After Recording Return To:

Robert A. Carmichael
1700 D Street
Bellingham, WA 98229

DOCUMENT TITLE:
CHUCKANUT COMMUNITY FOREST CONSERVATION EASEMENT

GRANTOR:
CITY OF BELLINGHAM

GRANTEE:
CHUCKANUT COMMUNITY FOREST PARK DISTRICT

ABBREVIATED LEGAL DESCRIPTION:
Pttn of S 1/2 SW 1/4 Sec 12 TWP 37 N Rge 3 E
Lot B, as delineated on Chuckanut Trust Lot Line Adjustment
Lots 1-24, Block 1, Map of Diffenbachers Addition to Fairhaven

Full legal description at page 14

ASSESSOR'S TAX PARCEL NUMBERS:
370212 359328 0000
370212 364207 0000
370212 478165 0000
370212 447323 0000
370212 477313 0000
CHUCKANUT COMMUNITY FOREST CONSERVATION EASEMENT

I. PARTIES.

This Grant of a Conservation Easement ("Conservation Easement" or "Easement") is made by the City of Bellingham, a municipal corporation organized under the laws of the State of Washington ("Grantor" or "City"), to the Chuckanut Community Forest Park District, a municipal corporation organized under the laws of the state of Washington ("Grantee" or "Park District").

II. FACTS, OBJECTIVES AND PURPOSES.

Grantor owns real property in Whatcom County, Washington, referred to hereafter as the "Property", the legal description of which is attached as Exhibit A. A sketch map of the Property is attached as Exhibit B.

The Grantee is a metropolitan park district organized pursuant to RCW 35.61 by public vote to ensure that the Property's ecological, recreational, and educational functions are protected in perpetuity.

The City purchased the Property from Washington Federal Savings Bank for $8.2 million using greenways funds, park impact fees, and a Greenways Endowment Fund Loan ("Loan") of $3,232,021.60. The City's grant of the Conservation Easement to the Park District is in consideration for: (1) the Park District paying off the Loan and accrued interest on the Loan; and (2) the Park District formally dissolving in accordance with RCW 35.61.310 effective no later than one year from the date the City petitions the Park District to dissolve. The City will file a petition for dissolution of the Park District pursuant to RCW 35.61.310 after the Loan is paid off, but not before that time, subject to the terms in the "Interlocal Agreement." The City and the Park District have entered into an "Interlocal Agreement" specifying the terms for the Park District's payment of the Loan.

The approximately eighty-two (82) acre Property is located on the south side of the City of Bellingham and is locally known as Chuckanut Ridge or the Hundred Acre Wood. The Property is mostly forested and contains wetlands, steep slopes, and a variety of plant species. The Property also provides wildlife habitat and habitat corridors for a number of species and was listed as one of the City's "significant habitats" in the City of Bellingham Wildlife and Habitat Assessment and Wildlife Habitat Plan, December 1995.

The intent of the Grantor and Grantee and the purpose of this Conservation Easement are to assure that the natural features, functions and values of the Property are protected in perpetuity including the existing wetlands, forest, wildlife habitat, wildlife habitat corridors, and other features of ecological significance; while also allowing for the
recreational, educational, and scientific uses named in Section IV. The uses allowed pursuant to Section IV shall be sited, designed, maintained, and operated so as to minimize the impact to the natural attributes of the Property.

III. GRANT OF CONSERVATION EASEMENT.

Grantor hereby conveys to Grantee, its successors and assigns, in perpetuity, a Conservation Easement ("Easement") pursuant to Revised Code of Washington RCW 84.34.210, over the Property. The Easement consists of mutual rights and obligations and is subject to the reservation of rights set forth below. Rights, obligations and reservations all operate as covenants running with the land in perpetuity.

IV. PERMITTED USES, PRACTICES AND RIGHTS RESERVED BY GRANTOR.

The Grantor shall have the right to do or permit the following on the Property:

