

After Filing Return To:

Cairncross & Hempelmann, P.S.
Attention: Nancy Rogers
524 Second Avenue, Suite 500
Seattle, WA 98104-2323



200811180008
Skagit County Auditor

11/18/2008 Page 1 of 15 9:07AM

FIRST AMENDMENT TO EASEMENT AGREEMENT

LAND TITLE OF SKAGIT COUNTY

m-17718

Related Documents: Easement Agreement, recorded under Skagit County auditor's number 9207100011

Grantor: Race Bannon Ventures, LLC, a Washington limited liability company

Grantee: Bob and Irene Embrey, a married couple
Michael and Lauren Farley, a married couple
Steve and Tonia Schmokel, a married couple
Cheryl and Ray Wilson, a married couple
Guemes Seaview Water System

Abbreviated Legal Description: Ptn. of the N 1/2 of the SE 1/4 of the SE 1/4 and Government Lots 4 & 5 in S 36, T 36 N, R 1 E, WM, Skagit County, Washington

Assessor's Property Tax Parcel Account Number(s): P46842, P46841, P46934 (Burdened Property); P102318, P102319, P102320, P102321, P101787 (Benefitted Property)

easement
SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

NOV 18 2008

Amount Paid \$0
Skagit Co. Treasurer
By *nan* Deputy

FIRST AMENDMENT TO EASEMENT

THIS FIRST AMENDMENT TO EASEMENT (the "First Amendment") is entered into this 5th day of November, 2008 ("Effective Date"), by and between Race Bannon Ventures, LLC, a Washington limited liability company ("Grantor") and Bob and Irene Embrey, a married couple, Michael and Lauren Farley, a married couple, Steve and Tonia Schmokel, a married couple, Cheryl and Ray Wilson, a married couple, and Guemes Orchard, L.L.C., a Washington limited liability company ("Lot Owners") some, or all of whom, together comprise the Guemes Seaview Water System ("Water System"). The Lot Owners and the Water System are collectively referred to in this First Amendment as the "Grantee".

RECITALS

A. WHEREAS, The Bank of California, N.A. as Trustee ("Original Grantor"), and Thompson Land and Engineering, Inc. ("Original Grantee") entered into that certain Easement Agreement dated September 23, 1991, and recorded in Skagit County under document number 9207100011 ("Original Easement");

B. WHEREAS, Under the Original Easement, Original Grantor granted Original Grantee the right to install and maintain a well and waterline on a portion of that certain property legally described on attached Exhibit A incorporated herein ("Burdened Property");

C. WHEREAS, The property benefitted under the Original Easement is now comprised of 5 lots owned by the individual Lot Owners and is the same property benefitted under this First Amendment as legally described on attached Exhibit B incorporated herein ("Benefitted Property");

D. WHEREAS, As of the date of this First Amendment, Grantor herein owns the Burdened Property;

E. WHEREAS, The Water System operates and maintains the well and water line located on the Burdened Property;

F. WHEREAS, Grantor is pursuing a Conservation and Reserve Development ("CaRD") on the Burdened Property;

G. WHEREAS, The Water System and the Lot Owners support Grantor's CaRD and agree to refrain from taking any action that could negatively affect Grantor's CaRD; and

H. WHEREAS, Grantor and Grantee desire to amend the Original Easement as set forth herein; and

NOW THEREFORE, For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Grantor and Grantee agree that the Original Easement is hereby restated in its entirety and amended only as specifically set forth below:

1. Deletion from Original Easement. Paragraph 5 of the Original Easement is hereby deleted in its entirety.



2. Amendment to Paragraph 4 of Original Easement. Paragraph 4 of the Original Easement is hereby deleted in its entirety and replaced by the following Paragraph 4:

4. The Original Easement including this First Amendment shall be for a term of five (5) years and shall be automatically renewed for additional five-year terms so long as Grantee is not in default under the terms thereof beyond any applicable cure period or until the Original Easement including this First Amendment terminates pursuant to its terms.

