



SEATTLE CITY COUNCIL

Legislative Summary

CB 118773

Record No.: CB 118773

Type: Ordinance (Ord)

Status: Passed

Version: 1

Ord. no: Ord 125139

In Control: City Clerk

File Created: 07/26/2016

Final Action: 09/29/2016

Title: AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public Utilities to accept on behalf of The City of Seattle the transfer of approximately 155 acres of forest land in the North Fork Tolt River Watershed from Forterra and to acquire approximately 100 acres of forest land located adjacent to the Forterra property and the South Fork Tolt Municipal Watershed owned by the City.

Date

Notes:

Filed with City Clerk:

Mayor's Signature:

Sponsors: Herbold

Vetoed by Mayor:

Veto Overridden:

Veto Sustained:

Attachments: Att 1 – Titicaed Creek Tract Property Description, Att 2 – Notice and Agreement, Att 3 – Vicinity Map, Att 4 – Campbell Global Property Description

Drafter: bob.hennessey@seattle.gov

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published:

Yes

No

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	08/02/2016	Mayor's leg transmitted to Council	City Clerk			
	Action Text:		The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk				
	Notes:						
1	City Clerk	08/02/2016	sent for review	Council President's Office			
	Action Text:		The Council Bill (CB) was sent for review. to the Council President's Office				
	Notes:						
1	Council President's Office	08/05/2016	sent for review	Civil Rights, Utilities, Economic Development, and Arts Committee			

Action Text: The Council Bill (CB) was sent for review. to the Civil Rights, Utilities, Economic Development, and Arts Committee

Notes:

- 1 Full Council 09/06/2016 referred Civil Rights, Utilities, Economic Development, and Arts Committee
- 1 Civil Rights, Utilities, Economic Development, and Arts Committee 09/16/2016 pass Pass

Action Text: The Committee recommends that Full Council pass the Council Bill (CB).

In Favor: 1 Chair Herbold

Opposed: 0

- 1 Full Council 09/26/2016 passed Pass

Action Text: The Council Bill (CB) was passed by the following vote, and the President signed the Bill:

In Favor: 9 Councilmember Bagshaw, Councilmember Burgess, Councilmember González , Council President Harrell, Councilmember Herbold, Councilmember Johnson, Councilmember Juarez, Councilmember O'Brien, Councilmember Sawant

Opposed: 0

- 1 City Clerk 09/28/2016 submitted for Mayor's signature Mayor

- 1 Mayor 09/29/2016 Signed

Action Text: The Council Bill (CB) was Signed.

Notes:

- 1 Mayor 09/29/2016 returned City Clerk

Action Text: The Council Bill (CB) was returned. to the City Clerk

Notes:

- 1 City Clerk 09/29/2016 attested by City Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.

Notes:

CITY OF SEATTLE
ORDINANCE 125139
COUNCIL BILL 118773

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4
5 AN ORDINANCE relating to Seattle Public Utilities; authorizing the Director of Seattle Public
6 Utilities to accept on behalf of The City of Seattle the transfer of approximately 155 acres
7 of forest land in the North Fork Tolt River Watershed from Forterra and to acquire
8 approximately 100 acres of forest land located adjacent to the Forterra property and the
9 South Fork Tolt Municipal Watershed owned by the City.

10
11 WHEREAS, Forterra (formerly Cascade Land Conservancy) was awarded a Federal Cooperative
12 Endangered Species Conservation Fund grant to acquire certain real property located in
13 King County, Washington, in the North Fork Tolt River Watershed (the "Property"); and

14 WHEREAS, Seattle Public Utilities and Forterra determined Seattle Public Utilities is a more
15 appropriate long-term owner of the Property because it owns lands in the North and
16 South Fork Tolt Watersheds and manages these lands for conservation and protection of
17 its drinking water supply; and

18 WHEREAS, following Forterra's acquisition of the Property, Forterra will transfer the Property
19 to Seattle Public Utilities; and

20 WHEREAS, a conservation easement granted by Forterra to the Washington State Department of
21 Natural Resources will be the mechanism to protect the Property's conservation values in
22 perpetuity; and

23 WHEREAS, Seattle Public Utilities determined that accepting the transfer of and managing the
24 Property according to the conservation easement is consistent with its utility purpose and
25 will not require a commitment of additional financial resources; and

1 WHEREAS, Seattle Public Utilities would benefit from contiguous ownership of the Property by
2 acquiring 100 acres of forest land separating the Property from the South Fork Tolt
3 Municipal Watershed; NOW, THEREFORE,

4 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

5 Section 1. The Director of Seattle Public Utilities is authorized to enter into the Notice
6 and Agreement to Transfer Property Interests under the Cooperative Endangered Species
7 Conservation Fund Pursuant to Federal Grant Agreement E-45-HL-2 with Forterra, substantially
8 in the form of Attachment 2 to this ordinance; to accept on behalf of The City of Seattle a deed to
9 approximately 155 acres of forest land in the North Fork Tolt Watershed (the "Property"), more
10 particularly described in Attachment 1 to this ordinance and depicted in Attachment 3 to this
11 ordinance, from Forterra; and to execute such other documents as may be necessary to effectuate
12 the transfer of the Property to The City of Seattle.

13 Section 2. The Director of Seattle Public Utilities, or the Director's designee, is further
14 authorized to purchase, at fair market value, approximately 100 acres of real property, legally
15 described in Attachment 4 to this ordinance and depicted in Attachment 3 to this ordinance, from
16 Campbell Global, a Washington corporation, and to execute any necessary documents, accept or
17 deliver any necessary deeds, or take any other actions reasonably necessary to effectuate this
18 ordinance.

19 Section 3. Both properties acquired pursuant to this ordinance shall be placed under the
20 jurisdiction of Seattle Public Utilities.

1 Section 4. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 26th day of September, 2016,
5 and signed by me in open session in authentication of its passage this 26th day of
6 September, 2016.

7 

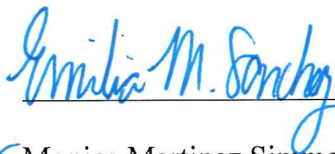
8 _____
9 President _____ of the City Council

10
11 Approved by me this 25th day of September, 2016.

12 

13 _____
14 Edward B. Murray, Mayor

15
16 Filed by me this 29th day of September, 2016.