1. Allow nature oriented, non-motorized public recreational, scientific, and educational uses and construction of appropriate facilities to enhance the nature oriented public recreational or educational/research uses such as:
   a. facilities for motor vehicle parking on the Property located, if possible, near perimeter boundaries;
   b. facilities and access for on-site education or research related to objectives and purposes of the Easement;
   c. trails (including, but not limited to, walking, mountain bike, forest overlook/view, natural wildlife/habitat interpretive, birdwatcher, and disabled-accessible trails), boardwalks, and bridges;
   d. benches;
   e. plaques for recognition, memorial, or educational purposes;
   f. restrooms, pavilions, and educational/interpretive buildings;
   g. directional, informational, or educational signs;
   h. "Tree House" forest canopy viewing stations similar to the Seme Arboretum tower;
   i. Kid-friendly wildlife/habitat observation "Blinds";
j. Outdoor mature forested wetlands "Touch Tank" similar to the indoor tank at the Marine Life Center;

k. Mid-successional forest and wetlands "Native Flora/Fauna Gardens";

l. Dual-purpose "Eco Pod" and "Yurt" forest campsites/field research labs (safety-approved fire pits/grills possible);

m. 5k cross country running course similar to the unpaved Lake Padden trail (small portable concession stand for school/fundraising use possible on portion of parking area);

n. Off-leash dog trails with centralized, forested obstacle/exercise area;

o. An Urban Forested Wetlands Ecology Center;

p. Small multi-purpose outdoor seating arena similar to the one in Schome Arboretum;

q. All-ages forested picnic areas with recycle station similar to the one at Boulevard Park;

r. Hike-in uplands "View Pavilion" (covered structure); and

s. Steep-slope hazard area education site designed with kid-friendly "Mud Slide" and other hands-on learning activity exhibits.

Provided that, such uses and facilities do not adversely impact the critical areas on the Property as defined by the City's Critical Areas Ordinance (Bellingham Municipal Code Chapter 16.55, "Critical Areas Ordinance") without adequate mitigation. Mitigation of any adverse impact to a critical area on the Property shall take place on the Property or on adjacent property if a qualified wetland biologist determines that offsite mitigation is environmentally preferable and if such off-site mitigation is allowed and approved under the Critical Areas Ordinance.

2. With reasonable prior written notice to Grantee, remove trees that are invasive, diseased or present a safety hazard to people or property. However, the Grantor may remove trees without prior notice to Grantee if the trees present an immediate safety hazard.
3. Make modest clearings to create viewpoints.

4. Plant native trees and vegetation and conduct other activity to enhance and protect water quality, critical areas, and wildlife habitat.

5. Control invasive, non-native species by means that do not harm water quality, critical areas or wildlife habitat.

6. Operate motor vehicles for the maintenance and development of the Property consistent with the permitted uses listed herein.

7. Maintain, repair, expand, improve, decommission, or retain trails on Property, consistent with the intent of this Easement and future City master plan.

8. Undertake other activities necessary to protect public health or safety on the Property, or that are actively required by any governmental agency with authority. Any such activity shall be conducted so that interference with the ecological values of the Property is avoided, or if avoidance is not possible, minimized to the maximum extent possible.

V. RESTRICTIONS ON USE.

Grantor may prohibit uses on the Property independent of this Easement. Except as provided above, the Grantor shall not on the Property do or permit any of the following:

1. Harvest, cut or remove trees or other vegetation except as allowed pursuant to Section IV, consistent with the purposes identified in this Conservation Easement.

2. Build or place roads or buildings of any type.

3. Explore for or extract minerals, hydrocarbons or other materials, except as expressly authorized pursuant to mineral, oil, or gas reservations or leases recorded prior to and continuing in existence on the date of this Easement.

4. Trapping or hunting of animals except to deal with a local public health emergency.

5. Excavate or grade the Property or otherwise materially alter the landscape or topography except as necessary for one of the permitted uses, practices and rights identified in Section IV above.
6. Subdivide the Property in any manner.

7. Make residential, commercial, or industrial use of the Property other than an apartment for a residential caretaker and de minimus use of the Property for commercial recreation.

8. Operate motor vehicles, except as is necessary for the development and management of the Property as allowed in Section IV; provided further that, an existing driveway serving a single family residence on an adjoining parcel pursuant to a License Agreement recorded at Whatcom County Auditor File No. 893239 which may encroach on the southerly tip of Parcel C on Exhibit B and may continue so long as its use remains limited to providing ingress and egress to said single family residence only and so long as its width and length are not expanded.

9. Store derelict vehicles or waste of any kind.

10. Building or maintaining of fires except for purposes identified in this Conservation Easement.

11. Allow overnight camping except for purposes identified in this Conservation Easement.

12. Provide athletic facilities or ball fields of any kind.

13. Widen existing trails for bicycle use or build new trails for bicycle use except pursuant to an adopted master plan.

14. Grant other easements except for trails including those easements obtained through eminent domain.

15. Use or apply pesticides or herbicides on the Property including for activities allowed under Section IV; except if such use is the only reasonably feasible means to control invasive, non-native species and then only if such use can be accomplished without harming water quality or critical areas. Before any pesticide or herbicide use is allowed, the necessary risks from use shall be evaluated using best available science to determine if such use will cause adverse impacts to water quality or critical areas. Should the results of the evaluation reveal adverse impact, said use shall be minimized.

