from the southwest corner thereof; thence N15°30'27"E, a distance of 211.18 feet to a point on a non tangent curve to the left having a chord bearing of S85°49'51"E and a radius of 150.27 feet; thence easterly along said curve through a central angle of 22°40'36" and an arc length of 59.47 feet; thence N82°49'51"E, a distance of 98.22 feet; thence N07°10'09"W, a distance of 30.00 feet; thence N45°17'49"E, a distance of 340.99 feet; thence N04°46'41"E, a distance of 185.84 feet; thence S80°28'24"E, a distance of 771.16 feet to the westerly line of the Colony Road; thence S11°12'06"W along said line of Colony Road, a distance of 286.90 feet to the point of curvature of a curve to the right having a radius of 1115.92 feet; thence southerly along said curve through a central angle of 22°38'00" and an arc length of 440.82 feet; thence S33°50'06"W along said line of Colony Road, a distance of 469.10 feet to a point which lies N33°50'06"E, a distance of 64.00 feet from the south line of the north 20 acres of that portion of the southeast quarter of the northwest quarter and Government Lot 2 of said Section 19 lying west of the county road as laid out and established on November 1, 1929; thence N56°22'22"W, a distance of 904.18 feet; thence N15°30'27"E, a distance of 37.65 feet to the point of beginning of this description.

Containing 20.00 acres.

Situated in Skagit County, Washington.



5/19/99

EXHIBIT B-3



200212020309
Skagit County Auditor



806 McCall St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1638

LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 6 - AFTER BOUNDARY LINE ADJUSTMENT

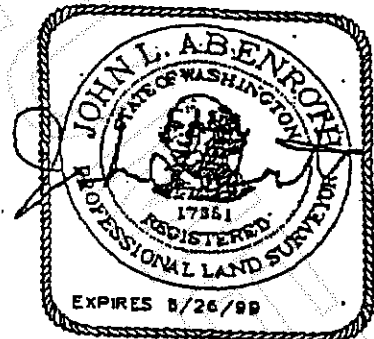
May 10, 1999

That portion of Government Lot 4 of Section 18, Township 36 North, Range 4 East, W.M.; and that portion of the Government Lot 1 and the northeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M.; described as follows:

Beginning a point on the south line of Government Lot 4 of said Section 18 which lies S86°50'58"E, a distance of 436.54 feet from the southwest corner thereof; thence N06°29'49"W, a distance of 327.78 feet; thence N81°01'50"E, a distance of 432.32 feet; thence N60°30'10"E, a distance of 203.23 feet; thence S56°54'25"E, a distance of 518.35 feet to a point on the east line of said Government Lot 4 which is 265 feet north of the southeast corner thereof; thence S01°05'51"W along said east line, a distance of 265.00 feet to the southeast corner of said Government Lot 4; thence S34°25'05"E, a distance of 317.78 feet; thence S09°31'36"W, a distance of 415.02; thence N80°28'24"W, a distance of 371.16 feet; thence N13°28'27"W, a distance of 338.38 feet; N88°59'07"W, a distance of 623.28 feet; thence N06°29'49"W, a distance of 323.51 feet to the point of beginning of this description.

Containing 20.28 acres.

Situated in Skagit County, Washington.



5/19/99

EXHIBIT B-4



200212020309
Skagit County Auditor

Skagit
Surveyors & Engineers LLC

808 Market St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1858

LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 8 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of Government Lot 3 and Government Lot 4 of Section 18, Township 36 North, Range 4 East, W.M., described as follows:

Beginning at the southwest corner of said Government Lot 3; thence N00°52'52"E along the west line thereof, a distance of 1290.91 feet to the northwest corner of said Government Lot 3; thence S88°00'24"E along the north line thereof, a distance of 1197.21 feet to the northwest corner of the east 245.84 feet of said Government Lot 3; thence S01°05'51"W along the west line of said east 245.84 feet, a distance of 1302.78 feet to the south line of said Government Lot 3; thence N87°25'56"W along the south line of said Government Lot 3, a distance of 736.29 feet; thence S23°32'39"W, a distance of 608.04; thence N89°07'08"W, a distance of 221.81 feet to a point on the west line of said Government Lot 4 which is 716.38 feet north of the southwest corner thereof; thence N00°52'52"E along the west line of said Government Lot 4, a distance of 574.53 feet to the point of beginning of this description.