17 

18 _____
19 for Monica Martinez Simmons, City Clerk

20 (Seal)

- 21
22 Attachments:
23 Attachment 1: Titicaed Creek Tract Property Description
24 Attachment 2: Notice and Agreement
25 Attachment 3: Vicinity Map
26 Attachment 4: Campbell Global Property Description

Att 1 – Titicaed Creek Tract Property Description
V1a

Attachment 1

The North Half of the Northeast Quarter and all of Government Lots 1 and 2, of Section 24,
Township 26 North, Range 9 East, W.M., in King County, Washington .

ATTACHMENT 2

**NOTICE AND AGREEMENT TO TRANSFER PROPERTY INTERESTS
UNDER THE COOPERATIVE ENDANGERED SPECIES CONSERVATION FUND
PURSUANT TO FEDERAL GRANT AGREEMENT _____
(Titicaed Creek)**

THIS NOTICE AND AGREEMENT TO TRANSFER PROPERTY INTERESTS (“Agreement”) is made as of the ____ day of _____, 2016 (“Effective Date”), by **FORTERRA NW**, a Washington nonprofit corporation (hereinafter referred to as “Forterra”), and the **CITY OF SEATTLE**, through Seattle Public Utilities (hereinafter referred to as “City of Seattle”).

WHEREAS, Forterra has entered into a purchase and sale agreement to acquire certain real property, consisting of approximately 155 acres located in King County, Washington, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the “Property”).

WHEREAS, Forterra is acquiring the Property according to the terms and conditions of an award of federal assistance funded under the Cooperative Endangered Species Conservation Fund pursuant to Federal Grant Agreement Number(s) _____, as more particularly described in that certain Cooperative Agreement to be entered into between the State of Washington Department of Natural Resources (hereinafter referred to as “DNR”) and Forterra, Department of Natural Resources Cooperative Agreement Number: _____ (the “Cooperative Agreement”).

WHEREAS, the Property will be managed according to the terms and conditions of a conservation easement interest to be granted on said property to the State of Washington by and through DNR for the purpose of assuring that said Property’s conservation values for certain endangered and threatened species and species of state and federal concern are protected in perpetuity, a draft of which is attached hereto as Exhibit B and incorporated herein by this reference the (“Conservation Easement”).

WHEREAS, Forterra has identified the City of Seattle to be the appropriate long-term owner and manager of the Property. The City of Seattle, through Seattle Public Utilities (SPU), owns and manages property in the South Fork Tolt River Watershed as part of its drinking water supply to the City of Seattle and surrounding areas. SPU also owns property in the North Fork Tolt River Watershed, which lands are adjacent to the Property, and management of the Property according to the terms and conditions of the Conservation Easement furthers, and is compatible with, the City of Seattle’s water supply objectives for the Tolt River Watershed.

Whereas, the City of Seattle is a qualifying entity under the Cooperative Endangered Species Conservation Fund.

WHEREAS, the City of Seattle desires to own the Property and manage it in accordance with the terms and conditions of the Conservation Easement.

WHEREAS, given its unique qualifications and track record in acquiring properties according to the terms and conditions of an award of federal assistance funded under the Cooperative Endangered Species Conservation Fund pursuant to Federal Grant Agreement Number(s) _____, Forterra is best equipped to close on the acquisition of the Property and then convey its interest in the Property to the City of Seattle subject to the terms and conditions of the Conservation Easement.

NOW, THEREFORE,

1. Forterra provides notice to DNR of its desire and intent to convey Forterra's interest in the Property to the City of Seattle subject to the terms and conditions of the Conservation Easement and the City of Seattle provides notice to DNR of its desire and willingness to accept conveyance of Forterra's interest in the Property subject to the terms and conditions of this Agreement and of the Conservation Easement, as provided for in the Statutory Bargain and Sale Deed, which will be substantially in form of the draft deed attached hereto as Exhibit C and incorporated herein by this reference ("Deed"). Section 8 of the Conservation Easement allows for this transfer upon prior approval of DNR.

2. The conveyance of the Property contemplated in this Agreement is contingent upon Forterra obtaining legal access to the Property. Legal access for purposes of this Agreement shall consist of, at minimum, pedestrian access across Section 24, Township 26 North, Range 9 East, Willamette Meridian, from the South Fork Tolt River Watershed lands to the Property. If such access is not obtained, this Agreement will terminate and the parties will have no further rights or obligations under this Agreement. Vehicular access is not required under this Agreement.

3. The name, address, and telephone number of the prospective transferee is as follows:

Seattle Public Utilities
PO Box 34018
Seattle, Washington 98124-4018
Attn: Cyndy Holtz
(206) 386-1990

4. Upon its purchase of the Property and receipt of written approval from DNR for conveyance of the Property subject to the Conservation Easement to the City of Seattle,

Forterra will convey and the City of Seattle will accept the Deed in accordance with the terms of conditions of the Conservation Easement. This Agreement and the transfer contemplated hereby, including the Deed, must be duly approved by the Seattle City Council prior to transfer and closing. If such approval is not obtained, or if DNR shall fail or refuse to grant its approval, this Agreement will terminate and the parties will have no further rights or obligations under this Agreement.

5. Forterra shall hold harmless, indemnify, and defend the City of Seattle and its employees, agents, and assigns from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or judgments, including, without limitation, reasonable attorney’s fees and consultant’s fees, arising from any obligations and duties specified in the Cooperative Agreement or arising from the provision of federal grant money to Forterra as specified in the Cooperative Agreement.

6. This Agreement constitutes the full understanding between the Parties and there are no promises, agreements, conditions, understandings, warranties or representations, oral or written, expressed or implied, other than as expressly set forth in this Agreement.

IN WITNESS WHEREOF, Forterra and the City of Seattle have executed this Notice and Agreement the date and year set forth above.

FORTERRA NW,
a Washington nonprofit corporation

By: _____
Name: _____
Title: _____

CITY OF SEATTLE
SEATTLE PUBLIC UTILITIES

By: _____
Name: _____
Title: _____

Date: _____

Att 2 – Notice and Agreement
Via

Approved as to form only:

By: _____
Assistant City Attorney

_____ day of _____, 2016

Att 2 – Notice and Agreement
Via

EXHIBIT A to Transfer Agreement

Property Legal Description

Titicaed Creek Tract

The North Half of the Northeast Quarter and all of Government Lots 1 and 2, Section 24, Township 26 North, Range 9 East, W.M., in King County, Washington.

