

RETURN TO:
Jerry Creim
Williams, Kastner & Gibbs PLLC
P.O. Box 21926
Seattle, WA 98111-3926



200010190054
Skagit County Auditor
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ISLAND TITLE COMPANY
ACCOMMODATION RECORDING

DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS

Grantor/Declarant: DONALD H. LEAVITT, manager, KABALO HEIGHTS

Grantee: PUBLIC

Legal Description:

LOTS 1-20/INCLUSIVE WITHIN THE PLAT OF KABALO HEIGHTS/SKAGIT COUNTY, WASHINGTON

Assessor's Tax Parcel Number: 200005250077

When recorded return to:

Donald H. Leavitt
Leavitt Companies
301-116th Ave SE, Ste 570
Bellevue, WA 98004

DECLARATION OF
COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS
FOR KABALO HEIGHTS

This Declaration of Protective Covenants is applicable to the KABALO HEIGHTS subdivision, Lots 1 through 20. The legal description of KABALO HEIGHTS is attached as Exhibit "A" and incorporated herein.

WHEREAS, DONALD H. LEAVITT, manager, KABALO HEIGHTS, L.L.C., ("Declarant"), the Owner of certain real property situated in the state of Washington, located in Skagit County, and known as the plat of KABALO HEIGHTS which property is more specifically described in Exhibit "A" attached hereto and incorporated herein by reference ("KABALO HEIGHTS"); and,

WHEREAS, Declarant has developed the plat of KABALO HEIGHTS, as a residential community and has created certain common area facilities for the benefit of KABALO HEIGHTS; and,

WHEREAS, the Declarant desires to declare of public record its intention to create certain protective covenants, conditions, and restrictions on said property;

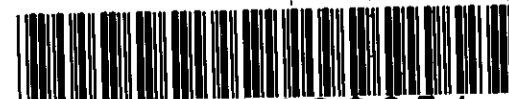
NOW THEREFORE, the Declarant does hereby certify and declare that the following covenants, conditions, and restrictions shall become and are hereby made a part of all conveyances of Lots 1 through 20, inclusive within the plat of KABALO HEIGHTS, said plat having been recorded under recording # 200005250071, County of Skagit, State of Washington and that the following protective covenants, conditions, and restrictions shall by reference become a part of any such conveyance and shall apply thereto as fully and with the same effect as if set forth therein.

ARTICLE I

DEFINITIONS

As used in these covenants, the terms set forth below shall have the following means:

- 1.1 "Declarant" shall mean and refer to DONALD H. LEAVITT, manager, KABALO HEIGHTS, and his successors and assigns.
- 1.2 "Improvement" shall mean and refer to every building of any kind, including, but not limited to fence, wall, driveway, swimming pool, storage shelter, or other product of construction efforts on or in respect to the lots of KABALO HEIGHTS.



