



200908100156
Skagit County Auditor

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LAND TITLE COMPANY
133128-S

Document Title: Subordination Agreement

Reference Number : 200907310107, 200908100155

Grantor(s): additional grantor names on page ___

1. Clear Valley Environmental Farm L L C - Owens Mortgage Investment Fund
2. Clear Valley Environmental Farm II, Inc

Grantee(s): additional grantee names on page ___

1. Swan Road (Sherron Associates) L L C

Abbreviated legal description: full legal on page(s) ___

Ptn Sec 10, 11 14 & 15 in 34-4 W.M. See pg 22 for full legal description

Assessor Parcel / Tax ID Number: additional tax parcel number(s) on page ___

I, Donna Tenborg _____, am hereby requesting an emergency non-standard recording for an additional fee provided in RCW 36.18.010. I understand that the recording processing requirements may cover up or otherwise obscure some part of the text of the original document. Recording fee is \$62.00 for the first page, \$1.00 per page thereafter per document. In addition to the standard fee, an emergency recording fee of \$50.00 is assessed. This statement is to become part of the recorded document.

Signed Donna Tenborg Dated 8-10-09

RETURN ADDRESS:

Paul Meier, Esq.
Ryan, Swanson & Cleveland, PLLC
1201 Third Avenue, Suite 3400
Seattle, WA 98101-3034

LAND TITLE OF SKAGIT COUNTY

133128-S REF NOS. 200907310107, 200908100155

SUBORDINATION AGREEMENT

REFERENCE NO(S). OF RELATED
DOCUMENT(S):

GRANTOR(S):

SWAN ROAD (SHERRON ASSOCIATES) LLC

GRANTEE(S):

OWENS MORTGAGE INVESTMENT FUND, OWENS
FINANCIAL GROUP, INC.

ADDITIONAL ON PAGE 1:

CLEAR VALLEY ENVIRONMENTAL FARM, LLC, CLEAR
VALLEY ENVIRONMENTAL FARM II, INC.

THIS SUBORDINATION AGREEMENT (this "Agreement"), dated as of August 7, 2009, is among CLEAR VALLEY ENVIRONMENTAL FARM, LLC, a Washington limited liability company, and CLEAR VALLEY ENVIRONMENTAL FARM II, INC., a Washington corporation (individually and collectively, "Borrower"), SWAN ROAD (SHERRON ASSOCIATES) LLC, a Washington limited liability company ("Subordinate Lender"), and OWENS MORTGAGE INVESTMENT FUND, a California limited partnership ("OMIF"), and OWENS FINANCIAL GROUP, INC., a California corporation ("OFG"), collectively hereinafter referred to as "Senior Lender".

RECITALS

A. OMIF has made a loan to Borrower in the original principal amount of Three Million Five Hundred Thousand Dollars (USD \$3,500,000.00) (the "Initial Loan") and OFG has made a subsequent exit fee loan to Borrower in the original principal amount of Twenty-Four Thousand Thirteen Dollars (USD \$24,013.00) (the "Subsequent Loan"). The Initial Loan and the Subsequent Loan are collectively referred to herein as the "Senior Loan." The Initial Loan is secured by, among other things, that certain Deed

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of Trust and Assignment of Rents recorded under Skagit County Auditor's No. 200604270155 (the "Initial Deed of Trust") against the property described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"). The Subsequent Loan shall be secured by, among other things, that certain Deed of Trust and Assignment of Rents dated ~~JUNE 5, 2009~~ 20090731/0107 recorded under Skagit County Auditor's No. 20090731/0107 against the Property. The Initial Deed of Trust and the Subsequent Deed of Trust shall hereinafter collectively be referred to as the "Senior Deed of Trust". The Senior Deed of Trust and other documents evidencing, securing, or otherwise relating to the Senior Loan are collectively referred to as the "Senior Loan Documents."

B. Subordinate Lender has agreed to make a loan to Borrower in the principal amount of up to One Million Five Hundred Thousand Dollars (USD \$1,500,000.00) (the "Subordinate Loan"). The Subordinate Loan is secured by that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing recorded under Skagit County Auditor's No. 20090810 0155 (the "Subordinate Deed of Trust") against the Property. The Subordinate Deed of Trust and other documents evidencing, securing, or otherwise relating to the Subordinate Loan are collectively referred to as the "Subordinate Loan Documents."

C. The parties are entering into this Agreement to confirm certain rights and priorities of the Senior Lender and Subordinate Lender with respect to the Initial Loan, the Subsequent Loan, and Subordinate Loan, respectively.