3. Amendment to Paragraph 7 of Original Easement. Paragraph 7 of the Original Easement is hereby deleted in its entirety and replaced by the following paragraph 7:

7. Grantee agrees, to indemnify Grantor, excluding only claims resulting from the sole negligence or intentional wrongful act of Grantor, and to hold Grantor harmless from and against any and all known or unknown claims, demands, costs, expenses and liabilities in any way arising out of or relating to the Original Easement and/or this First Amendment and the exercise of the rights granted to Grantee under the Original Easement and this First Amendment, including without limitation any damage to the well and/or the well water, or inability to use the well and/or the water from the well for any purpose whatsoever, and including reasonable attorneys' fees incurred by Grantor in defense of such claims. Grantor and Grantee agree to notify the other party of any such claim against either party or in any way related to the rights granted under the Original Easement and/or this First Amendment. Grantee agrees to obtain and keep in force throughout the entire term of the Original Easement and this First Amendment an extended form liability insurance policy with limits of liability not less than One Million Dollars (\$1,000,000) per occurrence with respect to personal injury and Five Hundred Thousand Dollars (\$500,000) with respect to property damage, to name Grantor as an insured on such policy and to provide Grantor with a certificate of such insurance including an endorsement providing that Grantor shall receive not less than thirty (30) days notice of any cancellation or termination of such policy.

4. Notices. The names and addresses included in Paragraph 14 of the Original Easement are hereby deleted and replaced with the following names and addresses:

Grantor: Race Bannon Ventures, LLC
13343 Bel Red Road
Bellevue, WA 98005

Grantee: Guemes Seaview Water System
Attn: Mr. Steve Schmokel
5683 Section Avenue
Guemes Island, WA 98221

5. Authority. Each party and each individual signing below represents and warrants that it has authority to execute this First Amendment and to perform its obligations hereunder, and that all necessary consents, approvals, resolutions and other actions relating thereto have been obtained. Each person signing on behalf of such party represents and warrants that he or she has been duly authorized to execute this First Amendment on behalf of such party.



IN WITNESS WHEREOF, the parties hereto have executed this First Amendment as of the date first above written.

GRANTOR:

RACE BANNON VENTURES, LLC,
a Washington limited liability company

By: *Phil Greger*
Phil Greger
Its: Member

GRANTEE:

Guemes Seaview Water System

By: *Steven Schmokel*
Steven Schmokel

Owner of Lot 1 within Benefitted Property

By: *Robert Embrey*
~~ROBERT~~ Bob Embrey

By: *Irene Embrey*
Irene Embrey

Owner of Lot 2 within Benefitted Property

By: *Michael Farley*
Michael Farley

By: *Lauren Farley*
Lauren Farley

Owner of Lot 3 within Benefitted Property

By: *Steven Schmokel*
Steven Schmokel

By: *Tonia Schmokel*
Tonia Schmokel

Owner of Lot 4 within Benefitted Property

By: *Ray Wilson*
Ray Wilson

By: *Cheryl Wilson*
Cheryl Wilson

Owner of Lot 5 within Benefitted Property

GUEMES ORCHARD L.L.C.,
a Washington limited liability company

By: *Cheryl Wilson*
Cheryl Wilson

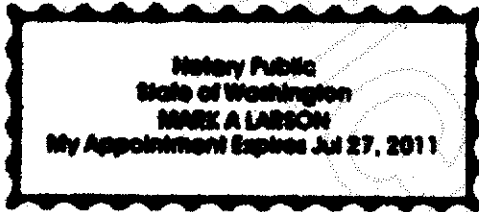
Its: Sole Member




STATE OF WASHINGTON)
)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Phil Greger, a member of Race Bannon Ventures, LLC is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 3 day of NOVEMBER, 2008.

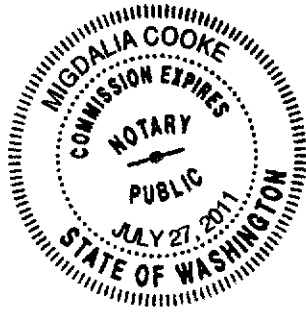


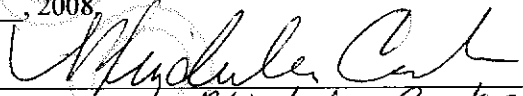

Printed Name: MARK A LARSEN
NOTARY PUBLIC in and for the State of
Washington, residing at BELLEVEUE, WA
My commission expires 7/27/2011

STATE OF WASHINGTON)
)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Steven Schmokel, on behalf of Guemes Seaview Water System is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 05 day of November, 2008.