16. Use of the Property contrary to the purposes of this Easement.
VI. RIGHTS AND RESPONSIBILITIES OF GRANTEE.

Grantor grants and Grantee accepts the right and shared responsibility to preserve and protect in perpetuity the natural features, functions and values of the Property including the existing wetlands, forest, and wildlife habitat consistent with the terms of this Easement. In connection with such rights and responsibilities:

1. Grantor grants to Grantee the right to enter the Property, to observe and monitor compliance with the terms of this Easement.

2. Should Grantor, its successors or assigns, undertake any activity on the Property in violation of this Easement, or should Grantor permit an activity on the Property in violation of this Easement, Grantee shall have the right to enjoin and abate any such activity. In addition, Grantee shall have the right to recover damages from Grantor or to compel the restoration by Grantor of that portion of the Property affected by such activity to the condition that existed prior to the undertaking of such unauthorized activity. In the event Grantee commences a legal action against the Grantor or otherwise seeks to enforce the terms of this Easement against the Grantor, the prevailing party in any such matter shall be entitled to an award of damages, including, if applicable, costs of restoration, expenses and costs of suit, including attorneys’ fees and expert witness fees.

3. Any forbearance by Grantor or Grantee to exercise any rights under this Easement in the event of a breach shall not be deemed to be a waiver of Grantor’s or Grantee’s rights hereunder.

4. Grantee shall indemnify, appear and defend, and hold harmless Grantor from all claims, lawsuits and liabilities of any kind, including attorney’s fees and costs, arising from any negligent act or omission by Grantee in connection with its performance under this Agreement; except to the extent such claim, lawsuit, or liability arises from the negligence of the Grantor.

VII. BASELINE DATA.

In order to establish the present condition of the Property so as to be able to properly monitor future uses of the Property and assure compliance with the terms of this Agreement, Grantor and Grantee shall, prior to the adoption of the park master plan, prepare or cause to be prepared by a mutually agreed upon qualified person(s) with relevant scientific education, training, and experience, an inventory of the Property’s relevant features and conditions, known as baseline data. The baseline data shall be used to establish the condition of the Property as of the date of this Easement and document.
off-site references made for comparison in Section V. The Park District will pay up to $10,000 for gathering the baseline data.

VIII. GRANTOR'S RESPONSIBILITIES.

1. Grantor agrees to bear all costs of ownership, operation, improvements, administration, upkeep, management and maintenance of the Property and shall indemnify, appear and defend, and hold harmless the Grantee from all claims, lawsuits and liabilities of any kind, including attorney's fees and costs, arising from any act or omission of Grantor in connection with its ownership, management, maintenance, or administration of the Property, or in connection with public use of the Property, or for any negligent act or omission in connection with its performance of this Agreement; except to the extent such claim, lawsuit, or liability arises from the negligence of the Grantee.

2. Grantor shall pay all real property taxes and assessments levied on the Property.

3. Before construction of new facilities or upgrades of existing facilities that go beyond maintenance can occur, the Grantor shall adopt a master plan for the Property.

4. Facilities which are built and maintained on the Property shall be located, designed and constructed so as to avoid and where necessary minimize impact on critical areas and wildlife habitat.

5. Trail details such as decommissioning or upgrading existing trails, creating new trails, and maintaining trails will be determined in the master plan process.

6. Grantor shall take reasonable steps to direct and confine public access to defined and maintained trail surfaces and designated areas and to prevent damage to ground cover, understory vegetation and disturbance of wildlife from off-trail public use.

7. If dogs are allowed on the Property, Grantor shall require compliance with the City of Bellingham's animal leash laws except as provided in the park master plan and laws requiring immediate removal of animal waste on the Property.

IX. ASSIGNMENT OF GRANTEE'S INTERESTS.

The Grantee may assign its interests in this Easement to a “qualified” organization within the meaning of Section 170(h) of the Internal Revenue Code of 1954, as amended, and RCW 64.04.130 and RCW 84.34.250. Should the Grantee cease to exist, this Easement would be assigned to such an organization. Grantee shall give the Grantor 30-days
advance written notice of its intent to assign its interests in this Easement to a "qualified" organization, including the name of the organization.