EXHIBIT B to Transfer Agreement

CONSERVATION EASEMENT

After Recording Return To:
Washington State Department of Natural Resources
Conservation Lands Acquisition Program
Conservation, Recreation and Transactions Division
1111 Washington Street SE
P. O. Box 47014
Olympia, WA 98504-7014

CONSERVATION EASEMENT

Mt. Si Area Old Growth – Titicaed F15AP00901

Grantor: Forterra NW, a Washington nonprofit corporation
Grantee: Washington State Department of Natural Resources
Legal: N½NE¼, all GL 1 & 2, Sec24, Twp26N, Rge9E, W.M.
Tax Parcel No(s): 242609-9001

This Conservation Easement (“Easement”), by and between Forterra NW, a Washington nonprofit corporation, (“Grantor”) and the State of Washington, acting by and through the Department of Natural Resources (“State”) (collectively “Parties”), is made as of the ____ day of _____

NOTICE OF GRANT

Grantor is the owner of certain real property located in King County, Washington, which is legally described in Exhibit A (“Property”). Grantor submitted a grant proposal through State, and State is the recipient of a grant award of financial assistance from the U.S. Fish and Wildlife Service (“USFWS”), funded under the 2015 Cooperative Endangered Species Conservation Fund’s Habitat Conservation Plan Land Acquisition grant for the Mt. Si Area Old Growth Project, pursuant to Application for Federal Assistance Number F15AP00901 and Section 6 of the Endangered Species Act of 1973, as amended, 16 U.S.C. §§ 1531 et seq., between State and USFWS for the acquisition of the Property. Specific portions of the application proposal and subsequent award (“Grant”), addressing the purpose and objectives of the Grant and conservation values of the Property, are attached as Exhibit B.

Grantor and State have executed a Cooperative Agreement No. CA-[insert number], dated [insert month/day, year], addressing additional terms to be performed by Grantor and State

relating to administration of the Grant. This Easement is granted to implement the purpose and objectives of the Grant, the terms of which are made a part hereof.

The specific conservation values of the Property are documented in the Grant and in an inventory of relevant features of the Property (“Baseline Documentation”), placed on file at the Department of Natural Resources, which includes reports, maps, photographs, and other documentation that the Parties agree provide, collectively, an accurate representation of the Property as of the date of the Baseline Documentation and which is intended to serve as an objective, though non-exclusive, information baseline for monitoring compliance with the terms of the Easement (collectively “Conservation Values”).

GRANT OF EASEMENT

NOW, THEREFORE, in consideration of the subaward by State of the USFWS Grant to Grantor, receipt of which is hereby acknowledged, the Grantor does hereby convey and warrant, pursuant to RCW 64.04.130, to State, subject to encumbrances, conditions, restrictions, and limitations of record, a conservation easement on the Property in perpetuity according to the terms set forth herein.

1. Purpose. This Easement is intended to achieve the purpose and objectives of the Grant and protect habitat of federal and state listed, proposed, and candidate species covered under the State’s Habitat Conservation Plan (“HCP”) and the Endangered Species Act (16 U.S.C. §§ 1531 et seq.), and other species identified in the Grant. Grantor shall not use the Property in any manner inconsistent with all management prescriptions provided in the Grant and the below described Management Plan as to the species identified therein (collectively, “Purpose of Easement”).

2. Use and Management Plan. Grantor shall develop and submit a written Management Plan (“Plan”) for the management of the Property in perpetuity to protect and enhance its significant natural features, in accordance with the intended conservation purposes of the Grant. The Plan will address management goals, methods and strategies and address key management issues relating to habitat for threatened, endangered, and other listed species. Grantor must provide a statement outlining the content of the Plan that is approved by State prior to execution of the Easement. The purpose of the Plan is to confirm the uses and activities on the Property are consistent with the terms of this Easement. Grantor agrees to manage the Property in accordance with the Plan. The final Plan must be completed and approved by DNR no later than [insert month/day, year]. The Plan will be reviewed and updated on a regular basis, at least once every Ten (10) years, to keep the Plan current. Any changes to the Plan will be made by written amendment and approved by State, which approval shall not be unreasonably withheld.

Grantor agrees to hold and use the Property for habitat and conservation purposes as specified in the Grant. Grantor reserves the right to use the Property for any uses or activities that are not inconsistent with the restrictions set forth herein, the Grant, or the Plan.

a. Permitted Uses and Activities. The Parties agree that activities deemed consistent with the purpose of the Grant and this Easement will include but not be limited to the following:

(1) Activities related to the conservation of habitat for the threatened, endangered and other listed species identified in the Grant including, but not limited to: maintenance, repair, replacement, relocation and removal of existing roads, power lines, culverts, barriers to fish passage or other improvements; research; removal of non-native or invasive species; construction, maintenance and replacement of fences and gates to protect the natural features of the Property from damage; habitat restoration; and ecosystem health, such as risk reduction through under-burning, thinning, or harvest to stop the spread of disease or insect infestation.

(2) Interpretive trail construction, maintenance, replacement and removal consistent with and in furtherance of the Conservation Values and Purpose of Easement.

(3) Installation, maintenance, replacement and removal of signs on the Property to limit or direct use or access, for interpretive information, as an entrance sign, and to acknowledge the participation of the Grantor and of any of the Grantor's funding sources in the acquisition and maintenance of the Property.

(4) The undertaking of other activities that are required by and subject to compulsion of any governmental agency with authority to require such activity; provided, that any such activity be conducted so that interference with the Purpose of the Easement is avoided, or, if avoidance is not possible, minimized to the extent possible.

(5) Cutting trees, construction or other disturbance of resources, including the removal of invasive species, to the extent reasonably prudent to remove, mitigate or warn against an unreasonable risk of harm to persons, property or health of native species on or about the Property. Grantor must take such steps as are reasonable under the circumstances to consult with State prior to taking actions that, but for this provision, would not be permitted or would be permitted only with approval from State.

(6) Non-commercial, low-impact public recreation, including, but not limited to bird watching, hiking, hunting, fishing, and picnicking.

(7) Scientific research activities consistent with and in furtherance of the Conservation Values and Purpose of Easement. State shall be permitted to conduct scientific research consistent with this Subsection.

(8) Educational activities consistent with and in furtherance of the Conservation Values and Purpose of Easement. State shall be permitted to engage in educational activities consistent with this Subsection.

(9) Selective and/or single tree harvest of timber where special management objectives consistent with the purpose of the Grant make these harvest methods appropriate in order to develop and maintain a multi-aged, multi-storied stand or to create diversity.

(10) Ecosystem regeneration and/or regeneration after natural disturbances or selective timber harvest activities pursuant to (9), above.

