After recording, mail to: JERRY HAMMER 4040 Mt. Baker Highway Everson, WA 98247



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DOCUMENT:

DECLARATION OF COVENANTS, CONDITIONS & RESTRICTIONS OF THE

PLAT OF AVALON HEIGHTS

DECLARANT (GRANTOR: JERRY HAMMER & LURLINE HAMMER, husband and wife

LEGAL DESCRIPTION:

PARCEL NO: P36123, P36124, P36136, P105174, P105175

DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS OF THE PLAT OF AVALON HEIGHTS

These Declarations are executed on the day and year written below by JERRY HAMMER and LURLINE HAMMER, husband and wife, hereinafter called the Declarants.

WHEREAS, the Declarants are the owners of certain real property located in Skagit County, Washington, which includes the following described real property as well as adjacent properties, which is more particular described as follows:

See attached Exhibit "A" (called The Subdivision)

WHEREAS, it is the desire of the Declarants to establish and maintain a general plan for the property, and such other lands that may be annexed subsequent to this Declaration, which will result in a residential area where property values, desirability, and attractiveness will be enhanced and protected.

THEREFORE, the Declarants HEREBY CERTIFY AND DECLARE that the following conditions, covenants, and restrictions shall enure to the benefit of and be binding upon the respective owners, lessees, occupiers and guests of the subject property and that these covenants shall run with the land and shall be binding on all parties having or acquiring any right, title or interest in the subject property, which shall include, but not be limited to lots within the subdivision.

1. GENERAL USE RESTRICTIONS AND REQUIREMENTS

- A. All lots within the subdivision shall be used exclusively for permanent residential purposes. There shall be no mobile homes, pre-fabricated or premanufactured homes, or packaged homes.
- B. No business activities of any kind shall be conducted within the subdivision except as follows: in-home work conducted within the residences or those activities of Declarants, or assigns, including but not limited to grading, road building, and related activities.
- C. All water, electrical and sewer lines within the boundaries of each lot shall be maintained in good order and repair by the owner thereof, and any work respecting the repair or maintenance of such lines shall be performed with diligence and without any undue disturbance to the occupants of other lots or tracts in the subdivision except as may be reasonably necessary to accomplish such repair or maintenance work.
- D. No firearms, fireworks, or explosives shall be discharged within the boundaries of the subdivision provided that explosives may be used as needed for lot completion as contemplated in Paragraph B above.
- E. No animals, livestock, or poultry of any kind shall be raised, bred or kept on any lot within the Subdivision. Up to four (4) household pets may be kept, which may be dogs, cats, or other commonly known household pets. These pets, however, shall not be kept, bred or maintained for any commercial purposes. Dogs will not be allowed to run free within the Subdivision, other than on the owner's lot, and at all other times may be kept on a leash.
- F. No signs or billboards will be allowed except for purposes of lot or home sales and one identification sign bearing the owner's name and/or address and/or home name. The design, sign and configuration thereof must first be approved by the Architectural Review Committee. This subparagraph shall not be deemed to preclude the Declarants from displaying and posting signs, billboards, or other advertising materials in or about any unsold lots until all lots of the subdivision have been sold by the Declarants.
- G. No lot owner shall deposit or permit the accumulation of any trash, ashes, garbage, or other refuse or debris on or about the subdivision, but shall deposit same in covered trash receptacles.
- H. No outside incinerators or other equipment for the disposal of rubbish, trash, garbage, or other waste materials shall be used within the subdivision.
- 1. Each lot owner shall keep his lot neat and orderly in appearance and shall not cause or permit any noxious, odorous, or tangible objects which are unsightly in

appearance to exist on the premises. It shall be the responsibility of all lot owners to keep their property cleared of offensive weeds and debris such as thistles, blackberries, beer and pop cans and picnic trash left by teen-age and other parkers. No lot owner shall deposit grease, cooking oils, animals fats, gasoline, motor oil, or any other compound or substance on the surface of any lot which may adversely affect the trees, plants, shrubs, greens, or other natural growth thereon, provided, that the use of weed control chemicals, insect control, or fertilizers shall be permitted. No lot owner shall conduct or permit any offensive activities on his lot, nor shall any activity be conducted or permitted which annoys or disturbs the surrounding lot owners, in the subdivision.