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- 1.3 "Lot" shall mean and refer to any numbered plot of land shown upon any recorded plat of KABALO HEIGHTS.
- 1.4 "Owner" shall mean and refer to the person or persons of record holding the beneficial Ownership of a lot. The rights, obligations, and other status of being an Owner commence upon acquisition of the beneficial Ownership of a lot and terminate upon disposition of such Ownership, but termination of Ownership shall not discharge any Owner from obligations incurred prior to termination.
- 1.5 "KABALO HEIGHTS" shall mean and refer to land described in Article II hereof.
- 1.6 "These Covenants" shall mean and refer to all of the limitations, restrictions, covenants, and conditions set forth on this Declaration with respect to KABALO HEIGHTS including but not limited to the duties, obligations, approvals and/or denials by the Architectural Control Committee.
- 1.7 "Architectural Control Committee" shall mean and refer to the duly appointed committee as further described in Section VI and as sometimes referred to herein as the "Committee."
- 1.8 "Association" shall mean and refer to duties and obligations of the association as set forth in Article V and as sometimes referred to herein as the "Association."
- 1.9 "Development Period" shall mean and refer to that period of time beginning as of the date recording this Declaration and ending whenever any of the following first occurs:
- (a) Ten (10) years from the date hereof;
 - (b) One (1) year after completion of construction of every single family dwelling in KABALO HEIGHTS or;
 - (c) Upon written notification by Declarant to all of the residents and Owners of a lot in KABALO HEIGHTS that Declarant elects to terminate the Development Period.
- 1.10 "Number of Votes" During the Development Period, the Declarant shall have complete voting power for the specific purpose of enforcing this Declaration. Following termination of the Development Period, each lot Owner shall have one (1) vote with regards to the enforcement of these Declarations other than the Declarant, who shall have four (4) votes for each lot owned.
- 1.11 "Declarants Reservation of Powers Pursuant to these Covenants" The Declarant has the authority under this Declaration and hereby reserves to itself during the Development Period all of the powers and rights for the specific purpose of administering and enforcing any and all provisions hereof.
- 1.12 "Delegation of Declarants, Powers, and Rights" Declarant may at any time during the Development Period assign any or all of its powers and rights to any or all of the homeowners in Kabalo Heights. Declarant may however, at Declarant's sole discretion, retain control of the Architectural Control Committee until such time as Declarant wishes to relinquish said control.



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ARTICLE II

PROPERTIES SUBJECT TO THESE COVENANTS

2.1 KABALO HEIGHTS

The Declarant hereby declares that all of the real property described below is owned and shall be owned, conveyed, hypothecated, encumbered, used, occupied, and improved subject to these Covenants:

The real property identified and contained by that certain plat entitled KABALO HEIGHTS, recording # 200005250017, County of Skagit, State of Washington.

ARTICLE III

GENERAL PROTECTIVE COVENANTS

3.1 Residential Use

No lot shall be used except for residential purposes. No building shall be erected on any lot other than one single family dwelling not to exceed two and one-half stories plus basement in height and a private garage for not less than two cars. The foregoing provisions shall not exclude construction of a private greenhouse, storage unit, private swimming pool or shelter or port for the protection of such swimming pool, or for the storage of a boat and/or camping trailer kept for personal use, provided the location of such structures is in conformity with the applicable municipal regulations, and is compatible in design and decoration with the residence constructed on such lot, and has been approved by the Architectural Control Committee.

- a.) NO MOBILE HOMES of any kind shall be allowed on any lot in Kabalo Heights.
- b.) Modular homes may be assembled on a lot in Kabalo Heights only upon written approval by the Architectural Control Committee in accordance with Article 6.5 of these covenants.

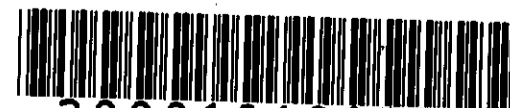
3.2 Dwelling Size

The minimum allowable square footage of any residence within KABALO HEIGHTS excluding open porches, patios and garages, shall be as follows:

- Ramblers – Minimum 1,800 square feet
- Two Story – Minimum 2,200 square feet
- Other styles subject to Architectural Control Committee review

3.3 Building Setbacks

No building shall be located on any lot nearer to the front, rear, or side lot lines than is permitted by the Skagit County ordinances or any other governmental agencies so authorized to mandate building setbacks and to monitor and enforce same.



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3.4 Business and Commercial Uses

No trade, craft, business, profession, commercial or similar activity of any kind shall be conducted on any lot, nor shall any goods, equipment, vehicles, materials or supplies used in connection with any trade, service, or business be kept or stored on any lot without prior written approval from the Architectural Control Committee, excepting the right of any home builder and the Declarant to store construction equipment and materials on said lot in the normal course of constructing a home.

- (a) EXCEPTION. Lot 20 of KABALO HEIGHTS may be used for agricultural purposes (the growing, harvesting, and selling of crops) and may further be used for the pasturing of horses or cattle, to the extent limited by the ACC.

3.5 Offensive Activities

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done or placed upon any lot, which interferes with or jeopardizes any Owner's use and enjoyment of his lot.