(11) Vehicular use (including motorized vehicular use) in connection with any permitted activity listed in this Subsection 2.a. or otherwise in the case of an emergency with the exception of recreational activities in (6), above.

(12) Herbicides, Pesticides or Insecticides. The use of necessary herbicides, pesticides and/or insecticides for the sole use of invasive management as described in the Plan.

(13) Any other non-commercial activities agreed upon in the Plan and consistent with the Grant.

b. Prohibited Uses and Activities. The Parties further agree that the following activities are deemed inconsistent with the purpose of the Grant and this Easement, unless such activities are implemented in conjunction with a condemnation action, and/or are done pursuant to rights in existence prior to the date of Easement. Prohibited activities include, but are not limited to:

(1) Industrial, residential and commercial uses and activities on the Property.

(2) The Property shall not be further subdivided into smaller lots than exist as of the date of Easement. Subdivision is defined as any transfer of an existing lot into separate ownership; any changes in the boundary of the Property or any lot within the Property; and any creation of a unit, lot, tract or parcel of real property for separate use or ownership by any means including by lease or by implementing the condominium form of ownership. Notwithstanding the above, a lot line change is a permitted subdivision when it results in (a) no additional lot; and (b) no material decrease in the acreage of the Property; or, (c) subject to review and approval by State, any change in the boundary or any lot not creating an additional lot.

(3) Road or pipeline construction or granting of easements for rights-of-ways for roads, power lines, pipelines, or electronic sites, not permitted above, unless such activities are implemented in conjunction with a condemnation action. Notwithstanding the above, use of existing roads or easements that provide neighboring landowners temporary access to their properties for timber harvest are permitted so long as it is consistent with the conservation purposes of the Grant.

(4) Removal of Trees and other Vegetation. There shall be no cutting, pruning, or removal of trees and other vegetation, including downed timber, except as may be incidental to permissible uses and activities reserved under Subsection 2.a. or with the express advance written approval of State, or as deemed necessary by State to preserve, protect or enhance the Conservation Values of the Property.

(5) Livestock grazing.

(6) Waste Disposal. The disposal or storage of rubbish, garbage, debris, vehicles, abandoned equipment, parts thereof, or other unsightly, offensive, or hazardous waste or material on the Property. Provided, however, that rubbish, garbage, and debris can be stored in proper containers for subsequent disposal and the piling of brush and other vegetation to the extent reasonably necessary to accommodate a permitted activity.

(7) Introduced Vegetation. The planting or intentional introduction of non-native species or other species identified as prohibited in the Plan.

(8) Alteration of Land. The alteration of the surface of the land, including without limitation, the excavation, fill or removal of soil, sand, gravel, rock, peat, or sod or any changes in topography is prohibited, except as permitted in the Plan and as may be incidental to permissible activities identified in Subsection 2.a., above.

(9) Structures and Improvements. Except as permitted in the Plan, the construction of any building, structure, or other improvements of any kind, temporary or permanent, on the Property, including but not limited to houses, windmills, wind turbines, sheds, storage tanks, mobile homes, wells, roads, parking areas, dams and impoundments.

(10) Mining. The exploration for, or development and extraction of, minerals, hydrocarbons, sand, gravel, or rock on or below the surface of the Property is prohibited.

(11) Agriculture. The planting, propagation, and growing of any plants or trees for commercial or non-commercial agricultural, nursery, or gardening purposes is prohibited.

(12) Vehicles and Conveyances. The operation of wheeled or motorized vehicles, including without limitation, bicycles, automobiles, trucks, motorcycles, all-terrain vehicles, snowmobiles, or any other type of vehicle or conveyance shall be prohibited, except as otherwise authorized in Subsection 2.a., above or may be required by State to protect the Conservation Values of the Property.

3. Notice and Approval.

a. **Notice.** With the exception of those uses and activities identified as permitted in Subsection 2.a., above, Grantor shall give State 60 calendar days prior written notice of other uses or activities consistent with **Section 19** below (“Notice”). The Notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity or use in sufficient detail to permit State to make an informed judgment as to its consistency with the Purpose of this Easement. State shall not give its written consent and approval unless Grantor demonstrates that the proposed use or activity is consistent with the terms, conditions, and purposes of this Easement and will not diminish or impair the Conservation Values of the Property. Such activities or uses approved by State under this Subsection shall be deemed amendments to the Plan.

b. **Approval.** Where State's approval is required, State shall grant, grant with conditions, or withhold its approval in writing within 60 calendar days of receipt of Grantor's written request for approval. Failure to approve Grantor's request within 60 calendar days shall be deemed a denial of such request. No proposed use or activity may proceed without State's written consent and approval as provided herein. Provided however, if Grantor must undertake emergency action to protect health or safety on the Property or must act by and subject to compulsion of any governmental agency, Grantor may proceed with such action without State's approval, but Grantor shall provide notice to State of the action as soon as practicable.

4. **Entry and Inspection.** State may enter upon the Property to inspect for compliance with and otherwise enforce the terms of this Easement. State is not required to have Grantor's permission to enter the Property for inspection, enforcement monitoring, research, or educational purposes; however, State will make reasonable efforts to notify Grantor, prior to entry onto the Property, and will not unreasonably interfere with Grantor's use and enjoyment of the Property except in emergencies or cases of suspected deliberate violations.

5. **Successors in Interest.** The terms and obligations of the Grantor and State under this Easement run with the land and bind Grantor's and State's respective heirs, successors, agents, and assigns.

6. **Encumbrances.** Other than encumbrances for taxes and assessments lawfully imposed by a governmental entity, Grantor shall not encumber the Property, in whole or in part, without prior approval by the State, which consent shall not be unreasonably withheld, and the USFWS.

7. **Amendment.** If circumstances arise under which an amendment to or modification of this Easement is warranted, and State, in its sole discretion, determines that the amendment is consistent with and in furtherance of the Purpose of Easement and Conservation Values, Grantor and State may jointly amend this Easement. Any such amendment shall be in writing as mutually agreed to by both State and Grantor. Amendments shall become effective upon recording in the official records of King County and any other jurisdiction in which such recording is required. Nothing in this Section shall require Grantor or State to agree to any amendment or to consult or negotiate regarding any amendment.