X. TERM OF CONSERVATION EASEMENT.

This Easement shall run with the Property in perpetuity and shall bind the Grantor and Grantee, their successors and assigns forever. However, the City may elect to terminate the Easement if: (1) following a notice of deficiency, the Park District remains delinquent on its payments on the Loan for two consecutive years as provided in the Interlocal Agreement; (2) the Park District incurs long-term debt ("long-term debt" shall mean debt not repaid in one year or less; it shall not mean the Loan defined in the Interlocal Agreement) through acquisition of an interest in or leasing of any real property, funding a capital project, or entering into an employment agreement, without advance City approval; or (3) the Park District has not formally dissolved in accordance with RCW 35.61.310 within one year of the date the City's files a petition for dissolution of the Park District. If any of the three conditions is met, upon receiving notice to terminate the Conservation Easement from the City, the Park District shall timely execute and record an appropriate deed reconveying the Conservation Easement to the City. If the Park District fails to take such action after notice from the City, the City may file a quiet title action in Whatcom County Superior Court to establish that the Conservation Easement is terminated under the terms of the Conservation Easement and Interlocal Agreement. The prevailing party in any such quiet title action shall be entitled to an award of reasonable attorneys' fees and costs.

XI. PROPERTY INTEREST.

Grantor and Grantee agree that this Easement gives rise to a property right immediately vested in the Grantee, which right has a fair market value that is equal to the proportionate value that the Easement bears to the value of the Property as a whole, upon the date of the execution of the Easement.

If all the purposes of this Easement become impossible to accomplish because of a change of circumstances, this Easement can be extinguished only by judicial proceedings, and on subsequent disposal of the Property, the Grantee is entitled to a portion of the proceeds equal to the proportionate value of the Conservation Easement. In the event of condemnation of the Property in whole or in part, Grantee shall be entitled to compensation proportionate to the loss of conservation values caused by the condemnation.
XII. MISCELLANEOUS.

1. The terms Grantor and Grantee, wherever used in this Easement, shall include the above-named Grantor and its successors and assigns, and the above-named Grantee and its successors and assigns.

2. In the event that any of the provisions contained in this Easement are declared invalid or unenforceable in the future, all remaining provisions shall remain in effect.

3. Notice to Grantee shall be to the Clerk of Grantee, who until further notice shall be:
   
   Vince Biciunas, Clerk
   P.O. Box 4283
   Bellingham, WA 98227
   
   Copy to: Attorney for Park District
   1700 “D” Street
   Bellingham, WA 98225
   
   Notice to Grantor shall be to the Director of Parks for Grantor, who until further notice shall be:
   
   Bellingham Parks Director
   3424 Meridian St.
   Bellingham, WA 98225
   
   Copy to: City Attorney
   210 Lottie St.
   Bellingham, WA 98225

4. This Easement, along with the Interlocal Agreement entered into between the parties of same date herewith, sets forth the entire agreement of the parties and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Property. No alteration or variation of this instrument shall be valid or binding unless it is in writing and properly executed and acknowledged by both parties. The interpretation and the performance of this Easement shall be governed by the laws of the State of Washington.

5. This Easement shall be liberally construed in favor of the grant to effectuate the objectives and purposes of this Easement particularly as set forth in Section II and the policy and purpose of RCW 64.04.130 and Chapter 84.34 RCW. If any provision in this instrument is found to be ambiguous, an interpretation consistent
with the objectives and purposes of this Easement that would render the provision valid should be favored over any interpretation that would render it invalid.

IN WITNESS WHEREOF, Grantor and Grantee have executed this Conservation Easement this 3rd day of January, 2013.

GRANTOR: THE CITY

CITY OF BELLINGHAM

Kelli Linville
Mayor

Department Approval:

James King
Department of Parks and Recreation

Approved As To Form:

Alan Marriner
Office of City Attorney

Attest:

Brian Henshaw
Interim Finance Director

GRANTEE: THE DISTRICT

PARK DISTRICT

John Hymas
President

Approved as to Form:

Robert Carmichael
Attorney for Park District

11
STATE OF WASHINGTON  
COUNTY OF WHATCOM  

I certify that I know or have satisfactory evidence that Kelli Linville is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument, and acknowledged it as the Mayor of the City of Bellingham to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATE: 12/27/13

TRACY LEWIS
NOTARY PUBLIC

Printed Name: Tracy Lewis
My Commission Expires: 10/30/14

STATE OF WASHINGTON  
COUNTY OF WHATCOM  

I certify that I know or have satisfactory evidence that Brian Henshaw is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the Interim Finance Director of the City of Bellingham to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATE: 12/30/2013

LINDA D. ANDERSON
NOTARY PUBLIC

Printed Name: Linda D. Anderson
My Commission Expires: 9/29/14
STATE OF WASHINGTON )
COUNTY OF WHATCOM )

) ss.