3.6 Animals

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot, excepting lot 20 which may be used as described in Section 3.4 subparagraph (a). Dogs, cats, alpacas or other household or yard pets may be kept, provided that they are not kept, bred, or maintained for commercial purposes and are reasonably controlled so as not to be a nuisance.

3.7 Vehicles in Disrepair

No Owner shall permit any vehicle, which is in an extreme state of disrepair to be abandoned or to remain parked upon any lot or on any tract, easement, or open space for a period in excess of forty-eight (48) hours. A vehicle shall be deemed to be in an "extreme state of disrepair" when its presence, in the opinion of the Architectural Control Committee, offends an occupant of the neighborhood, or multiple lot Owners.

3.8 Parking

Parking of boats, trailers, motorcycles, trucks, truck campers and like equipment shall not be allowed on any part of the property excepting only within the confines of an enclosed garage or fences area, the plans for which must have been reviewed and approved by the Architectural Control Committee prior to construction.

3.9 Rubbish and Trash

No lot or part of the Common Area shall be used as a dumping ground for trash or rubbish of any kind. All garbage and other waste shall be kept in appropriate sanitary containers for proper disposal and out of public view.

3.10 Temporary Structures

No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as residence either temporarily or permanently. All structures must comply with the Uniform Building code, as adopted by Skagit County, State of Washington or any other governmental agency so authorized to enforce the uniform building code.



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3.11 Completion of Construction

The construction of any building on any lot, including painting and all exterior finish, shall be completed within twelve (12) months from the beginning of construction so as to present a finished appearance when viewed from any angle. In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval from the Architectural Control Committee.

3.12 Landscape Completion

Initial landscaping must be completed within six (6) months after completion of the residence. (The date of the issuance of a certificate of occupancy shall constitute the date of completion of the residence.) In the event of undue hardship due to weather conditions, this provision may be extended for a reasonable length of time upon written approval by the Architectural Control Committee.

3.13 Fences and hedges

As defined in this section, "fencing" shall mean any barrier or wall other than natural living organic vegetation, including trees and shrubs. Plantings or site obscuring fences shall not exceed six (6) feet in height. Fences shall be well constructed of wood materials or as otherwise approved by the Architectural Control Committee and shall not detract from the appearance of the dwelling house located upon the lot or building site to be offensive to Owners or occupants thereof or detract from the appearance of the dwelling houses on the adjacent lots or building sites.

3.14 Exterior Materials

Exterior materials and roof materials must be approved for use by the Architectural Control Committee in accordance with the provisions of Article IV.

3.15 Exterior Finish

The exterior wall construction on any lot shall be designed, built, and maintained in such a manner as to blend in with the natural surroundings and landscaping within KABALO HEIGHTS. The Architectural Control Committee in accordance with the provisions of Article IV must approve exterior colors. The use of BRIGHT hard stains or paints is not allowed except by written permission thereof by the Architectural Control Committee.

3.16 Maintenance of Structures and Grounds

Each Owner shall maintain his lot and residence thereon in a clean and attractive condition, in good repair and in such fashion as not to create a fire hazard.

3.17 Pruning and Vegetation Removal in Native Growth and Protection Easements

All pruning, clearing, or disturbance of the NGPE by Owner(s) shall be in accordance with Skagit County ordinances.

3.18 Aerials

No exterior television, radio receiving or transmitting antennas, satellite dishes, discs or aerials of any kind other than those approved by the Architectural Control Committee shall be erected or placed on



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any residential site or structure. In no event shall any of the above referenced instruments interfere with the peace and tranquility of adjoining neighbors.

3.19 View Restrictions

Notwithstanding the compliance of plans with all other provisions of this Declaration, the Architectural Control Committee may require the placement of a planned house or other structure on a lot, and its height, to be modified for the purpose of preserving light, air, and view afforded structures on surrounding lots.