8. **Transfer of Ownership.** Grantor may convey the Grantor's interest in the Property to a qualifying entity under the Cooperative Endangered Species Conservation Fund restrictions, subject to the provisions herein, and provided the State has approved the transfer, which approval shall not be unreasonably withheld, after sixty (60) days prior written notice to State of such intent to transfer the Property. Approval shall be based, in part, on the financial resources, history, qualifications, organizational mission, and ability of the prospective transferee to manage the Property consistent with the terms of this Easement. Such notice to State shall include the name, address, and telephone number of the prospective transferee or its representative. Any transfer of ownership that occurs without the express approval of State shall be null and void.

a. Grantor agrees to incorporate the terms of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Property, including,

without limitation, a leasehold interest. The failure of Grantor to perform any act required by this Section shall not impair the validity of this Easement or limit its enforceability in any way.

b. In the event Grantor intends to transfer the Property to a non-qualifying entity under the Cooperative Endangered Species Conservation Fund restrictions, 43 CFR 12.932, it shall be followed in consultation with the USFWS, which is incorporated herein.

(1) **Authorized Conveyance:** When the Property is no longer needed for the purposes authorized by this Grant as determined jointly by State and Grantor, Grantor must request and comply with disposition instructions from State. Disposition instructions will be provided, within State discretion, in accordance with 43 CFR § 12.71 or 43 CFR § 12.932, as applicable.

(2) **Unauthorized Conveyance/Use:** If Grantor, in violation of the terms and conditions of the Grant, sells, transfers, encumbers, hypothecates, or otherwise disposes of any of the Property and the USFWS requires that State reimburse the USFWS a portion or all of the Grant proceeds, the Grantor shall reimburse State that same amount and other damages State incurs in connection with such violation. State reserves its right to pursue any other remedies legally available to include specific performance.

9. Transfer by State. The State may assign its rights and obligations under this easement to a qualifying entity under the Cooperative Endangered Species Conservation Fund restrictions and RCW 64.04.130, after sixty (60) days written notice to Grantor.

10. Identification of Property Acquired. The Property should be identified with appropriate signs identifying the federal aid program as sub-awarded by the State under which the Property was acquired. The appropriate federal aid program symbol may be used for this purpose. If the areas are open to the public, Grantor must make provisions to inform the public of the location, boundaries, and any restrictions on use.

11. Easement Monitoring. The State shall have the right to delegate monitoring and enforcement authority under this Easement to any-duly appointed manager, which may include a federal, state, or local government agency or non-profit agency; provided that the delegation shall be subject to the terms and conditions of the Easement in all respects. This appointment may be changed from time to time. Grantor shall be given thirty (30) days advance written notice of such appointment.

12. Extinguishment. This Easement may be extinguished only by express release by the State, its successors or assigns or formal court order, and pursuant to condemnation. It will not be extinguished by abandonment for non-enforcement. Grantor waives any common law right to extinguish or modify this Easement by adverse possession, prescriptive easement or other activity inconsistent with the Grant.

13. Compliance with Laws. Grantor shall comply with all federal, state, or local laws while performing any of the activities on the Property. In particular, Grantor will comply with all

applicable provisions of 43 Code of Federal Regulations (CFR), Part 12, Subpart A – *Administrative and Audit Requirements and Cost Principles for Assistance Programs*, Subpart F – *Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*, Office of Management and Budget (OMB) Circulars A-110, A-133 and all other laws, rules, regulations and policies applicable to the USFWS Cooperative Endangered Species Conservation Fund.

14. Dispute Resolution. As a condition precedent to a party bringing any suit for breach of this Easement, such as provided for State under **Section 16** of this Easement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the Parties cannot resolve the dispute through negotiation within thirty (30) days, they may, but are not obligated to, agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both Parties. The Parties shall each pay fifty percent (50%) of any costs of the services provided by such third party as such costs are incurred. The existence of a dispute shall not excuse the Parties from performance pursuant to this Easement. Notwithstanding the above, State may seek appropriate remedies under Subsection 16.d. of this Easement without prior notification or dispute resolution procedures.

15. State's Remedies.

a. Notice of Violation, Corrective Action. If State believes that Grantor is in violation of the terms of this Easement or that a violation is threatened, State shall give written notice to Grantor of such violation and demand corrective action sufficient to cure the violation and, where the violation involves injury to the Property, resulting from any use or activity inconsistent with the Purpose of this Easement, to restore the portion of the Property so injured to its condition existing immediately before such violation, in accordance with a plan approved by State.

b. Grantor's Failure to Respond. If Grantor fails to cure the violation within thirty (30) days after receipt of notice thereof from State, or under circumstances where the violation cannot reasonably be cured within a thirty (30) day period, fails to begin curing such violation within the thirty (30) day period, or fails to continue diligently to cure such violation until finally cured, State may bring an action at law or in equity in a court of competent jurisdiction to enforce the terms of this Easement, including trespasses by members of the public, to enjoin the violation, *ex parte* as necessary and as allowed under applicable civil rules, by temporary or permanent injunction, and to require restoration of the Property to the condition that existed immediately before any such injury. Additionally, Grantor may be required to compensate USFWS and/or dispose of the Property consistent with applicable federal laws and regulations.

c. Damages. State shall recover damages to which it may be entitled for violation of the terms of this Easement or injury to any Conservation Values protected by this Easement, including damages for the loss of said Conservation Values. Without limiting Grantor's liability in any way, State, in its sole discretion, may apply any damages recovered to the cost of undertaking any corrective action or restoration on the Property.

d. **Emergency Enforcement.** If State, in its sole discretion, believes that circumstances require immediate action to prevent or mitigate significant damage to the conservation values of the Property, State may pursue its remedies under this Section without prior notice to Grantor or without waiting for the period provided for cure to expire.

e. **Scope of Relief.** State's rights under this Section apply equally in the event of either actual or threatened violations of the terms of this Easement. Grantor agrees that State's remedies at law for any violation of the terms of this Easement are inadequate and that State shall be entitled to the injunctive relief described in this Subsection, both prohibitive and mandatory, in addition to such other relief to which State may be entitled, including specific performance of the terms of this Easement, without the necessity of proving either actual damages or the inadequacy of otherwise available legal remedies. State's remedies described in this Subsection shall be cumulative and shall be in addition to all remedies now or hereafter existing at law or in equity.

f. **Costs of Enforcement.** Any costs incurred by State in enforcing the terms of this Easement against the Grantor including, without limitation, costs of suit and reasonable attorney's and consultant's fees, and any costs of restoration necessitated by Grantor's, or Grantor's agents, employees, contractors, invitees or licensees, violation of the terms of this Easement shall be borne by Grantor if State prevails in such enforcement. If Grantor prevails in any action by State to enforce the terms of this Easement, State shall bear its own costs and any costs incurred by Grantor in defending itself against the State including, without limitation, reasonable attorney's and consultant's fees. Any such costs owed by Grantor to State, together with any damages which Grantor may owe to State, shall constitute a lien against the Property until such time as costs and damages are paid in full.