I certify that I know or have satisfactory evidence that John Hymas is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the President of the CHUCKANUT COMMUNITY FOREST PARK DISTRICT to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATE: 1/3/2014

S. SABRINA LEIGH ENGLAND
NOTARY PUBLIC
Print Name: SABRINA L. ENGLAND
My Commission Expires: 8/22/14
EXHIBIT A

PARCEL A (370212 359328 0000):

The south half of the southwest quarter of the northeast quarter of Section 12, Township 37 North, Range 2 East of W.M., except that right-of-way lying along the easterly line thereof, commonly referred to as 20th Street.

PARCEL B (370212 364207 0000):

That part of the northwest quarter of the southeast quarter, and that part of the southwest quarter of the southeast quarter of Section 12, Township 37 North, Range 2 East of W.M., lying northerly of Chuckanut Drive.

PARCEL C (370212 478165 0000):

Lot B, as delineated on Chuckanut Trust Lot Line Adjustment, according to the plat thereof, recorded under Auditor’s File No. 961219101, records of Whatcom County, Washington.

PARCEL D (370212 447323 0000):

Lots 1 through 4 and Lots 21 through 24, inclusive, Block 1, Map of Diffenbachers Addition to Fairhaven, now a part of the consolidated City of Bellingham, Whatcom County, Washington, according to the plat thereof, recorded in Volume 1 of Plats, Page 51, records of Whatcom County, Washington.

PARCEL E (370212 477313 0000):

Lots 5 through 20, inclusive, Block 1, Map of Diffenbachers Addition to Fairhaven, now a part of the consolidated City of Bellingham, Whatcom County, Washington, according to the plat thereof, recorded in Volume 1 of Plats, Page 51, records of Whatcom County, Washington.
REAL ESTATE EXCISE TAX AFFIDAVIT

CHAPTER 82.45 RCW - CHAPTER 458-61A WAC

This form is your receipt when stamped by cashier.

1. Name of City of Bellingham
Mailing Address 210 Lottie Street
City/State/Zip Bellingham, WA 98225
Phone No. (including area code) (360) 778-8270

2. Name Chuckanut Community Forest Park District
GIO Robert A. Carmichael
Mailing Address 1700 D Street
City/State/Zip Bellingham, WA 98225
Phone No. (including area code) (360) 677-1600

Buyer

List all real and personal property parcels account numbers - check box if parcel is purchased
370212 358928 0000 19832
370212 364207 0000 19342
370212 478186 0000 19471
370212473230000 97621247721350000 225, 410
	List assessed value(s)
19832 2, 620 000
19342 5, 552 500
19471 1, 687 875
225, 410
370212 4930 0000 450, 600

This property is located in Bellingham

3. Send all property tax correspondence to: No Change
Mail property
City/State/Zip
Phone No. (including area code)

4. Street address of property: Not applicable/Unimproved properties

This property is located in Bellingham

4. Send all property tax correspondence to: No Change
Mail property
City/State/Zip
Phone No. (including area code)

5. Select Land Use Code(s):
6. Was the seller receiving a property tax exemption or deferral under chapters 84.36, 84.37, or 84.38 RCW (nonprofit organization, senior citizens, or disabled person, homeowner with limited income)?

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

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

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

Government transfers

Type of Document: Easement (Conservation)

Date of Document: 1-3-2014

Gross Selling Price $3,232,021.80
*Personal Property (deduct) $0.00
Exemption Claimed (deduct) $0.00
Taxable Selling Price $3,232,021.80
Excise Tax: State $0.00
Subtotal $0.00
*Delinquent Interest: State $0.00
Subtotal $0.00
*State Technology Fee $5.00
*Affidavit Processing Fee $5.00
Total Due $5.00

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

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

Signature of
Grantee or Grantee's Agent

Date & city of signing: Bellingham, WA 1-3-2014

Signature of
Grantee or Grantee's Agent

Date & city of signing: Bellingham, WA 1-3-2014

Perjury: Perjury is a class C felony which is punishable by imprisonment in the state correctional institution for a maximum term of not more than five years, or by a fine in an amount fixed by the court of not more than five thousand dollar ($5,000.00), or by both imprisonment and fine (RCW 9A.20.020 (1)(3)).

THIS SPACE - TREASURER'S USE ONLY

COUNTY TREASURER

1972059 192588 #1/6/2014 10.00$