No planting of deciduous or conifer trees or bushes will be allowed that could eventually block the view of any lot in KABALO HEIGHTS located above the proposed planting area. Deciduous or conifer trees may be planted with the understanding that the Architectural Control Committee has the authority to direct, in writing, any homeowner to trim or remove any trees to the extent necessary so as not to interfere or impede the view from other lots in KABALO HEIGHTS.

In the event, any homeowner does not comply with the directions of the Architectural Control Committee within twenty-one (21) days after having received written notice to do so, by virtue of these covenants, the Architectural Control Committee may enter upon the property of the non-compliant resident without threat of unlawful trespass and, at their sole discretion, trim or remove any trees or bushes that interfere or impede the view from any other lot in KABALO HEIGHTS. In such event, the Owner of the lot in violation will immediately pay the cost incurred in removing or trimming trees or bushes.

ARTICLE IV

ASSOCIATION

4.1 Description and Nature of Association

Declarant shall form the Association contemporaneous with the recording of this Declaration. The Association shall be a non profit corporation organized and existing under the laws of the state of Washington, charged with the duties and vested with the powers prescribed by law and set forth in the governing documents, as they may be amended from time to time; provided, however, that no governing documents other than this Declaration shall for any reason be amended or otherwise changed or interpreted so as to be inconsistent with the Declaration. The primary duties of the Association are to monitor the maintenance and control of the ditches, detention ponds, and associated landscaping in KABALO HEIGHTS and to further enforce the general protective covenants and the duties and obligations of the Architectural Control Committee.

4.2 Association Board

During the Development period, the Declarant, or Declarant's designee's shall be the sole directors and board members of the Association and shall have all the powers of the board set forth herein and in the Articles of Incorporation. At the termination of the Development period, the Declarant shall select a board of directors of the Association consisting of not fewer than three (3) persons, who are Owners to manage the Association. The board shall have the full authority to manage the Association under the governing documents and shall be subject to all provisions thereof. The term of the board selected by the Declarant shall be for one (1) year after which the board shall be elected from amongst the Owners as provided in the Bylaws of the Association. The board shall elect officers of the



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Association, which shall include a president who will preside over meetings of the board and meetings of the Association.

4.3 Membership

Each Owner, shall be a member of the Association; provided, however, if any lot is jointly owned by two (2) or more persons, the several Owners of such interest shall designate one (1) of their number as the "Member."

4.4 Number of Votes

Each Owner shall have one (1) vote on all matters submitted to the membership of the Association for each lot owned by him/her within KABALO HEIGHTS, other than the Declarant, who shall have four (4) votes for each lot owned

4.5 Owner's Compliance with Governing Documents

By acceptance of a deed to a lot, recording of a contract conveying possession to a lot, or any other means of acquisition of an Ownership interest in a lot, the Owner thereof covenants and agrees, on behalf of himself and his heirs, successors, and assigns, to observe and comply with all terms of the governing documents and all rules and regulations duly promulgated pursuant to this Declaration and/or Association Action.

4.6 Bylaws, Rules, and Regulations

The board, on behalf of the Association, shall have the power to adopt, modify, and amend rules and regulations governing KABALO HEIGHTS. The rules and regulations shall apply uniformly to all Owners except as may be specifically provided herein. The board shall have the power to enforce the rules and regulations on behalf of the Association. Any adoption, modification, and amendment to the rules and regulations shall become effective thirty (30) days after promulgation and shall be mailed to all Owners prior to their effective date. A copy of the rules and regulations as set forth in the Declaration of Covenants, Conditions, Restrictions, and Easements for KABALO HEIGHTS, shall be retained by the Secretary of the Association.

ARTICLE V

ASSOCIATION BUDGET, ASSESSMENTS, AND LIENS

5.1 Owner's Covenants to Pay Assessments

By acquisition of any Ownership interest in a lot, the Owner thereof covenants and agrees thereby, on behalf of himself and his heirs, successors, and assigns, to pay the Association all Owner assessments, increase in assessments, and special assessments as set forth in Section 5.2 and 5.3 below. Owner further warrants and agrees to pay such assessments in a timely manner.