g. **State's Discretion.** Enforcement of the terms of this Easement shall be at the discretion of State, and any forbearance by State to exercise its rights under this Easement in the event of any breach of any term of this Easement by Grantor shall not be deemed or construed to be a waiver by State of such term or of any subsequent breach of the same or any other term of this Easement or of any of State's rights under this Easement. No delay or omission by State in the exercise of any right or remedy upon any breach by Grantor shall impair such right or remedy or be construed as a waiver. Notwithstanding the foregoing, nothing in this Easement shall be interpreted to waive or toll any applicable statutes of limitations.

h. **Waiver of Certain Defenses.** With full knowledge of the provisions of this Easement, Grantor hereby waives any claim or defense it may have against State under or pertaining to this Easement based upon waiver, laches, estoppel or prescription.

i. **Acts Beyond Grantor's Control.** Nothing contained in this Easement shall be construed to entitle State to bring any action against Grantor to abate, correct, or restore any condition on the Property or to recover damages for any injury to or change in the Property resulting from conditions or matters that predate Grantor's acquisition of the Property, State's acquisition of the Easement or resulting causes beyond Grantor's control, including, without

limitation, fire, flood, storm, pest infestation, and earth movement, or for acts or omissions of State, the public or trespassers, or from any prudent action taken by Grantor under emergency conditions to prevent, abate, or mitigate injury to persons or property (including without limitation to the Property) resulting from such causes.

j. USFWS as Third-Party Beneficiary. State is the intended beneficiary of this Easement with full power of enforcement. As a funding source to the State for the Grant, USFWS is a third-party beneficiary to the Easement. In that capacity, USFWS may elect to exercise any and all remedies against Grantor subject to prior coordination with State and consistent with the Easement and applicable federal laws and regulations.

16. Costs, Liabilities, Insurance, Taxes, Environmental Compliance, Indemnification.

a. Costs, Legal Requirements, Liabilities and Insurance. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Property, including the maintenance of adequate comprehensive general liability insurance coverage. If Grantor is self-insured, evidence of its status as a self-insured entity shall be provided to State. If requested by State, Grantor must describe its financial condition and the self-insured funding mechanism. Grantor shall prevent the perfection of any liens against the Property that are not subordinate to this Easement arising out of any work performed for, materials furnished to, or obligations incurred by Grantor.

b. Taxes. Grantors shall pay before delinquency all taxes, assessments, fees, and charges of whatever description levied on or assessed against the Property by competent authority (collectively “taxes”), including any taxes imposed upon, or incurred as a result of, this Easement, and shall furnish State with satisfactory evidence of payment upon request. If Grantor fails to pay any taxes when due, State is authorized, but in no event obligated, to make or advance such payment of taxes upon three (3) days prior written notice to Grantor, in accordance with any bill, statement, or estimate procured from the appropriate authority, without inquiry into the validity of the taxes or accuracy of the bill, statement or estimate, and the obligation created by such payment shall bear interest until paid by Grantor at the maximum rate allowed by law.

c. Remediation. If, at any time, there occurs a release in, on, or about the Property of any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement as hazardous, toxic or dangerous to the air, water or soil, or in any way harmful or threatening to human health or environment, Grantor agrees to take all legally required steps necessary to assure its containment and remediation, including any cleanup that may be required, unless the release was caused by State, in which case State shall be responsible for remediation.

d. Hold Harmless. Grantor hereby agrees to release and hold harmless, indemnify, and defend State and its employees, agents, and contractors and the personal representatives, heirs, successors, and assigns of each of them (collectively “Indemnified Parties”) from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands, or

judgments, including, without limitation, reasonable attorney's and consultant's fees, arising from or in any way connected with:

(1) Injury to or the death of any person, or physical damage to any property, resulting from any act, omission, condition, or other matter related to or occurring on or about the Property that is not a consequence of any activity of any of the Indemnified Parties undertaken under the rights granted to State under this Easement;

(2) Violations or alleged violations of, or other failure to comply with, any federal, state or local environmental law or regulation relating to pollutants or hazardous, toxic or dangerous substances or materials, including, without limitation, CERCLA (42 U.S.C. § 9601 et seq.) and MTCA (chapter 70.105D RCW), by any person other than any of the Indemnified Parties, in any way affecting, involving, or relating to the Property, unless such violations or alleged violations are due to the acts or omissions of any of the Indemnified Parties on the Property;

(3) The presence or release in, on, from, or about the Property, at any time, of any substance now or hereafter defined, listed, or otherwise classified pursuant to any federal, state, or local law, regulation, or requirement of hazardous, toxic or dangerous to the air, water, or soil, or in any way harmful or threatening to human health or the environment, unless caused solely by any of the Indemnified Parties; and,

(4) The obligations and covenants specified in this Section.

17. No Creation of Public Rights. This Easement does not create any rights in favor of the general public to enforce the terms of this Easement.

18. Notices. Unless otherwise specified herein, any notices required or permitted under this Easement may be delivered personally or sent by U.S. Mail to the following addresses or to such other place as the parties hereafter direct. Notice will be deemed given upon delivery or three days after being mailed, whichever is applicable.

To State: DEPARTMENT OF NATURAL RESOURCES
Attn: Mark Reed, Conservation Land Transactions Program Manager
1111 Washington Street SE
PO Box 47014
Olympia, WA 98504-7014
Phone: 360-902-1408

To Grantor: FORTERRA NW, a Washington nonprofit corporation
Attn: Charlie Raines, Director of Forest Conservation
901 Fifth Avenue, Suite 2200
Seattle, WA 98164
Phone: 206-905-6896

19. General Provisions.

a. **Liberal Construction.** This Easement shall be liberally construed to carry out the purposes of the Grant, and to protect the conservation purposes for which this Easement was acquired. If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purpose of Easement that would render the provision valid shall be favored over any interpretation that would render it invalid. The Parties acknowledge that each has had an opportunity to have this Easement reviewed by an attorney and agree that the terms shall not be presumed construed against either party.