AGREEMENT

1. Consent and Subordination. Notwithstanding any restrictions to the contrary set forth in the Senior Deed of Trust or other Senior Loan Documents, Senior Lender hereby consents to the Subordinate Loan and the liens of the Subordinate Deed of Trust and other Subordinate Loan Documents. Subordinate Lender acknowledges and agrees that the lien of the Subordinate Deed of Trust, and any other liens in personal property securing the Subordinate Loan and evidenced by the Subordinate Loan Documents, shall be subordinate to the lien of the Senior Deed of Trust, and any other liens in personal property securing the Senior Loan and evidenced by the Senior Loan Documents.

2. Modification of Senior Loan. Notwithstanding anything to the contrary in Section 1 above, the following modifications to Senior Lender's Senior Loan and/or Senior Loan Documents shall require the prior written consent of Subordinate Lender as a condition of Subordinate Lender's subordination to such modifications:



(a). Shortening the maturity date of Senior Lender's Senior Loan to on or before April 28, 2011 (other than an election to accelerate upon an Event of Default (as defined below)); or

(b). Increasing the amount of OMIF's Initial Loan above the current principal balance due of Two Million Four Hundred Six Thousand Two Hundred Sixty-Three and 18/100 Dollars (USD \$2,406,263.18) or OFG's Subsequent Loan above the current principal balance due of Twenty Four Thousand, Thirteen and 00/100 Dollars (USD \$24,013.00) (other than additional advances made by Senior Lender to protect its security after an Event of Default); or

(c). Increasing the interest rate charged under Senior Lender's Senior Loan during the remaining term (subject to Section 2(a) above) of the Senior Loan to above eleven percent (11%) per annum (other than an increase to a default rate and imposition of late charges after an Event of Default).

3. Notices of Default. In the event that Subordinate Lender or Senior Lender issues any written notice of default under its loan to Borrower, it shall use commercially reasonable efforts to provide a copy of such notice to the other lender.

4. Priority of Payments. Upon an event of default by Borrower under the Senior Loan Documents (an "Event of Default"), all amounts due under Senior Lender's Senior Loan Documents shall first be paid in full before any payment is made upon or in respect of the obligations under the Subordinate Loan Documents. Notwithstanding the foregoing, Subordinate Lender shall be entitled to retain and apply to the Subordinate Loan and any all amounts received from Borrower or otherwise paid against or collected for the Subordinate Loan (excluding any amounts received fraudulently or illegally by Subordinate Lender) unless and until Subordinate Lender has received written notice of an Event of Default from Senior Lender.

5. Representations and Warranties. Senior Lender represents and warrants to Subordinate Lender that, as of the date hereof, the outstanding balance of the Initial Loan and the Subsequent Loan are the respective amounts set forth in Section 2(b) above (and there is no accrued but unpaid interest under the Senior Loan), Borrower is current on all payments of the Initial Loan and Subsequent Loan (including, without limitation, no past-due principal, interest, fees, or costs), and to the best of Senior Lender's knowledge no Event of Default exists as of the date hereof.



6. Miscellaneous.

(a). This Agreement constitutes the entire agreement between the parties, and shall supersede and cancel any prior agreements regarding the subject matter herein.

(b). If any provision of this Agreement is invalid, illegal, or unenforceable, such provision shall be considered severed from the rest of this Agreement and the remaining provisions shall continue in full force and effect as if the invalid provision had not been included.

(c). This Agreement inures to the benefit of and is binding upon the parties hereto and their respective heirs, successors, and assigns.

(d). This Agreement is construed by and governed in accordance with the laws of the state in which the Property is located.

(e). This Agreement may be signed in multiple counterparts with the same effect as if all signatories had executed the same instrument.

[SIGNATURE PAGE(S) FOLLOW]



IN WITNESS WHEREOF, the parties have executed this Subordination Agreement as of the date first written above.

**SUBORDINATE
LENDER:**

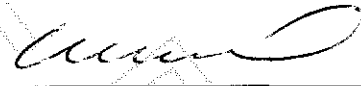
SWAN ROAD (SHERRON ASSOCIATES) LLC,
a Washington limited liability company

By _____
Name: _____
Title: _____

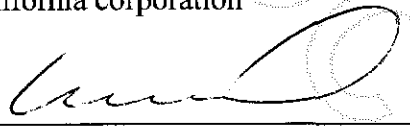
**SENIOR
LENDER:**

OWENS MORTGAGE INVESTMENT FUND,
a California limited partnership

BY: OWENS FINANCIAL GROUP, INC.,
a California corporation
ITS: General Partner

By 
Name: William E. Dutra
Title: Senior Vice President

OWENS FINANCIAL GROUP, INC.,
a California corporation


By 
Name: William E. Dutra
Title: Senior Vice President



IN WITNESS WHEREOF, the parties have executed this Subordination Agreement as of the date first written above.