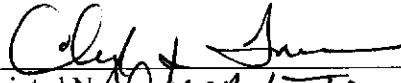



Printed Name: Migdalia Cooke
NOTARY PUBLIC in and for the State of
Washington, residing at Skagit County
My commission expires 7-27-2011

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that ^{Robert} Bob Embrey is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

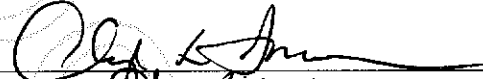
Dated this 7th day of November, 2008.


Printed Name: Cheryl K. Trueman
NOTARY PUBLIC in and for the State of
Washington, residing at Mount Vernon
My commission expires 5/14/11

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Irene Embrey is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 7th day of November, 2008.

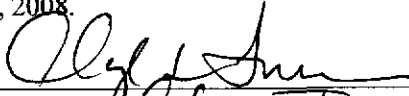

Printed Name: Cheryl K. Trueman
NOTARY PUBLIC in and for the State of
Washington, residing at Mount Vernon
My commission expires 5/14/11



STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Michael Farley is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.


Dated this 6th day of November, 2008.


Printed Name: Cheryl E. Freeman
NOTARY PUBLIC in and for the State of
Washington, residing at Mount Vernon
My commission expires 5/14/11

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Lauren Farley is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 6th day of November, 2008.

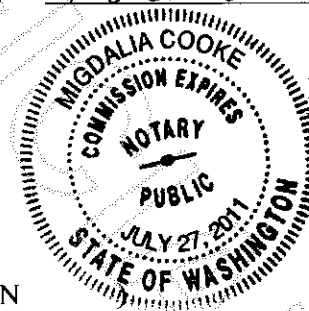

Printed Name: Cheryl E. Freeman
NOTARY PUBLIC in and for the State of
Washington, residing at Mount Vernon
My commission expires 5/14/11



STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Steve Schmokel is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 5th day of November, 2008.



Migdalia Cooke
Printed Name: Migdalia Cooke
NOTARY PUBLIC in and for the State of
Washington, residing at Skagit County
My commission expires 7-27-2011

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Tonia Schmokel is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 5th day of November, 2008.



Migdalia Cooke
Printed Name: Migdalia Cooke
NOTARY PUBLIC in and for the State of
Washington, residing at Skagit County
My commission expires 7-27-2011



STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Ray Wilson is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 11 day of November, 2008.

Michelle L. Skanes
Printed Name: Michelle L. Skanes
NOTARY PUBLIC in and for the State of
Washington, residing at Maple Valley
My commission expires 3-31-09

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Cheryl Wilson is the person who appeared before me, and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 11th day of November, 2008.

Michelle L. Skanes
Printed Name: Michelle L. Skanes
NOTARY PUBLIC in and for the State of
Washington, residing at Maple Valley
My commission expires 3-31-09

STATE OF WASHINGTON)
) ss
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Cheryl Wilson is the person who appeared before me as the sole member of Guemes Orchard, L.L.C., and said person acknowledged that said person signed this instrument and acknowledged it to be said person's free and voluntary act for the uses and purposes mentioned in the instrument.

Dated this 11th day of November, 2008.

Michelle L. Skanes
Printed Name: Michelle L. Skanes
NOTARY PUBLIC in and for the State of
Washington, residing at Maple Valley
My commission expires 3-31-09

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EXHIBIT A

Legal Description of Burdened Property

The North ½ of the Southeast ¼ of the Southeast ¼; and Government Lots 4 & 5, in Section 36, Township 36 North, Range 1 East, W.M., EXCEPT Guemes Island Road along a Northerly portion of the East line thereof; ALSO EXCEPT other County road rights-of-way, if any.