- J. All landscaping shall be of such a nature to assure that views of other lots are not unreasonably blocked or otherwise interfered with and shall be completed within 60 days of occupancy, weather permitting. Drought-resistant plants are encouraged to be used.
- K. Lot owners are encouraged to park all automobiles and all other vehicles in an enclosed garage, except for guests or visitors of the lot owner, so as not to create an unsightly appearance. In any case, such vehicles shall be in good order and working condition. Should a vehicle become disabled, then the lot owner shall have forty-eight (48) hours to remove the vehicle from the subdivision.
- L. Only small satellite dishes shall be permitted to be attached to any structures.
- M. No motor homes or travel trailers shall be parked on the street, provided, however, that a homeowner's guest may park such vehicles upon the owner's lot for no more than two weeks per calendar year. Any exception of this must be approved by the Board of Directors.
- N. Matters related to height restrictions are reserved at this time pending further investigations by the Declarants.
- O. No boundary line fences shall be erected without the prior approval of the Architectural Review Committee
- P. All construction shall be completed and the structure approved for occupancy within a period of twelve (12) months commencing with the delivery of any materials.
- Q. All propane and similar types of tanks shall be screened to avoid visual observation from outside the lot .
- R. The minimum square footage for all structures on each lot shall be 2,500 square feet.
- S. All home owners shall use exterior colors on the structures that will appropriately blend into the surroundings.

II. ARCHITECTURAL CONTROL

For purposes of assuring the attractiveness of the subdivision, certain requirements are to be met with respect to the design, size, materials, colors, etc. with respect to all structures. These requirements will be established by the Architectural Review Committee whose members shall be Jerry Hammer and Lurline Hammer, or such other persons whom the committee shall designate in writing.

No building shall be erected, placed, or altered on any lot until the constructions plans and specifications, and plan showing the location of the structure have been approved by the Architectural Review Committee as to the quality of workmanship and materials, harmony of external design with existing structures, and location with respect to topography and finished grade elevation.

- A. Submittal of Plans. The following must be included:
- 1. Two (2) sets of final plans to scale detailing the structure, alteration or addition to be built. These sets are to include:
 - (a) floor plans;
 - (b) typical detail drawings, to include building height.
- (c) elevation drawings, including characteristics of slope, foundation grade, retaining walls, etc.;
- (d) specifications for exterior, including materials and colors for roofing, siding, trim, windows and doors, materials for chimneys, driveways, sidewalks, retaining walls, decks and propane tank screen; and
- (e) site plan with name, legal description and North arrow, showing location and setbacks from property lines of the homes or structure, driveway, decks and walks, propane tank, if any, and the storm water drainage system.
 - 2. There will be no T-1-11 used except as soffiting.
- B. Approval in writing by the Architectural Review Committee must be obtained before any construction or excavation is begun. This approval shall include:
 - 1. all plans, elevations and specifications for any structures or improvements;
 - 2. the proposed location of any structure or improvements on the lot
 - 3. construction materials:
 - 4. roofs: and
 - 5, exterior color schemes.

The committee is allowed to make reasonable variances and adjustments in order to overcome practical difficulties and prevent unnecessary hardships.

2. The Architectural Review Committee shall approve or disapprove plans, specifications, and details within thirty (30) days of the receipt thereof, or shall notify the person submitting them that an additional period of time, not to exceed 30 days, is required for such approval or disapproval. Plans, specifications, and details not approved or disapproved within the time limits set forth herein shall be deemed approved as submitted. One set of plans, specifications, and details with the approval

or disapproval endorsed thereon shall be returned to the person submitting them, and another copy shall be retained by the Architectural Review Committee for its permanent files