5.2 Initial Assessment and Increases

It is the obligation of the Association to maintain the ditches and detention ponds located in KABALO HEIGHTS in such a manner that they perform their function as originally designed and constructed.



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The initial assessment of Owner assessments for the calendar year 2000 shall be Two Hundred Dollars and No/100 (\$200.00) per lot, the accumulative of said funds to be used specifically for the maintenance of the ditches and detention ponds in KABALO HEIGHTS. Notwithstanding anything to the contrary herein, the Association may not, except by a vote of two thirds (2/3) of the total outstanding votes in the Association, increase Owner assessments for any calendar year in excess of twenty percent (20%) of the previous calendar year Owner assessments.

5.3 Special Assessments

In addition to the Owner assessments authorized by this Article, the Association may, by Association Action, levy a special assessment at any time for the purpose of defraying, in whole or in part, the cost of any reconstruction or inordinate repair of the ditches or detention ponds within KABALO HEIGHTS; provided, however, that any special assessment in excess of Two Hundred Dollars and NO/100 (\$200.00) in one calendar year must have the prior favorable vote of two thirds (2/3) of the total outstanding votes in the Association.

5.4 Effect of Nonpayment and Charges

If any assessment payment is not paid in full within thirty (30) days after it was first due and payable, the unpaid amount shall constitute a lien against the lot assessed and shall bear interest from the due date at a rate of two percent (2%) per month, or such other rate as may be set by the board, but which shall not, in any event, exceed the highest rate then permitted by law. By acceptance of a deed to a lot, recording of a contract therefore, or any other means of acquisition of an Ownership interest, each Owner shall be deemed to grant thereby to the Association, its agents and employees, the right and power to bring all actions against such Owner personally for the collection of such assessment noncompliance charge, or other charges as a debt and to enforce the liens created by this Declaration in favor of the Association.

ARTICLE VI

ARCHITECTURAL CONTROL COMMITTEE

6.1 Membership

During the Development Period the Architectural Control Committee, hereinafter referred to as Committee, shall consist of the Declarant and his assigns. At the time of expiration of the Development Period, the Architectural Control Committee shall be made up of not more than five (5) lot Owners who shall be elected by majority vote (as set forth in Section 1.10 above) of all Owners at a meeting called by any Owner for that purpose on not less than ten (10) days advance written notice. Each Committee member shall serve for one year or such other period as determined by a majority vote of all Owners.

A member of the Committee shall not be entitled to any compensation for service performed.

6.2 Liability

Neither the Committee nor any member thereof shall be liable to any Owner, occupant, builder or developer for any damages, loss or prejudice suffered or claimed on account of any action or failure to act by the Committee or a member thereof, provided that the member has, in accordance with the actual knowledge possessed by him acted in good faith.



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6.3 Action

Except as otherwise provided herein, a majority of members of the Committee shall have power to act on behalf of the Committee, but only after a meeting of, or notice to, all Committee members. The Committee shall render its decisions only by written instrument setting forth the action taken by the members consenting thereto.

6.4 Nonwaiver

Consent by the Committee to any matter proposed to it and within its jurisdiction under these covenants shall not be deemed to constitute a precedence or waiver impairing its rights to withhold approval as to any similar matter thereafter proposed or submitted to it for consent.

6.5 Architectural Review

No structure, including storage shelters and fencing shall be commenced until the construction plans and specifications showing the nature, shape, heights, materials, colors and proposed location of the structure have been submitted to and approved in writing by the Committee. It is the intention and purpose of this covenant to assure quality of workmanship in materials and harmony of external design. In all cases in which Committee consent is required by these covenants, the following provisions shall apply:

A. Major Construction. In the case of initial or substantial additional construction of a dwelling, the Owner shall prepare and submit to the Committee such plans and specifications for the proposed work consisting of (1) a plot plan indicating location of all improvements; (2) drawings showing elevations, exterior materials and exterior color schemes of all improvements; and (3) certification of square footage contained within the structure and each floor thereof.