EXHIBIT A

{00912537.PDF;1}



200811180008

Skagit County Auditor

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EXHIBIT B

Legal Description of Benefitted Property

Lot 1

PARCEL A:

Lot 1, GUEMES SEAVIEW ESTATES, according to the plat thereof recorded in Volume 15 of Plats, pages 65 and 66, records of Skagit County, Washington.

Situated in Skagit County, Washington

PARCEL B:

An undivided 1/5th interest in the following described tract:

Tidelands of the second class lying in front of, adjacent to and abutting upon Lots 25 and 26, Plat of Orchard Beach Tracts, according to the plat thereof recorded in Volume 4 of Plats, page 45, records of Skagit County, Washington.

Situated in Skagit County, Washington



EXHIBIT B
(continued)

Lot 2

PARCEL "A":

Lot 2, "GUEMES SEAVIEW ESTATES", according to the plat thereof recorded in Volume 15 of Plats, Page 65, records of Skagit County, Washington.

PARCEL "B":

An undivided 1/5th interest in the following described tract:

Tidelands of the second class lying in front of, adjacent to and abutting upon Lots 25 and 26, "PLAT OF ORCHARD BEACH TRACTS", according to the plat thereof recorded in Volume 4 of Plats, page 45, records of Skagit County, Washington.



EXHIBIT B
(continued)

Lot 3

PARCEL A:

Lot 3, GUEMES SEAVIEW ESTATES, according to the plat thereof recorded in Volume 15 of Plats, pages 65 and 66, records of Skagit County, Washington;

PARCEL B:

Easement for ingress, egress and utilities over that certain 20 foot strip over Lots 1 and 2 adjacent to the most Northerly line of said Lot 3;

PARCEL C:

An undivided 1/5th interest in the following described tract:

Tidelands of the second class lying in front of, adjacent to and abutting upon Lots 25 and 26, "PLAT OF ORCHARD BEACH TRACTS", according to the plat thereof recorded in Volume 4 of Plats, page 45, records of Skagit County, Washington;

Situated in Skagit County, Washington.



EXHIBIT B
(continued)

Lot 4

PARCEL "A":

Lot 4, "GUEMES SEAVIEW ESTATES," as per Plat recorded in Volume 15 of Plats, pages 65 and 66, records of Skagit County, Washington.

TOGETHER WITH an easement for ingress, egress and utilities over that certain 20 foot strip over Lots 1 and 2 adjacent to the most Northerly line of said Lot 4.

SITUATE IN the County of Skagit, State of Washington.

LEGAL DESCRIPTION continued on Page 2 hereof.

5714

PARCEL "B":

An undivided 1/5th interest in the following described tract:

Tidelands of the second class lying in front of, adjacent to and abutting upon Lots 25 and 26, "PLAT OF ORCHARD BEACH TRACTS," as per Plat recorded in Volume 4 of Plats, page 45, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.



EXHIBIT B
(continued)

Lot 5

Exhibit A

PARCEL "A":

That portion of Lots 25, 28 and vacated Sea View Drive, "PLAT OF ORCHARD BEACH TRACTS", as per plat recorded in Volume 4 of Plats, page 45, records of Skagit County, Washington, more particularly described as follows:

Beginning at the most Easterly corner of said Tract 25;
thence North 37 degrees 24' 00" West along the Northeasterly line of Tract 25 of said Plat of Orchard Beach Tracts, 81.00 feet;
thence South 52 degrees 36' 00" West 404.46 feet;
thence South 70 degrees 39' 13" East 72.95 feet;
thence South 52 degrees 36' 00" West 232.19 feet to the East line of the County road;
thence South 1 degrees 25' 30" West along the East line of said County road, 25.67 feet to the Southeasterly line of Tract 25;
thence North 52 degrees 36' 00" East along the Southeasterly line of said Tract 25, 613.28 feet, more or less, to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

An undivided 1/5th interest in the following described tract:

Tidelands of the second class lying in front of, adjacent to and abutting upon Lots 25 and 26, "PLAT OF ORCHARD BEACH TRACTS", as per plat recorded in Volume 4 of Plats, page 45, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