- 3. The Architectural Review Committee shall have the right to disapprove any plans, specifications, or details submitted to it in the event the same are not in accordance with all of the provisions of this Declaration; if the design or color scheme of the proposed building or other structure is not in harmony with the general surroundings of such lots or with the adjacent buildings or structures; if the plans and specifications submitted are incomplete; or in the event the Architectural Review Committee deems the plans. specifications, or details or any part thereof to be contrary to the interests, welfare, or rights of all or any party of the real property subject hereto or to the owners thereof. The decision of the Architectural Review Committee shall be final.
- 4. Any approval by the Architectural Review Committee may be conditioned upon compliance by the applicant with any reasonable conditions which the Architectural Review Committee may deem appropriate, including but not limited to the posting of bonds or other acceptable security to assure performance by the applicant in accordance with the plans and specifications approved.
- The Architectural Review Committee shall allow trees to be cut for view purposes with consultation with the adjacent lot owners. Trees requested to be removed after the site plan has been approved shall be subject to approval of the Architectural Review Committee. No land owner shall allow trees on his lot to grow up so as to interfere with the view of his neighbor; the Architectural Review Committee shall have the authority to determine whether or not a tree interferes with the view of a neiahbor.
- 6. Neither the Architectural Review Committee, nor any person who succeeds it, shall be liable to any party for any action or for any failure to act under or pursuant to the provisions of this Declaration, provided only that the Architectural Review Committee or its successor shall have proceeded hereunder in good faith and without malice.
- 7. In the event the person occupying the role of architectural reviewer shall cease to perform his duties because of resignation, death, or disability, then the Declarants or their successor in interest shall have the power to designate a replacement. Provided, however, should the Declarants or their successor refuse or neglect to make such appointment, then the owners of a majority of the lots contained within the short plat and any subsequent subdivision restricted by similar architectural control shall make such appointment. The architectural reviewer may resign by sending a written notice of resignation to the owners of the lots in the subdivision by regular mail at their last known address, giving at least thirty (30) days notice, and by filing said notice of resignation in the office of the Skagit County Auditor. Said resignation is effective upon the filing of the notice in the Auditor's office.

III. CONSTRUCTION

Contractor's Rules and Regulations:

It is very important that every contractor and owner/builder be aware of and understand the following rules and regulations to assure that any construction activity will not impinge on or create a hardship for other residents or visitors to the Avaloge

These rules shall govern the construction of all structures covered by Heights area. these covenants.

The property owner shall provide the contractor with a copy of these Contractor's Rules and Regulations and contractor, in turn, shall provide all subcontractors with a copy.

Contractor's violation of these rules will be brought to the attention of the lot owner.

- 1. Working hours are restricted to from 7:00 a.m. to 7:00 p.m., Monday through There shall be no work on Sundays without written approval from the Architectural Control Committee.
- Contractors must check with Jerry Hammer, his designee or a locator for location of utility hookups before any excavation is begun.
 - 3. The contractor shall provide on the building lot the following:
- (a) one temporary toilet facility, comparable to a "Johnny-on-the-Spot", placed at a location to be least offensive to people in adjoining houses. Said facility is to remain in place until such time as the house toilet is operable.
- (b) an adequate container for the placement of trash. The general contractor will be responsible for seeing that his/her workers, as well as those of his/her subcontractors, make use of this container.
- 4. Construction of all buildings shall be prosecuted diligently from commencement of work until the exterior of said building is completed and painted, and all sanitation and health requirements have been fulfilled. The maximum time limit for the completion of the building shall be twelve (12) months from the date construction commences, which is defined as the date building materials are delivered to the property. Construction shall not be deemed completed until lawn and shrubs have been properly seeded. Extensions in construction time may be granted at the discretion of the Architectural Review Committee.
- No buildings shall be erected, maintained, or moved onto any lot prior to the erection of the dwelling house except such building as may be necessary for the shelter and housing of tools and building equipment during the period of actual construction of said dwelling house..
- The contractor shall be responsible for removing all debris from site coinciding with construction. Littering on the job site and adjacent property and roads with builder's trash, empty bottles and cans, paper wrappers, plastic, etc. is prohibited.
 - 7. All fires to burn trash on the job site must be supervised by the contractor at all-

times until completely extinguished.

- 8. Contractor and/or lot owner must consult with the Architectural Review Committee before determining location or route of, and the building of storm drainage resulting from roof, parking, driveway areas and/or any other drainage problems that may arise.
- 9. Maximum speed of twenty-five (25) miles per hour and all traffic signs must be observed by the contractor and subcontractors and their employees, drivers of delivery trucks and visitors, to preserve their privilege of access to the Avalon area.
- 10. There shall be no parking at any time on the pavement of any roads by contractor, any of his employees or his subcontractors and their employees.
- 11. Any time when loads may be determined by the Avalon Heights Association to be damaging roads (i.e. freezing/thawing conditions or other reasons as determined) trucks may not be admitted.
- 12. Approval in writing by the Architectural Review Committee must be obtained before any construction or excavating is begun.
- 13. Property owner must provide contractor with a copy of these Contractors Rules and Regulations, and contractor, in turn, must provide all subcontractors with a copy.

IV. FORMATION OF U.L.I.D.

No Grantee shall object to or protest against formation of a Utility Improvement District or such other assessment district as may be proposed for the purposes of providing domestic water supply to the Plat or for providing street/road or sewer improvements to the Plat, notwithstanding any general law which may authorize such objection of protest.