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

c. **Governing Law and Venue.** This Easement shall be construed and interpreted in accordance with the laws of the state of Washington and applicable federal law with respect to the Grant. In the event of a lawsuit involving this Easement, venue shall be proper only in Thurston County. The Parties acknowledge the jurisdiction of the courts in the state of Washington.

d. **Entire Agreement.** This instrument sets forth the entire agreement of the Parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings, or agreements relating to the Property, all of which are merged into this Easement. No alteration or variation of this instrument shall be valid or binding unless contained in an amendment as provided for in this Easement.

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

f. **Exhibits.** All exhibits referenced herein are incorporated into this Easement as part of this Easement. The Baseline Documentation (whether or not attached to this Easement) is incorporated into this Easement by this reference.

g. **Counterparts.** This Conservation Easement may be executed in counterparts with like effect as if all signatures appeared on a single copy.

20. Certification of Authority. The undersigned Grantor representative certifies that the Grantor is a legally constituted nonprofit organization with full authority and legal capability to perform the terms of this Easement and he is authorized to sign this Easement on its behalf.

GRANTOR:
FORTERRA NW, A WASHINGTON NONPROFIT CORPORATION

Att 2 – Notice and Agreement
 V1a

Dated: _____

By: _____
 Gene Duvernoy
 President

STATE:
 STATE OF WASHINGTON
 DEPARTMENT OF NATURAL RESOURCES

Dated: _____

By: _____
 Peter Goldmark,
 Commissioner of Public Lands

Affix the Seal of the
 Commissioner of Public Lands

APPROVED AS TO FORM ONLY:

This ____ day of _____ 2016

By: _____
 Assistant Attorney General

STATE OF WASHINGTON)
) ss
 COUNTY OF KING)

On this _____ day of _____, 2016, personally appeared before me Gene Duvernoy, to me known to be the President who executed the within and foregoing instrument on behalf of Forterra NW, a Washington nonprofit corporation, and acknowledged said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that she/he was authorized to execute said instrument for said corporation.

Att 2 – Notice and Agreement
V1a

The North half of the Northeast quarter and all of government lots 1 and 2, Section 24, Township 26 North, Range 9 East, W.M., in King County, Washington.

Also identified as “Parcel J” in deed recorded under AF# 9107080191, records of King County, Washington

EXHIBIT C to Transfer Agreement
STATUTORY BARGAIN AND SALE DEED
FORM OF DEED

Document Title(s) (or transactions contained therein): 1. Bargain and Sale Deed
Reference Number(s) of Documents assigned: (referenced in _____)
Grantor(s) (Last name first, then first name and initials): 1. FORTERRA NW 2. 3. <input type="checkbox"/> Additional names on page ___ of document.
Grantee(s) (Last name first, then first name and initials): 1. CITY OF SEATTLE, THROUGH ITS DEPARTMENT OF PUBLIC UTILITIES 2. 3. <input type="checkbox"/> Additional names on page ___ of document.
Legal description (abbreviated: i.e. lot, block, plat or section, township, range) The North Half of the Northeast Quarter and all of Government Lots 1 and 2, Section 24, Township 26 North, Range 9 East, W.M., in King County, Washington. <input checked="" type="checkbox"/> Full legal is on page 1 of document.
Assessor's Property Tax Parcel/Account Numbers 2426099001

STATUTORY BARGAIN AND SALE DEED

Grantor, Forterra NW, a Washington nonprofit corporation, for no consideration other than the agreement of the Grantee described herein to manage the Property described herein in accordance with the terms and conditions of the Conservation Easement described herein, bargains, sells and conveys to Grantee, the City of Seattle, a Washington municipal corporation, through Seattle Public Utilities, that certain real property (the “Property”), more particularly described as follows:

EXHIBIT A hereto and incorporated herein by reference

subject only to the Permitted Exceptions set forth on EXHIBIT B hereto and incorporated herein by reference, including that certain Conservation Easement, recorded under Auditor’s No. _____, in the records of King County, Washington.

Together with assignment of rights of access to the Property as provided in that certain Statutory Bargain and Sale Deed, dated _____, 2016 and recorded in the records of King County, Washington, under Auditor’s File Number _____, and in those certain easements recorded in the records of King County, Washington, under Auditor’s File Numbers _____, which rights of access were assigned to Grantor, as successor-in-interest to the Property, under that certain Partial Quitclaim, Assignment and Assumption of Easement, dated _____, 2016 and recorded in the records of King County, Washington, under Auditor’s File Number _____, and which rights of access shall run with the land to the benefit of the successors-in-interest to the Property.

The Grantor for itself and for its successors in interest does by these presents expressly limit the covenants of the deed to those herein expressed, and excludes all covenants arising or to arise by statutory or other implications, and does hereby covenant that against all persons whomsoever lawfully claiming or to claim by, through or under said Grantor and not otherwise, Grantor will forever warrant and defend the said described real estate.

Except as provided for above in this deed, Grantee releases Grantor and its directors, officers, employees and agents from any and all statutory, common law and other claims, obligations, causes of action, losses, damages, liabilities, costs and expenses (including without limitation attorneys fees), that Grantee may have against Grantor arising from, in whole or in part, or related in any way to the physical condition of the Property (including conditions not readily apparent and the presence of any material classified under state or federal law or regulations as hazardous).

Dated this ____ day of _____, 2016.

Forterra NW, a Washington nonprofit corporation

Att 2 – Notice and Agreement
Via

By: _____

Printed Name: _____

Title: _____

Att 2 – Notice and Agreement
V1a

State of Washington)
) ss.
County of King)

On this ____ day of _____, 2016, before me personally appeared _____, to me known to be the _____ of Forterra, NW, the nonprofit corporation that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said nonprofit corporation, for the uses and purposes mentioned, and on oath stated that he/she was authorized to execute said instrument.

In witness whereof I have set my hand and affixed my official seal the day and year first written above.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of _____, residing at _____
My Commission Expires: _____

Att 2 – Notice and Agreement
V1a

The City of Seattle, through Seattle Public Utilities, accepts the Property as provided herein and agrees to manage the Property in accordance with the terms and conditions of the Conservation Easement.

Dated this ____ day of _____, 2016.

City of Seattle, a municipal corporation, by and through Seattle Public Utilities

By: _____

Printed Name: _____

Title: _____

State of: _____)

) ss.

County of: _____)

On this ____ day of _____, 2016, before me personally appeared _____, to me known to be the _____ of the City of Seattle that executed the within and foregoing instrument, and acknowledged said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes mentioned, and on oath stated that he/she was authorized to execute said instrument.