Containing 40.00 acres.

Situated in Skagit County, Washington.

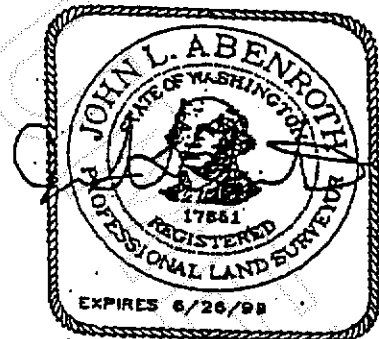


EXHIBIT B-5

5/19/99



200212020309
Skagit County Auditor

Skagit
Surveyors & Engineers LLC

806 Melcoff St. Sedro-Wooley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1858

LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 9 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

The northeast quarter of the southeast quarter, and the south 13.5 feet
of the southeast quarter of the northeast quarter of Section 13,
Township 36 North, Range 3 East, W.M.

Containing 40.00 acres.

Situated in Skagit County, Washington.

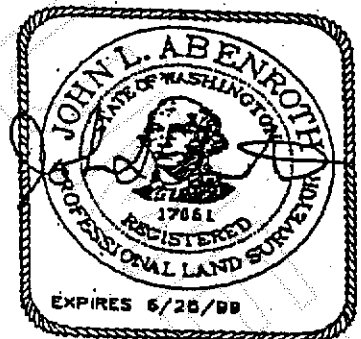


EXHIBIT B-6

5/19/99



200212020309
Skagit County Auditor

Skagit
Surveyors & Engineers LLC

806 Metcalf St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1658

LEGAL DESCRIPTION
FOR

JOHN PETH & SONS, INC.
OF

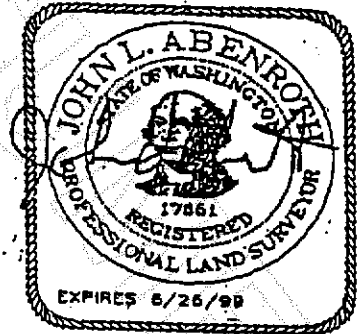
PARCEL 10 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999.

The southeast quarter of the northeast quarter and the south 22.06 feet of the northeast quarter of the northeast quarter of Section 13, Township 36 North, Range 3 East, W.M.; EXCEPT the south 13.5 feet of said southeast quarter of the northeast quarter.

Containing 40.00 acres.

Situated in Skagit County, Washington.



EXHIBIT

B-7

5/19/99



200212020309
Skagit County Auditor

12/2/2002 Page

37 of 46 3:24PM

Skagit
Surveyors & Engineers LLC
806 Melrose St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1856

LEGAL DESCRIPTION
FOR
JOHN PETH & SONS, INC.
OF
PARCEL 11 - AFTER BOUNDARY LINE ADJUSTMENT

May 10, 1999

That portion of the northeast quarter of the northeast quarter of Section 13, Township 36 North, Range 3 East, W.M.; and that portion of Government Lot 1, Government Lot 2, Government Lot 3, Government Lot 4, the southeast quarter of the northwest quarter, the northeast quarter of the southwest quarter, and the southeast quarter of the southwest quarter of Section 18, Township 36 North, Range 4 East, W.M.; and that portion of the northeast quarter of the northwest quarter of Section 19, Township 36 North, Range 4 East, W.M. described as follows:

Beginning at the northeast corner of the northeast quarter of the northeast quarter of said Section 13; thence NB8°35'29"W along the north line thereof, a distance of 1347.71 feet to the northwest corner of said northeast quarter of the northeast quarter; thence S00°40'57"W along the west line thereof, a distance of 1268.63 feet to the north line of the south 22.06 feet of said northeast quarter of the northeast quarter; thence S88°34'48"E along the north line of said south 22.06 feet, a distance of 1343.32 feet to the west line of said Government Lot 1; thence S00°52'52"W along said west line and the west line of said Government Lot 2, a distance of 1312.97 feet to the northwest corner of said Government Lot 3; thence S88°00'24"E along the north line thereof, a distance of 1197.21 feet to the northwest corner of the east 245.84 feet of said Government Lot 3; thence S01°05'51"W along the west line of said east 245.84 feet, a distance of 1302.78 feet to the north line of said Government Lot 4; thence NB7°25'56"W along said north line, a distance of 143.55 feet; thence S01°05'51"W, a distance of 504.01 feet; thence S11°34'42"W, a distance of 276.30; thence S56°54'25"E, a distance of 518.35 feet to a point on the west line of said Government Lot 4 which is 265 feet north of the southeast corner thereof; thence S01°05'51"W along said west line, a distance of 265.00 feet; thence S34°25'05"E, a distance of 313.78 feet; thence S09°31'36"W, a distance of

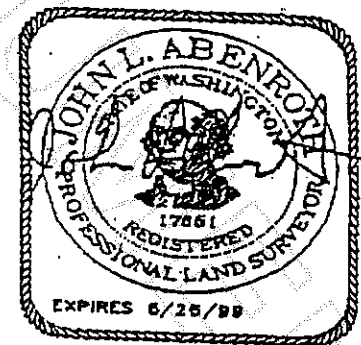



EXHIBIT B-8

5/19/99



200212020309
Skagit County Auditor

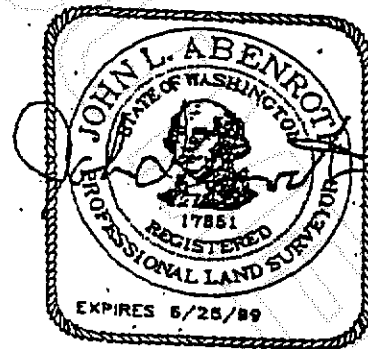

Surveyors & Engineers LLC

806 Melcoff St., Sedro-Woolley, WA 98284 Phone: (360) 855-2121 FAX: (360) 855-1858

415.02 feet; thence S80°28'24"E, a distance of 400.00 feet to the west line of the Colony Road; thence northerly along the west line of Colony Road, a distance of 3,196 feet, more or less, to the west line of Interstate 5; thence northwesterly along the west line of Interstate 5; a distance of 3,340 feet, more or less, to the north line of Government Lot 1 in said Section 18; thence N88°59'44"W along said north line, a distance of 557.07 feet to the point of beginning of this description.

Containing 186.31 acres.

Situated in Skagit County, Washington.



EXHIBIT

B-9

5/19/99



200212020309

Skagit County Auditor

EXHIBIT "C"

LEGAL DESCRIPTIONS OF EASEMENT AREAS

see attached



200212020309
Skagit County Auditor

12/2/2002 Page 40 of 46 3:24PM

LEGAL DESCRIPTION
OF AN EASEMENT FOR WELLS AND WATERLINES
OVER JENSEN PROPERTY AND JAMES CO. PROPERTY
January 6, 2000

A non-exclusive easement for installation, maintenance and operation of wells, waterlines and appurtenances, over, under, and through a strip of land 20 feet wide lying westerly of, adjacent to, and contiguous with the following described LINE A and 60 feet wide lying 40 feet westerly and 20 feet easterly of the following described LINE B:

LINE A

Commencing at the northwest corner of the Government Lot 2, Section 19, Township 36 North, Range 4 East, W.M.; thence S86°40'31"E along the north line thereof, a distance of 1421.57 feet to the northeast corner thereof; thence S07°52'59"W, a distance of 70.36 feet to the intersection of the southerly line of the 60 foot wide easement described in Deed to James Darin Jensen and Amy Louise Jensen dated September 27, 1999 and recorded under Auditor's File Number 199910060076 with the westerly line of the Trans Mountain Oil Pipe Line Corporation right of way described in Grant of Easement document dated July 28, 1954 and recorded under Auditor's File Number 510690, said intersection being the initial point of this line description; thence S01°56'03"W along the westerly line of said pipeline right of way, a distance of 239.23 feet; thence S24°05'19"W, a distance of 191.45 feet to the terminal point of LINE A.