**SUBORDINATE
LENDER:**

SWAN ROAD (SHERRON ASSOCIATES) LLC,
a Washington limited liability company

By 
Name: JAN EIVIN HANSEN
Title: VP - FINANCE OF SHERRON
ASSOCIATES, LLC, MANAGER

**SENIOR
LENDER:**

OWENS MORTGAGE INVESTMENT FUND,
a California limited partnership

By _____
Name: _____
Title: _____

OWENS FINANCIAL GROUP, INC.,
a California corporation

By _____
Name: _____
Title: _____

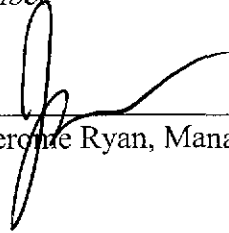


Acknowledged and accepted by:

BORROWER:

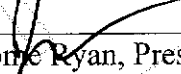
CLEAR VALLEY ENVIRONMENTAL FARM, LLC,
a Washington limited liability company

By: Sustainable Environments, LLC, its Managing
Member

By 
Jerome Ryan, Managing Member

By _____
Kevin F. Noon, Managing Member

CLEAR VALLEY ENVIRONMENTAL FARM II, INC.,
a Washington corporation

By 
Jerome Ryan, President



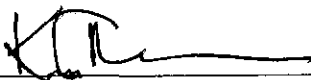
Acknowledged and accepted by:

BORROWER:

CLEAR VALLEY ENVIRONMENTAL FARM, LLC,
a Washington limited liability company

By: Sustainable Environments, LLC, its Managing
Member

By _____
Jerome Ryan, Managing Member

By  _____
Kevin F. Noon, Managing Member

CLEAR VALLEY ENVIRONMENTAL FARM II, INC.,
a Washington corporation

By _____
Jerome Ryan, President



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STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Jan Eivin Hansen the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Manager of SWAN ROAD (SHERRON ASSOCIATES) LLC, to be the free and voluntary act of said limited liability company, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed this 6th day of August, 2009.

ADRIENNE M. HURN
STATE OF WASHINGTON
NOTARY — • — PUBLIC
MY COMMISSION EXPIRES 12-16-09

Adrienne M. Hurn
(Signature of Notary)

ADRIENNE M. HURN
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington

My Appointment Expires: 12/16/09



ALL-PURPOSE ACKNOWLEDGMENT

STATE OF CALIFORNIA

COUNTY OF Contra Costa

On July 16th 2009, before me, Kim Larson,
a Notary Public, personally appeared William E. Dutra,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~
subscribed to the within instrument and acknowledged to me that he/~~she~~/~~they~~ executed the same
in his/~~her~~/~~their~~ authorized capacity(~~ies~~), and that by his/~~her~~/~~their~~ signature(~~s~~) on the instrument
the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

Witness my hand and official seal.

Kim Larson
SIGNATURE OF NOTARY



State of California)
County of Sonoma)

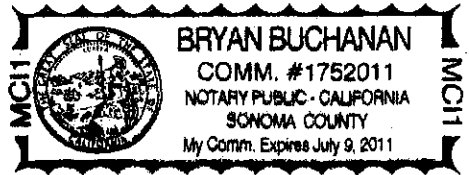
On **July 27, 2009** before me, Bryan Buchanan, Notary Public, personally appeared Jerome Ryan, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature *Bryan Buchanan* (Seal)

Document Acknowledged: Subordination Agreement



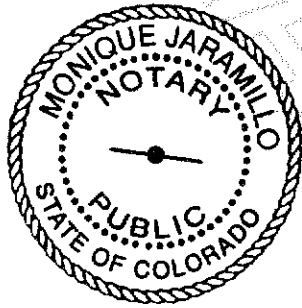
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STATE OF Colorado)
) ss.
COUNTY OF Denver)

I certify that I know or have satisfactory evidence that JEROME RYAN and KEVIN F. NOON are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they were authorized to execute the instrument and acknowledged it as the Managing Members of SUSTAINABLE ENVIRONMENTS, LLC, the Managing Member of CLEAR VALLEY ENVIRONMENTAL FARM, LLC, to be the free and voluntary act of said limited liability company, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed this 25th day of July, 2009.




(Signature of Notary)

Monique Jaramillo
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Colorado

My Appointment Expires 04/04/2012



EXHIBIT A
Legal Description

UNOFFICIAL DOCUMENT

576349.05



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Skagit County Auditor

Schedule "A-1":

DESCRIPTION:

PARCEL "A"

The Northeast ¼ of the Southwest ¼ of Section 10, Township 34 North, Range 4 East, W.M.