The Committee shall render its decision with respect to the proposal within twenty (20) working days after it has received all material required by it with respect thereto.

B. Minor Work. In the case of a minor addition or remodeling, change of existing exterior color scheme or exterior material, greenhouse, or swimming pool construction, or any other work not referred to in Paragraph (A) above, the Owner shall submit to the Committee such plans and specifications for the proposed work as the Committee determines to be necessary to enable it to evaluate the proposal.

The Committee shall render its decision with respect to the proposal within twenty (20) working days after it has received all material required by it with respect thereto.

6.6 Architectural Control Committee Discretion

The Committee may, at its sole discretion, withhold consent to any proposed work if the Committee finds that the proposed work would be inappropriate for the particular lot or incompatible with the design standard that the Committee intends for KABALO HEIGHTS. Conversely, in cases where an Owner has made factual showing that strict adherence to the conditions as set forth in these covenants with regards to the structure of a residence, i.e. overall building size or any other matters related hereto, would work a severe hardship upon Owner, the Architectural Control Committee may grant relief from any of such provisions; provided that such relief shall be limited by its scope to that specific provision.



6.7 Procedure

In the event the Committee fails to render its approval or disapproval within twenty (20) working days after plans and specifications have been submitted to it, approval will not be required and the related covenants shall be deemed to have been fully complied with.

ARTICLE VII

ENFORCEMENT

7.1 Action

The Declarant during the Development Period, or any Owner following the termination of the Development Period, shall have the right to enforce, by any appropriate proceeding at law or in equity, all covenants, conditions, restrictions, reservations, liens, and charges now or hereafter imposed by the provisions of this Declaration. Failure or forbearance by any person or entity so entitled to enforce the provisions of this Declaration to pursue enforcement shall in no event be deemed a waiver of the right to do so thereafter.

In the event of a suit or action to enforce any provision of this Declaration or to collect any money due hereunder or to foreclose a lien, the unsuccessful party in such suit or action shall pay to the prevailing party all costs and expenses, including title reports, and all attorney's fees that the prevailing party has incurred in connection with the suit or action, in such amounts as the court may deem to be reasonable therein, and also including all costs, expenses, and attorney's fees incurred in connection with any appeal from the decision of a trial court or any intermediate appellate court. The venue of any action described above shall be Skagit County, Washington.

Remedies provided by this Declaration are in addition to, cumulative with, and are not in lieu of other remedies proved by law. There shall be, and there is hereby created, a conclusive presumption that any breach or attempted breach of the covenants, conditions, and restrictions herein cannot be adequately remedied by an action at law or exclusively by recovery of damages.

7.2 Notices

All Notices, demands, or other communications ("Notices") permitted or required to be given by this Declaration shall be in writing and, if mailed postage prepaid by certified or registered mail, return receipt requested, shall be deemed given two (2) days after the date of mailing thereof, or on the date of actual receipt, or sooner; otherwise, Notices shall be deemed given on the date of actual receipt.

Notices to any Owner may be given at any lot owned by such Owner; provided, however, that an Owner may from time to time, by Notice to the Declarant, during the Development Period supply or inform Declarant of an address for future Notices.

The address of Declarant shall initially be 301-116th Avenue SE, Suite 570, Bellevue, Washington, 98004. If the address of Declarant is changed, notice shall be given to all Owners. If this Declaration calls for the approval of a party, including without limitation, the Architectural Control Committee, the Declarant, or an Owner, it shall not be effective unless set forth in writing and signed by such party.