In the event governmental authority should require the installation of sanitary sewers and appurtenances in part or in all of the subdivision, the purchasers or owners of the lot or lots in the subdivision shall pay his or their proportionate share of the cost and expense of installation of the sewer system. This proportionate share shall be determined in the reasonable and customary fashion as required by the appropriate governmental authority. All buildings must be connected to the sewer system, if any, as soon as constructed and thereafter, further use of septic tanks or other sanitary disposal systems shall be prohibited. Owners of lots shall pay a reasonable minimum and monthly charge for the use of the sewage system. Governmental authority shall calculate how the assessment will be paid.

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V. AVALON HEIGHTS HOMEOWNERS ASSOCIATION

The Declarants shall have the right to grant and convey all their rights to enforce these covenants to the Avalon Heights Homeowners Association. This may be done at any time deemed appropriate in the sole judgment of the Declarants. At that time, the Avalon Heights Homeowners Association shall undertake the obligations of enforcing these covenants, conditions, reservations and restrictions. Upon such conveyance and grant, said Avalon Heights Homeowners Association shall have and shall succeed to all rights and duties with the same powers as if the Avalon Heights Homeowners Association had been named as Declarant herein.

A. <u>Road/Drainage System Maintenance</u>. The Declarants or their successor in interest, including the Avalon Heights Homeowners Association shall have the right and duty to assess Grantees of lots subject to this Declaration for the reasonable and necessary costs of maintenance of the roadways serving and providing access to said property and for the maintenance of the drainage system serving said property. The roadways referred to herein are described in particular in the attached Exhibit "B". In connection with this paragraph, Declarants are members of the Avalon Heights Homeowners Association, an association formed for the purpose of maintenance and improvements of the roads servicing this property. As such the owner and any grantee of all lots within the Plat of Avalon Heights Estates shall be subject to the provisions contained in the Avalon Heights Easements, Covenants, and Restrictions recorded under Skagit County Auditor's File No 200708 20075 or any amendments thereto.

VI. AVALON HEIGHTS WATER ASSOCIATION

Declarants or their successors in interest are authorized to enter into any and all contractual relationships with third parties who have expertise and knowledge concerning the operation and activities of providing water and sewer service to each lot. The Declarants shall have the sole discretion to enter into such contracts as will be necessary to manage and operate such a water system. All parties acquiring property within the Avalon Heights Subdivision agree to be bound by the contract, rules and regulations of this third party contractor.

Each lot shall include a water meter and will be limited to a daily average water usage of 450 gallons. All residences shall utilize low flow water devices. Any lot exceeding 450 gallons of usage per day will be assessed a fee as set by the Declarants or their successor.

The water system shall be managed by a Satellite Management Company.

VII. TRANSFER OF RIGHTS

When deemed appropriate, at the sole discretion of the Declarants, all rights and

obligations respecting the Avalon Heights Homeowners Association and the Avalon Heights Water Association shall be transferred to separate entities duly incorporated under the laws of the State of Washington. At that time, Declarants shall adopt bylaws, rules and regulations as in their discretion deem appropriate. The Declarants may elect to transfer the control of the water and sewer systems to the Homeowners Association. The bylaws, rules and regulations shall structure the respective associations in such a manner to assure equal participation by all lot owners in an equitable and fair fashion.

VIII. OPEN SPACE

It is anticipated that development shall include numerous acres of open space which will be for the benefit of all lot owners. The Declarants, or their successors in interest, may enact such rules and regulations with regard to the use and maintenance of such open space as they deem reasonable, necessary and fair, in their sole discretion.

IX. EASEMENT FOR UTILITIES

Declarants hereby reserve an easement upon each lot, on, over, and underneath a strip of land ten (10) feet in width, lying adjacent and parallel to each lot line (i.e. front, rear and side) for the installation, construction, maintenance, and repair of water, electricity or other utility lines and accompanying apparatuses or devises which may be reasonably necessary to provide such services for any lot in the subdivision. Further, incorporated into these covenants and declarations by reference is the plat map indicating certain easement areas for the installation, maintenance and repair of such utilities.