TOGETHER WITH that portion of the Southeast ¼ of the Southwest ¼ of Section 10, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Northwest corner of said Southeast ¼ of the Southwest ¼;
thence South 0°12'29" West, along the West line thereof, a distance of 660.87 feet, more or less, to the Northwest corner of that certain parcel as conveyed by Deed recorded April 10, 2006, under Auditor's File No. 200604100126;
thence South 89°11'17" East along the North line thereof, 363.49 feet to the Northeast corner thereof;
thence North 62°42'54" East 117.72 feet;
thence South 63°15'58" East 111.40 feet;
thence South 15°42'36" East 159.39 feet;
thence **South** 32°41'51" East 129.01 feet;
thence South 52°05'24" East 149.71 feet;
thence South 88°04'38" East 128.61 feet;
thence North 79°36'46" East 295.79 feet;
thence South 66°03'52" East 138.90 feet, more or less, to the East line of said Southeast ¼ of the Southwest ¼;
thence North 0°00'33" West, along said East line, 1,001.03 feet to the Northeast corner thereof;
thence North 89°02'28" West, along the North line of said Southeast ¼ of the Southwest ¼, 1,342.60 feet to the point of beginning.

Also shown as Parcel 1 on Survey recorded under Auditor's File No. 200706190095, records of Skagit County, Washington.

TOGETHER WITH a 60 foot wide non-exclusive easement for ingress, egress and utilities over, under and across the exact location to be determined at a future time and under mutual consent as to location on the following described parcel:

That portion of the Southeast ¼ of the Southwest ¼ and the Southwest ¼ of the Southeast ¼ of Section 10, together with that portion of the Northeast ¼ of the Northwest ¼ and the Northwest ¼ of the Northeast ¼ of Section 15, all in Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Northwest corner of the Southeast ¼ of the Southwest ¼ of said Section 10;
thence South 0°12'29" West, along the West line thereof, a distance of 660.87 feet, more or less, to the Northwest corner of that certain parcel as conveyed by Deed recorded April 10, 2006, under Auditor's File No. 200604100126;
thence South 89°11'17" East, along the North line thereof, 363.49 feet to the Northeast corner thereof;
thence North 62°42'54" East 117.72 feet;
thence South 63°15'58" East 111.40 feet;
thence South 15°42'36" East 159.39 feet;
thence South 32°41'51" East 129.01 feet;



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Skagit County Auditor

DESCRIPTION CONTINUED:

PARCEL "A" Continued:

thence South 52°05'24" East 149.71 feet;
thence South 88°04'38" East 128.61 feet;
thence North 79°36'46" East 295.79 feet;
thence South 66°03'52" East 138.90 feet;
thence South 66°03'52" East 103.00 feet to the true point of beginning;
thence North 66°03'52" West 103.00 feet;
thence North 66°03'52" West 138.90 feet;
thence South 79°36'46" West 295.79 feet;
thence North 88°04'38" West 128.61 feet;
thence North 52°05'24" West 149.71 feet;
thence North 32°41'51" West 129.01 feet;
thence North 15°42'36" West 159.39 feet;
thence North 63°15'58" West 111.40 feet;
thence South 62°42'54" West 117.72 feet to the aforementioned Northeast corner of parcel described under Auditor's File No. 200604100126;
thence South 0°38'29" West, along the East line of said parcel and said parcel extended, a distance of 769.92 feet to the Southeast corner of Tract "A" of Skagit County Short Plat No. 60-77, approved August 30, 1977 and recorded August 30, 1977, under Auditor's File No. 863767, in Volume 2 of Short Plats, page 112, records of Skagit County, Washington;
thence North 89°20'05" West, along the South line thereof, 330.03 feet to the Southwest corner thereof, said point being on the East margin of McLaughlin Extension Road;
thence South 1°26'36" West, along said margin, 1,202.86 feet to an intersection with the North margin of McLaughlin Road;
thence South 89°00'37" East, along said North margin, 967.04 feet to a point which lies South 16°45'44" West from the true point of beginning;
thence North 16°45'44" East 1,656.33 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

The West ½ of the Southeast ¼ of Section 10, Township 34 North, Range 4 East, W.M.

EXCEPT that portion described as follows:

Beginning at the Northwest corner of the Southeast ¼ of the Southwest ¼ of said Section 10:
thence South 0°12'29" West, along the West line thereof, a distance of 660.87 feet, more or less, to the Northwest corner of that certain Parcel as conveyed by deed recorded April 10, 2006, under Auditor's File No. 200604100126;
thence South 89°11'17" East, along the North line thereof, 363.49 feet to the Northeast corner thereof;
thence North 62°42'54" East 117.72 feet;
thence South 63°15'58" East 111.40 feet;