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Kabalo Heights
Legal Description

SB-15037

EXHIBIT "A"

The East Half of the Northwest Quarter of Section 35, Township 35 North, Range 3 East of the Willamette Meridian;

EXCEPT the following described tract:

Beginning at a point on the North line of the Southeast Quarter of the Northwest Quarter of said Section 35 which is North 89°52' East a distance of 706.14 feet from the Northwest corner of said subdivision;
thence North 89°52' East along said North line a distance of 186.97 feet;
thence South 05°54' East a distance of 436.24 feet;
thence South 25°03'30" East a distance of 221.46 feet;
thence South 89°52' West parallel with the North line of said subdivision a distance of 446.45 feet;
thence North 00°51'50" West parallel with the West line of said subdivision a distance of 410.0 feet;
thence North 29°25'30" East a distance of 258.55 feet to the point of beginning;

ALSO EXCEPT the Northwest Quarter of the Southwest Quarter of the Northeast Quarter of the Northwest Quarter and the West Half of the Northwest Quarter of the Northeast Quarter of the Northwest Quarter, all in Section 35, Township 35 North, Range 3 East of the Willamette Meridian, conveyed to the State of Washington Department of Game by deed recorded June 5, 1944, in Volume 194 of Deeds, page 1, records of Skagit County, Washington;

AND ALSO EXCEPT those tracts as conveyed to Florence A. Berry on December 19, 1991, under Auditor's File No. 9112190022, records of Skagit County, Washington, described as follows:

continued



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EXHIBIT "A"

Page 2

TRACT A:

A tract of land in the Southeast Quarter of the Northwest Quarter of Section 35, Township 35 North, Range 3 East of the Willamette Meridian, described as follows:

Commencing at a point on the North line of said Southeast Quarter of the Northwest Quarter of Section 35 which is North 89°52'24" East (called North 89°52' East in previous descriptions) and 706.14 feet from the Northwest corner of said subdivision;

thence North 89°52'24" East (called North 89°52' East in previous descriptions) along said North line a distance of 186.97 feet;

thence South 05°53'37" East (called South 05°54' East in previous descriptions) a distance of 436.24 feet;

thence South 25°03'07" East (called South 25°03'30" East in previous descriptions) a distance of 221.46 feet;

thence South 89°52'24" West (called South 89°52' West in previous descriptions) parallel with said North line of said subdivision a distance of 446.45 feet;

thence North 00°51'27" West (called North 00°51'50" West in previous descriptions) parallel with the West line of said subdivision a distance of 410.00 feet to the true point of beginning;

thence continuing North 00°51'27" West a distance of 63.49 feet to an existing fence line;

thence North 30°31'33" East a distance of 187.63 feet along said fence line to said North line of said subdivision;

thence North 89°52'24" East a distance of 32.69 feet along said North line to said point that is 706.14 feet from said Northwest corner of said subdivision;

thence South 29°25'53" West (called South 29°25'30" West in previous descriptions) a distance of 258.55 feet to the true point of beginning.

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SB-15037

EXHIBIT "A"

Page 3

TRACT B:

A tract of land in the Southeast Quarter of the Northwest Quarter of Section 35, Township 35 North, Range 3 East of the Willamette Meridian, described as follows:

Commencing at a point on the North line of said Southeast Quarter of the Northwest Quarter of Section 35 which is North 89°52'24" East (called North 89°52' East in previous descriptions) and 706.14 feet from the Northwest corner of said subdivision;

thence North 89°52'24" East (called North 89°52' East in previous descriptions) along said North line a distance of 186.97 feet;

thence South 05°53'37" East (called South 05°54' East in previous descriptions) a distance of 436.24 feet;

thence South 25°03'07" East (called South 25°03'30" East in previous descriptions) a distance of 221.46 feet;

thence South 89°52'24" West (called South 89°52' West in previous descriptions) parallel with said North line of said subdivision a distance of 446.45 feet to the true point of beginning;

thence North 00°51'27" West (called North 00°51'50" West in previous descriptions) parallel with the West line of said subdivision a distance of 410.00 feet;

thence continuing North 00°51'27" West a distance of 63.49 feet to an existing fence line;

thence South 30°31'33" West a distance of 75.19 feet;

thence South 00°51'27" East a distance of 408.80 feet to a point that is South 89°52'24" West from the true point of beginning;

thence North 89°52'24" East a distance of 39.16 feet to the true point of beginning.

Situated in Skagit County, Washington.

- END OF EXHIBIT "A" -



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