X. DUES AND ASSESSMENTS

The Declarants or their successors in interest, including the third party contractor operating the water and sewer services, and the Avalon Heights Homeowners Association, shall be empowered to establish and collect dues and assessments upon its members for the common benefit of such members including but not limited to the protection of property, landscaping maintenance and improvement of community parks, payment of taxes and the operation and control of the water and sewer service and road improvements and maintenance. The method and formula for determining such dues and assessments shall be set forth in the bylaws, rules and regulations as adopted by the Declarants. All delinquent dues and assessments shall become a lien on the subject real property and may be foreclosed under the laws of the State of Washington. Each person and/or lot obligated to pay dues or assessments herein agrees and recognizes that expenses of title examination, cost of attorneys fees, court costs and interest shall be included with the amount of any delinquent dues and assessments in the judgment of foreclosure of such lien.

XI. PROTECTION OF MORTGAGE OR DEED OF TRUST HOLDER

No violation or breach of any restrictions, covenant, or condition contained in this Declaration or any supplemental declaration, and no action to enforce the same shall defeat, render invalid, or impair the lien of any mortgage or deed of trust taken in good

faith and for value or the title or interest of the holder thereof or the title acquired by any purchaser upon foreclosure of any such mortgage or deed of trust. Any such purchaser shall, however, take subject to this Declaration, and any supplemental declaration.

XII. ENFORCEMENT

If any lot owner in the subdivision, or their heirs and assigns, or any person or persons, firm or corporation deriving title from or through them, shall violate or attempt to violate any of the covenants, conditions, and restrictions herein, it shall be lawful for any person or persons, firm or corporation owning any interest in the real property situated within the bound of the subdivision to prosecute and proceed at law or in equity against such person or persons, firm or corporation, violating or attempting to violate such covenants and restrictions, or any of them and either to prevent them or him from so doing or to recover damages for such violation, notwithstanding the fact that such errant lot owner may no longer hold title to a lot in the subdivision. The enforcement powers provided in these covenants shall extend to the Avalon Heights Homeowners Association, the Declarants, or the third party contractor operating the water and sewer system, which may enforce those covenants to the extent and degree as any property owner. With respect to the water distribution system, the enforcement powers provided in these covenants further extend to the Mt. Vernon-Skagit County Health Department, and to the County of Skagit and to any agency which may succeed either of them in governing domestic water supply, land subdivision and building development; either of which may enforce these covenants to the same extent and degree as any property owner.

The covenants, restrictions, and conditions contained in this Declaration or any supplemental declaration shall be enforceable by proceeding for prohibitive or mandatory injunction. Damages shall not be deemed an adequate remedy for breach or violation, but, in an appropriate case, punitive damages may be awarded. In any action to enforce any such covenant, restriction, or condition, the prevailing party or parties in this action shall be awarded costs, including reasonable attorney's fees.

XIII. GRANTEE'S ACCEPTANCE

The Grantee of any lot subject to the coverage of these Declarations by acceptance of a deed conveying title thereto, or the execution of a contract or the purchase thereof, whether from Declarants or a subsequent owner of such lot, shall accept such deed or contract upon and subject to each and all of these Declarations and the agreements herein contained, and also the jurisdiction, rights, and powers of Declarants, and by such acceptance shall for himself, his heirs, personal representative, successors and assigns, covenant, consent, and agree to and with Declarants, and to and with the Grantees and subsequent owners of each of the lots within the subdivision, and any tracts annexed thereto, to keep, observe, comply with, and perform said Declaration and agreements.

Each such Grantee also agrees, by such acceptance, to assume, as against Declarants, their successors or assigns, all the risks and hazards of ownership and occupancy attendant to such lot, including but not limited to its proximity to any parks, including children's recreational facilities, and public paths, streams or other water

courses.

XIV. ANNEXATION OF SUBSEQUENT PARCELS

Declarants, or their successors in interest, may from time to time and in their sole discretion, annex to the real property subject to this Declaration, all or any part of the real property presently or hereafter owned by Declarants which is adjoining, contiguous, or adjacent thereto. Such annexation shall be effective upon the recordation of a Declaration designating the property subject thereto and indicating the intention that said property shall be impressed by these covenants, conditions, and restrictions. In the event of annexation, these covenants, conditions, and restrictions shall thereupon become binding upon the annexed property to the same extent and duration as the property subject to this Declaration. The rights and obligations conferred upon the lot owners, the Avalon Heights, Homeowners Association, the Avalon Heights Water Association, the Declarants, or any governmental entity shall extend to the annexed parcels to the same extent as if the annexed parcel was subject to this Declaration at the outset. Streets and utilities with Avalon Heights will be servicing such annexed properties.