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Skagit County Auditor

PARCEL "B" Continued:

thence South 15°42'36" East 159.39 feet;
thence **South** 32°41' 51" East 129.01 feet;
thence South 52°05'24" East 149.71 feet;
thence South 88°04'38" East 128.61 feet;
thence North 79°36'46" East 295.79 feet;
thence South 66°03'52" East 138.90 feet, more or less, to the West line of said West ½ of the Southeast ¼ of said Section 10 and the true point of beginning;
thence South 66°03'52" East 103.00 feet;
thence South 78°26'16" East 220.72 feet;
thence South 57°43'31" East 112.69 feet;
thence South 76°50'23" East 84.64 feet;
thence South 76°59'11" East 180.46 feet;
thence South 54°48'59" East 93.58 feet;
thence South 25°47'39" East 91.15 feet to the South line of said West ½ of the Southeast ¼ ;
thence North 87°55'43" West, along said South line 780.52 feet to the Southwest corner thereof;
thence North 0°00'33" West, along the West line thereof, 313.89 feet, more or less, to the true point of beginning.

Also known as Parcel 2 on Survey under Auditor's File No. 200706190095, records of Skagit County, Washington.

TOGETHER WITH a 60.00 foot non-exclusive easement for ingress, egress and utilities being 30.00 feet on both sides of the following described centerline, being in a portion of Section 10 and Section 15, Township 34 North, Range 4 East, W.M.

Beginning at the Southwest corner of Tract "A" of Skagit County Short Plat No. 60-77, approved August 30, 1977, and recorded August 30, 1977, under Auditor's File No. 863767, in Volume 2 of Short Plats, page 112, records of Skagit County, Washington;

thence South 1°26'36" West, along the East margin of McLaughlin Road Extension, as shown on said Short Plat, 43.62 feet to the true point of beginning of this centerline description;
thence the following courses along said centerline, South 86°12'32" East 174.78 feet;
thence North 85°42'17" East 172.87 feet;
thence North 58°22'51" East 393.11 feet;
thence South 88°43'21" East 1387.99 feet, more or less, to a point of intersection with the Southeasterly line of the above described Parcel and the terminus of said centerline description.

The sidelines of said Easement shall be extended or trimmed so as to form a continuous line across the Grantor's Ownership.

Situate in the County of Skagit, State of Washington.



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DESCRIPTION CONTINUED:

PARCEL "C":

That portion of the abandoned Puget Sound and Cascade Railway right-of-way in the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 11, Township 34 North, Range 4 East, W.M., more particularly described as follows:

A strip of land 50 feet wide, being 25 feet each side of the centerline described as follows:

Beginning at a point on the South boundary line of Section 11, 296.8 feet, more or less, West from the South $\frac{1}{4}$ section corner thereof;
thence Northeasterly to the East line of said Southeast $\frac{1}{4}$, 366 feet, more or less, North of said section corner.

Situate in the County of Skagit, State of Washington.

PARCEL "D":

That portion of the Northwest $\frac{1}{4}$ of Section 14, Township 34 North, Range 4 East W.M., described as follows:

Beginning at the intersection of the North line of Section 14 with the Westerly line of the right of way of the Seattle Lake Shore and Eastern Railway Company, as said right of way was conveyed by deeds recorded in Volume 10 of Deeds, pages 651 to 654, records of Skagit County, Washington;
thence Southwesterly along said right of way; 1494.24 feet to the true point of beginning;
thence North $60^{\circ}30'$ West, 1683 feet, more or less, to a point 396 feet South of the Northwest corner of said Section 14;
thence South along the West line of the Section to a point 660 feet North of the Southwest corner of the Northwest $\frac{1}{4}$ of said Section;
thence East 871.2 feet, more or less, to the Westerly line of the said railway company right-of-way;
thence Northeasterly along said right of way to the true point of beginning, EXCEPT the 50 foot wide right of way of the Puget Sound and Cascade Railway Company, as said right of way was reserved in deed recorded under Auditor's File No. 138390, in Volume 115 of Deeds, page 619, records of Skagit County, Washington;

AND ALSO EXCEPT that portion lying within the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14.

Situate in the County of Skagit, State of Washington.

PARCEL "E":

Deleted.

PARCEL "F":

Deleted.



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Schedule "A-1":

DESCRIPTION CONTINUED:

PARCEL "G":

The Southwest ¼ of the Northeast ¼ and the Southeast ¼ of the Northwest ¼ of Section 15, Township 34 North, Range 4 East, W.M.