In witness whereof I have set my hand and affixed my official seal the day and year first written above.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of _____, residing at _____

My Commission Expires: _____

Att 2 – Notice and Agreement
Via

EXHIBIT A to Statutory Bargain and Sale Deed

Titicaed Creek Tract

The North Half of the Northeast Quarter and all of Government Lots 1 and 2, Section 24,
Township 26 North, Range 9 East, W.M., in King County, Washington.

Containing 155 acres, more or less.

Att 2 – Notice and Agreement
Via

EXHIBIT B to Statutory Bargain and Sale Deed

PERMITTED EXCEPTIONS

Titicaed Creek Tract (Tax Parcel # 2426099001)

Deed of Conservation Easement in favor of the Washington State Department of Natural Resources and the terms and conditions thereof:

Recorded: _____, 2016

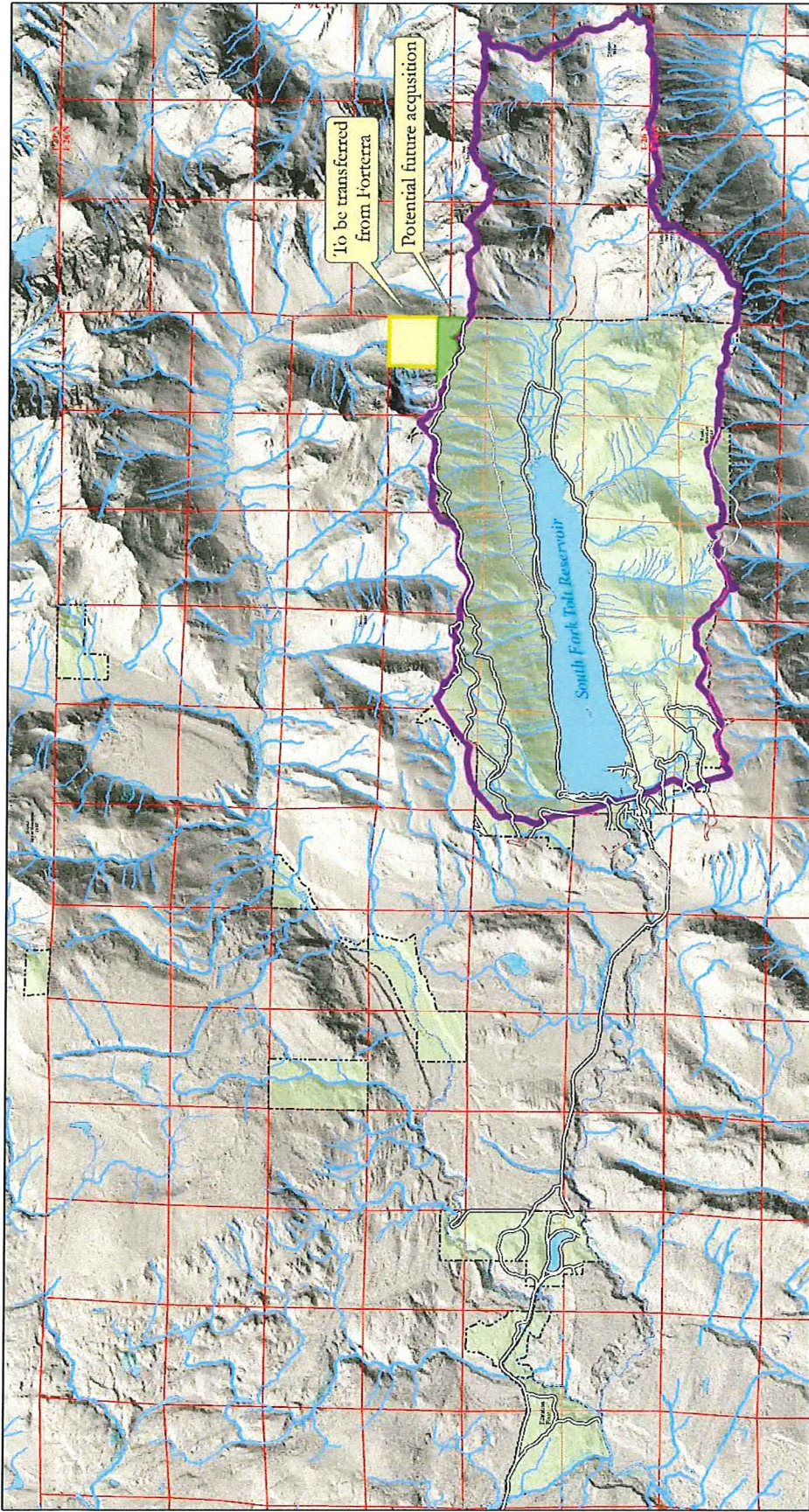
Recording No.: _____

(Includes other property)

Potential taxes, penalties and/or interest incurred by reason of the property no longer being used for the conservation purposes provided for in RCW 84.33.140(14)(b).

Liability for sewer treatment capacity charges that may be assessed but not disclosed in the public records.

Attachment 3 – Vicinity Map



Att 3 - Map, SPU North Fork Tolt River Property Acceptance
 Township 26N Range 9S Section 24
 and the
 South Fork Tolt Municipal Watershed



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 No warranty is made by the City of Seattle as to the
 fitness or merchantability, accuracy, or product.

Attachment 4

PORTION STR 24-26-09 LYING SOUTH OF LINE DAF: BEGINNING AT PT ON WEST LINE SD SECTION WHERE HYDROGRAPHIC BOUNDARY OF SOUTH FORK TOLT RIVER INTERSECTS SD LN TH ALONG SD HYDROGRAPHIC BOUNDARY IN SELY DIRECTION TO INTERSECTION WITH LINE OFFSET 30 FT SOUTH OF CENTERLINE OF NO NUMBER SPUR ROAD AS EXISTS JUNE 1996 TH ALONG SD 30 FT CENTERLINE OFFSET IN SELY DIRECTION TO INTERSECTION WITH LINE OFFSET 30 FT NLY OF CENTERLINE OF ROAD 24200 AS EXISTS JUNE 1996 JUST WLY & PRIOR TO ACTUAL CENTERLINE INTERSECTION OF THE TWO SAID ROADS TH ALONG SD 30 FT NLY CENTERLINE OFFSET OF ROAD 24200 IN SELY DIRECTION TO INTERSECTION WITH SOUTH FORK TOLT RIVER HYDROGRAPHIC BOUNDARY TH ALONG SD HYDROGRAPHIC BOUNDARY IN SELY DIRECTION TO INTERSECTION WITH EAST LINE SD SECTION