XV. AMENDMENTS TO DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS

These covenants, conditions and restrictions may be amended by the Declarants prior to transferring their rights under these Declarations to the Avalon Height Homeowners Association. Thereafter, these covenants, conditions and restrictions may be modified or amended when approved by the then current owners of seventy-five percent (75%) of the lots which are subject to these covenants. Each lot shall have one vote per lot, no matter how many owners.

XVI. TERM OF COVENANTS

The covenants, conditions and restrictions in these Declarations shall run with the land for a period of twenty (20) years from the date this Declaration is recorded with the Auditor of Skagit County, provided, however, that after twenty (20) years, these covenants, restrictions and conditions shall be automatically extended for successive periods of ten (10) years each unless an instrument amending, altering or terminating these covenants, conditions and restrictions in whole or in part is signed by the owners of not less than sixty percent (60%) of the lots and tracts within the subdivision, and which is filed with the Skagit County Auditor. In this paragraph, the word "Owner" shall mean any person, firm or corporation holding either fee title of a vendee's interest under a real estate contract as shown by the records of Skagit County, Washington, to the exclusion of any lesser interest.

XVII. MISCELLANEOUS PROVISIONS

A. <u>Severability.</u> Invalidation of any of these covenants, conditions, and restrictions by judgment or court order shall in no way affect any of the other provisions which shall remain in full force and effect.

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- Paragraph Headings. The paragraph headings in this instrument are for convenience only and shall not be considered in constructing the restrictions, covenants, and easements contained herein.
- C. No Waiver. Failure to enforce any restrictions, covenants, or conditions in this Declaration of any supplemental declaration shall not operate as a waiver of any such restriction, covenant, or condition of any other restriction, covenant, or condition.
 - D. Effective Date. These declarations shall take effect upon recording.

IN WITNESS WHEREOF, the undersigneds have executed the within Declaration as of this 22 day of Aurust , 200*6*7

DECLARANTS:

STATE OF WASHINGTON) SS. COUNTY OF WHATCOM)

On this day personally appeared before me JERRY HAMMER and LURLINE HAMMER, husband and wife, to me known to be the individuals described in and who executed the within and foregoing instrument, and acknowledged that they signed the same as their free and voluntary act and deed, for the uses and purposes mentioned in the instrument.

Huaust 22,2007 DATED:

Washington.

My commission expires: Nov. 13, 200

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EXHIBIT "A" LEGAL DESCRIPTION

PARCEL "A":

The Southeast ¼ of the Northwest ¼; the Northeast ¼ of the Southwest ¼ Section 10, Township 35 North, Range 4 East W.M., EXCEPT that portion described as follows:

Beginning at the Southwest corner of the Northeast 1/4 of the Southwest 1/4 of said Section 10;

thence North 03°39'47" East along the West line thereof, a distance of 547.43 feet to the point of beginning of this description;

thence North 79°42'58" East, a distance of 150.05 feet;

thence North 03°39'47" East, a distance of 180.00 feet;

thence North 31°33'22" East, a distance of 244.54 feet;

thence North 03°39'47" East, a distance of 329.95 feet to the North line of the Northeast ¼ of the Southwest ¼ of said subdivision;

thence North 62°43'42" West, a distance of 300.98 feet to the West line of the Southeast ¼ of the Northwest ¼ of said Section 10;

thence South 02°53'33" East along said West line, a distance of 138.00 feet to the Northwest corner of the Northeast 1/4 of the Southwest 1/4;

thence South 03°39'47" West along the West line thereof, a distance of 745.68 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the West ½ of the Southwest ¼ of Section 10, Township 35 North, Range 4 East, W.M. described as follows:

Beginning at the Southeast comer of the Northwest 1/4 of the Southwest 1/4 of said Section 10;

thence North 03°39'47" East along the East line of said subdivision, a distance of 547.43 feet;

thence South 79°42'58" West, a distance of 309.11 feet;

thence South 03°39'47" West, a distance of 436.34 feet to the North line of the county road right-of-way (formerly the Fairhaven and Southern Railway right-of-way);

thence South 50°44'55" East along said right-of-way line, a distance of 368.90 feet to the East line of the West ½ of the Southwest ¼ of said Section 10;

thence North 03°39'47" East along said subdivision line, a distance of 178.10 feet to the point of beginning.

Situate of the County of Skagit, State of Washington.

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