TOGETHER WITH that portion of the Northwest ¼ of the Northeast ¼ of said Section 15, described as follows:

Beginning at the Northwest corner of the Southeast ¼ of the Southwest ¼ of said Section 10;
thence South 0°12'29" West along the West line thereof, a distance of 660.87 feet, more or less, to the Northwest corner of that certain parcel as conveyed by Deed recorded April 10, 2006, under Auditor's File No. 200604100126;
thence South 89°11'17" East, along the North line thereof, 363.49 feet to the Northeast corner thereof;
thence North 62°42'54" East 117.72 feet;
thence South 63°15'58" East 111.40 feet;
thence South 15°42'36" East 159.39 feet;
thence South 32°41'51" East 129.01 feet;
thence South 52°05'24" East 149.71 feet;
thence South 88°04'38" East 128.61 feet;
thence North 79°36'46" East 295.79 feet;
thence South 66°03'52" East, 138.90 feet;
thence South 66°03'52" East 103.00 feet;
thence South 78°26'16" East 220.72 feet;
thence South 57°43'31" East 112.69 feet;
thence South 76°50'23" East 84.64 feet;
thence South 76°59'11" East 180.46 feet;
thence South 54°48'59" East, 93.58 feet;
thence South 25°47'39" East 91.15 feet to the North line of said Section 15 and the true point of beginning;
thence South 25°47'39" East 87.34 feet;
thence South 30°23'11" East 111.90 feet;
thence South 8°07'49" East 157.41 feet;
thence South 18°17'32" East 348.90 feet;
thence South 25°34'21" East 205.38 feet;
thence South 12°48'25" East 218.85 feet;
thence South 5°34'33" West 162.09 feet;
thence South 29°59'41" West 117.22 feet to the North margin of McLaughlin Road;
thence South 88°19'54" East, along said margin, 237.30 feet to the East line of the Northwest ¼ of the Northeast ¼ of said Section 15;
thence North 1°12'39" East, along said East line, 1,311.02 feet to the North line of said Section 15;
thence North 87°55'43" West, along said North line, 543.52 feet to the true point of beginning;

EXCEPT the following described portions thereof:

Exception 1: Any portion lying within the right of way of McLaughlin Road.

Exception 2: Any portion lying within the right of way of State Road No. 538, also known as College Way.



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Skagit County Auditor

Schedule "A-1":

DESCRIPTION CONTINUED:

PARCEL "G" Continued:

Exception 3: The West 208.7 feet of the South 626.1 feet of that portion of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 15, lying North of State Road No. 1-G (SR 538).

Exception 4: Beginning at the Northwest corner of the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 15; thence South along the West line thereof 20 feet to the Southerly line of McLaughlin Road and the true point of beginning; thence continuing South along said West line 666.63 feet, more or less, to the Northwest corner of that certain parcel described in Real Estate Contract in favor of Kenneth Moore and Phyllis Marie Moore and recorded under Auditor's File No. 8305270054; thence East along the North line of said Moore parcel and said line extended 980.15 feet; thence North, parallel to the West line of said Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ 666.63 feet, more or less, to the South line of McLaughlin Road; thence West along the South line to the true point of beginning.

Exception 5: Beginning at the Northwest corner of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 10, Township 34 North, Range 4 East, W.M.; thence South $0^{\circ}12'29''$ West, along the West line thereof, a distance of 660.87 feet, more or less, to the Northwest corner of that certain parcel as conveyed by Deed recorded April 10, 2006, under Auditor's File No. 200604100126; thence South $89^{\circ}11'17''$ East, along the North line thereof, 363.49 feet to the Northeast corner thereof; thence North $62^{\circ}42'54''$ East 117.72 feet; thence South $63^{\circ}15'58''$ East 111.40 feet; thence South $15^{\circ}42'36''$ East 159.39 feet; thence **South** $32^{\circ}41'51''$ East 129.01 feet; thence South $52^{\circ}05'24''$ East 149.71 feet; thence South $88^{\circ}04'38''$ East 128.61 feet; thence North $79^{\circ}36'46''$ East 295.79 feet; thence South $66^{\circ}03'52''$ East 138.90 feet, more or less, to the West line of the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of said Section 10; thence South $66^{\circ}03'52''$ East 103.00 feet; thence South $78^{\circ}26'16''$ East 220.72 feet; thence South $57^{\circ}43'31''$ East 112.69 feet; thence South $76^{\circ}50'23''$ East 84.64 feet; thence South $76^{\circ}59'11''$ East 180.46 feet; thence South $54^{\circ}48'59''$ East 93.58 feet; thence South $25^{\circ}47'39''$ East 91.15 feet to the South line of the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of said Section 10; thence South $25^{\circ}47'39''$ East 87.34 feet; thence South $30^{\circ}23'11''$ East 111.90 feet; thence South $8^{\circ}07'49''$ East 157.41 feet; thence South $18^{\circ}17'32''$ East 348.90 feet; thence South $25^{\circ}34'21''$ East 205.38 feet; thence South $12^{\circ}48'25''$ East 218.85 feet; thence South $5^{\circ}34'33''$ West 162.09 feet; thence South $29^{\circ}59'41''$ West 139.94 feet to the South line of the Northwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ and the true point of beginning; thence continue South $29^{\circ}59'41''$ West 185.06 feet;



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DESCRIPTION CONTINUED:

PARCEL "G" Continued:

thence South 71°25'46" West 334.89 feet;
thence North 86°50'15" West 213.62 feet;
thence North 85°42'09" West 472.91 feet to the West line of the said Southwest ¼ of the Northeast ¼ of Section 15;
thence North 88°33'24" West 370.33 feet, to the East line of Exception 4 described above;
thence North 1°26'36" East, along said East line, 248.56 feet to the North line of the Southeast ¼ of the Northwest ¼ of said Section 15;
thence South 89°00'37" East, along said North line, 369.85 feet to the Northeast corner of said Southeast ¼ of the Northwest ¼;
thence South 88°19'54" East, along the North line of the Northwest ¼ of the Northeast ¼ of said Section 15, a distance of 1,089.47 feet to the true point of beginning.

Exception 6: That portion, if any, that lies within the previous right of way of College Way between the center of Section 15 and the existing right of way of College Way to the West of said center of Section.

Also shown as Parcel 5 on Survey recorded under Auditor's File No. 200706190095, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "H":

Those portions of Sections 10 and 11, Township 34 North, Range 4 East, W.M., described as follows:

Parcel 1:

That portion of the South ½ of the Northeast ¼ of said Section 10, lying Southerly of Nookachamps Creek.

Parcel 2:

The East ½ of the Southeast ¼ of said Section 10;

Parcel 3:

The West ½ of the Southwest ¼ of said Section 11;

EXCEPT County road right-of-way;

ALSO EXCEPT that portion lying Southerly of the South line of Nookachamps Creek.

Parcel 4:

The Southwest ¼ of the Northwest ¼ of said Section 11;

EXCEPT County road right-of-ways.



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DESCRIPTION CONTINUED:

PARCEL "H" Continued:

Parcel 5:

Beginning at a point on the North and South centerline of said Section 11, Township 34 North, Range 4 East, W.M., a distance of 60.00 feet North of where the North line of the right-of-way of the Seattle and International Railway crosses said line;
thence North 45° West to the Southerly bank of Nookachamps Creek;
thence Westerly, along the Southerly bank of said creek to the West line of said Section;
thence South to the Southwest corner of said Section 11;
thence East to the Southeast corner of said Southwest ¼ of said Section 11;
thence North to the point of beginning.

EXCEPT that portion, if any, within State Highway right-of-way;

ALSO EXCEPT that portion, if any, within former Railroad right-of-way now owned by Skagit County;

AND ALSO EXCEPT any portion lying Southeasterly of the Northwesterly line of the right-of-way for State Route 9;

Parcel 6:

That portion of the Northwesterly ½ of that certain 100 foot wide strip of land conveyed to the Seattle Lake Shore and Eastern Railway Company, by Deed recorded June 2, 1890, in Volume 10 of Deeds, page 574, records of Skagit County, Washington, which lies within the East ½ of the Southwest ¼ of said Section 11.

Parcel 7:

That portion of the Northwesterly ½ of that certain 100 foot wide strip of land conveyed to the Seattle Lake Shore and Eastern Railway Company, by Deed recorded June 2, 1890, in Volume 10 of Deeds, page 574, records of Skagit County, Washington, which lies within the Southeast ¼ of said Section 11 and lies Southwesterly of the Southeasterly extension of the Northeasterly line of that certain tract conveyed to Robert G. Lundvall, et ux, by deed recorded September 3, 1982, under Auditor's File No. 8209030067;

EXCEPT that portion described as follows:

That portion of Section 11, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Southwest corner of said Section 11;
thence South 88°32'07" East, along the South line of said Section 11 a distance of 1168.41 feet;
thence North 1°06'44" East 1024.71 feet to a point hereinafter referred to as Point "A" and the true point of beginning;
thence North 65°38'15" West 89.27 feet;
thence North 60°12'24" West 578.82 feet;
thence North 58°52'21" West 337.35 feet;
thence North 43°09'09" West 68.08 feet;
thence North 0°43'05" West 371.65 feet;
thence North 3°01'13" East 349.79 feet;
thence North 28°03'28" East 282.53 feet;



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DESCRIPTION CONTINUED:

PARCEL "H". Parcel 7, Continued:

thence North 39°46'02" East 128.04 feet;
thence North 73°15'44" East 458.76 feet;
thence North 49°28'04" East 210.47 feet;
thence along a curve to the left having a radius of 148.75 feet through a central angle of 87°56'43" an arc distance of 228.33 feet;
thence North 38°28'39" West 106.10 feet;
thence North 29°08'06" West 48.98 feet;
thence North 5°45'31" West 28.47 feet;
thence North 27°57'37" East 255.36 feet;
thence North 38°57'10" East 102.81 feet;
thence North 76°29'57" East 62.91 feet;
thence North 60°00'00" East 58.53 feet;
thence South 44°26'23" East 49.42 feet, more or less, to the Westerly margin of Babcock Road;
thence Southerly along the Westerly margin 1113.75 feet, more or less, to the East line of the West ½ of the Southwest ¼ of said Section 11;
thence South 1°06'44" West, along said East line, 2128.92 feet to the center of Nookachamps Creek;
thence Westerly along the centerline of Nookachamps Creek 157.43 feet to a point which lies South 1°06'44" West from the aforementioned Point "A";
thence North 1°06'44" East 627.06 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "I":