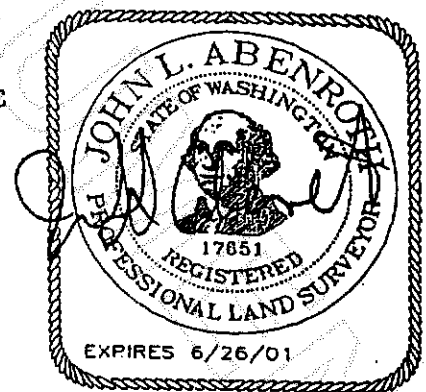
LINE B

Beginning at the terminal point of LINE A above; thence S24°05'19"W, a distance of 45.00 feet to the terminal point of LINE B.

TOGETHER WITH well protection easements over, under, and through three - 200 foot diameter circles the centers of which are described as follows: Commencing at the terminal point of LINE B above; thence N38°13'50"E, a distance of 34.22 feet to an existing well and the center of the first circle; thence N72°42'45"W, a distance of 37.93 feet to an existing well and center of the second circle; thence S37°10'13"E, a distance of 35.47 feet to an existing well and center of the third circle.

Situate in Skagit County, Washington.

EXHIBIT C-1



1/6/2000



200212020309
Skagit County Auditor

EXHIBIT "D"

LIST OF CURRENT BURDENED PROPERTY OWNERS

As to **PARCEL 4, Lot 2**: Michael D. Yeates, a married person as his separate estate

As to **PARCEL 5**: Amy Louise Jensen, a single person as her separate estate



EXHIBIT "E"

LIST OF CURRENT BENEFITTED PROPERTY OWNERS AND THEIR ASSOCIATIONS:

As to **PARCEL 1:** Dreamland Properties, LLC, a Washington limited liability company

As to **PARCEL 2** Stephen A. Brandli and Bobbie Jo Brandli, husband and wife

As to **PARCEL 3, Lot 1:** John Peth & Sons, Inc., a Washington corporation

As to **PARCEL 3, Lot 2:** Don Farmer Insurance Agency, Inc., an Oregon corporation

As to **PARCEL 3, Lot 3:** Randall G. Schultz and Barbara B. Schultz, husband and wife

As to **PARCEL 3, Lot 4 (except Tract B etal:** John Peth & Sons, Inc., a Washington corporation

As to **PARCEL 3, Portion of Lot 4-Tract B etal:** Michael Nemnich and Linda Nemnich, husband and wife

As to **PARCEL 4, Lot 1:** Michael D. Yeates, a married person as his separate estate

As to **PARCEL 4, Lot 2:** Michael D. Yeates, a married person as his separate estate

As to **PARCEL 4, Lot 3:** James Company, L.L.C., a Washington limited liability company

As to **PARCEL 4, Lot 4:** James Company, L.L.C., a Washington limited liability company

As to **PARCEL 5:** Amy Louise Jensen, a single person as her separate estate

As to **PARCEL 6:** Michael Nemnich and Linda Nemnich, husband and wife

As to **Portion of PARCEL 7:** John Peth & Sons, Inc., a Washington corporation

As to **Portion of PARCEL 7:** Michael Nemnich and Linda Nemnich, husband and wife

As to **PARCEL 8:** John Peth & Sons, Inc., a Washington corporation

As to **PARCEL 9:** Jacob N. Searle, a single person as his separate estate

As to **PARCEL 10:** Jacob N. Searle, a single person as his separate estate



As to **PARCEL 11:**

Charles M. Shaw, a single person as his
separate estate

ASSOCIATIONS:

Fox Hollow Water System Association, a Washington non-profit miscellaneous
and mutual corporation.



200212020309

Skagit County Auditor

EXHIBIT "F"

DIAGRAM OF EASEMENT AREAS

see attached

D:\Client Files\RNL\p\peth - peth ease mod frm

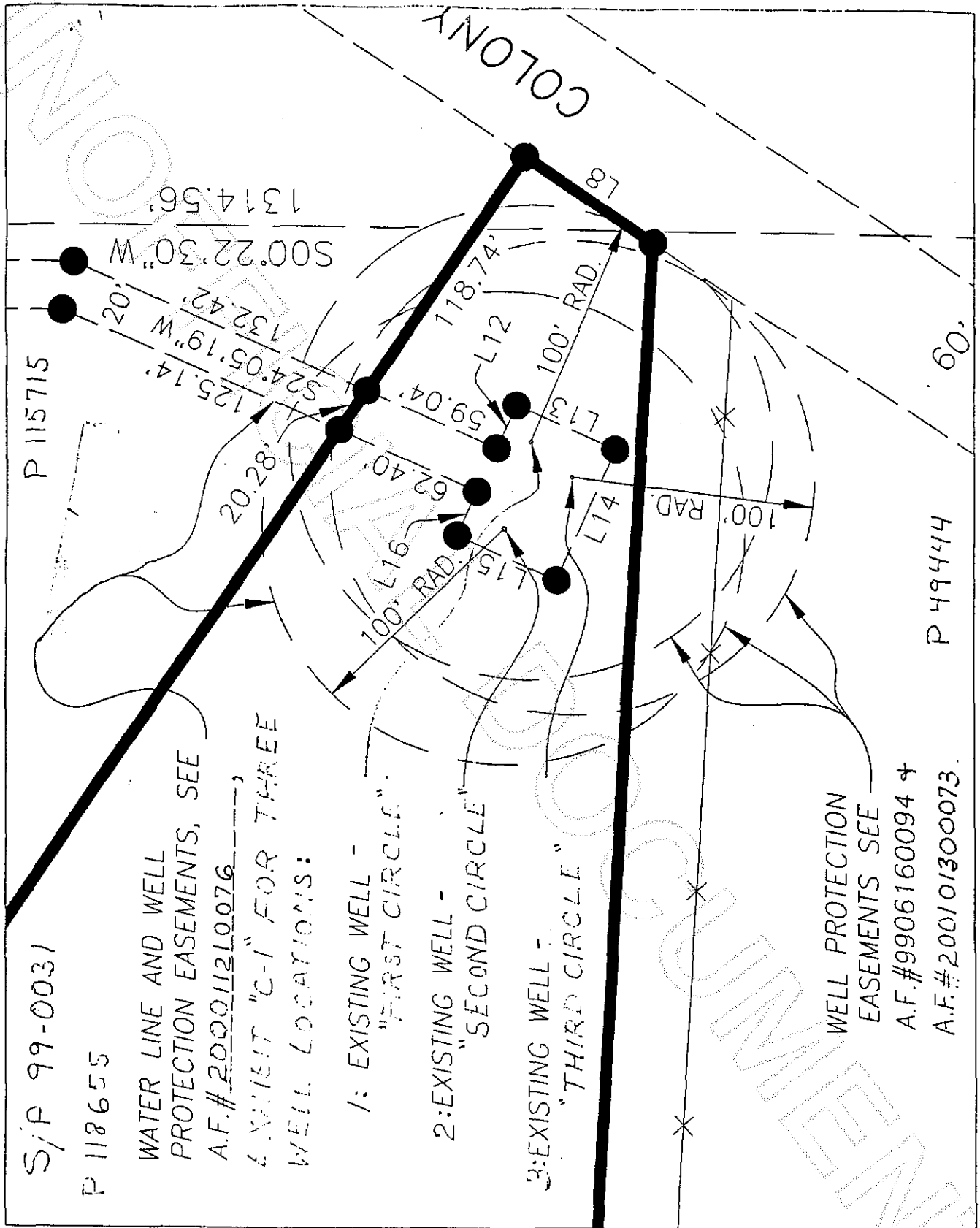
MODIFICATION OF EASEMENT (4/5) - 34



200212020309

Skagit County Auditor

12/2/2002 Page 45 of 46 3:24PM



S/P 99-0031

P 118655

WATER LINE AND WELL PROTECTION EASEMENTS, SEE A.F.# 200011210076

EXIST "C-1" FOR THREE WELL LOCATIONS:

1: EXISTING WELL - "FIRST CIRCLE"

2: EXISTING WELL - "SECOND CIRCLE"

3: EXISTING WELL - "THIRD CIRCLE"

WELL PROTECTION EASEMENTS SEE

A.F.# 9906160094 +

A.F.# 200101300073

P 115715

P 49444

EXHIBIT



200212020309
Skagit County Auditor