That portion of Section 11, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Southwest corner of said Section 11;
thence South 88°32'07" East, along the South line of said Section 11, a distance of 1168.41 feet;
thence North 1°06'44" East 1024.71 feet to a point hereinafter referred to as Point "A" and the true point of beginning;
thence North 65°38'15" West 89.27 feet;
thence North 60°12'24" West 578.82 feet;
thence North 58°52'21" West 337.35 feet;
thence North 43°09'09" West 68.08 feet;
thence North 0°43'05" West 371.65 feet;
thence North 3°01'13" East 349.79 feet;
thence North 28°03'28" East 282.53 feet;
thence North 39°46'02" East 128.04 feet;
thence North 73°15'44" East 458.76 feet;
thence North 49°28'04" East 210.47 feet;
thence along a curve to the left having a radius of 148.75 feet through a central angle of 87°56'43" an arc distance of 228.33 feet;
thence North 38°28'39" West 106.10 feet;
thence North 29°08'06" West 48.98 feet;
thence North 5°45'31" West 28.47 feet;



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DESCRIPTION CONTINUED:

PARCEL "T" Continued:

thence North 27°57'37" East 255.36 feet;
thence North 38°57'10" East 102.81 feet;
thence North 76°29'57" East 62.91 feet;
thence North 60°00'00" East 58.53 feet;
thence South 44°26'23" East 49.42 feet, more or less to the Westerly margin of Babcock Road;
thence Southerly along the Westerly margin 1113.75 feet, more or less, to the East line of the West ½ of the Southwest ¼ of said Section 11;
thence South 1°06'44" West, along said East line, 2128.92 feet to the center of Nookachamps Creek;
thence Westerly along the centerline of Nookachamps Creek 157.43 feet to a point which lies South 1°06'44" West from the aforementioned Point "A";
thence North 1°06'44" East 627.06 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "J":

That portion of the following described tract lying within the Southwest ¼ of the Northwest ¼ of Section 14, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the intersection of the North line of Section 14 with the Westerly line of the right of way of the Seattle Lake Shore and Eastern Railway Company, as said right of way was conveyed by deeds recorded in Volume 10 of Deeds, pages 651 to 654, records of Skagit County, Washington;
thence Southwesterly along said right of way, 1,494.24 feet to the true point of beginning;
thence North 60°30' West, 1,683 feet, more or less, to a point 396 feet South of the Northwest corner of said Section 14;
thence South along the West line of the Section to a point 660 feet North of the Southwest corner of the Northwest ¼ of said Section;
thence East 871.2 feet, more or less, to the Westerly line of the said railway company right of way;
thence Northeasterly along said right of way to the true point of beginning.

EXCEPT the 50 foot wide right of way of the Puget Sound and Cascade Railway Company, as said right of way was reserved in deed recorded under Auditor's File No. 138390, in Volume 115 of Deeds, page 619, records of Skagit County, Washington,

AND ALSO EXCEPT that portion, if any, lying within the as built and existing extension of the Gunderson County Road.

Situate in the County of Skagit, State of Washington.

PARCEL "K":

Deleted.

PARCEL "L":

Deleted.



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DESCRIPTION CONTINUED:

PARCEL "M":

Beginning at the North $\frac{1}{4}$ corner of Section 14, Township 34 North, Range 4 East, W.M.;
thence West along the North line of said Section 14, a distance of 275.88 feet to an intersection with the
Westerly right of way line of the Northern Pacific Railway Company;
thence Southwesterly, along said right of way line 1,086.24 feet;
thence North $56^{\circ}41'17''$ West 157.80 feet, along a line which would intersect the North line of said Section
14 at a point 329.30 feet East of the Northwest corner of said Section 14 and the true point of beginning;
thence North $46^{\circ}15'53''$ East 126.54 feet;
thence South $53^{\circ}55'39''$ East 185.22 feet to the center of that certain 100 foot wide right of way to Seattle
Lake Shore and Eastern Railway Company right of way as conveyed by Deed dated April 4, 1890 and
recorded July 13, 1890 in Volume 10 of Deed, page 651, records of Skagit County, Washington;
thence Northeasterly along said centerline 901.81 feet, more or less, to the North line of said Section 14;
thence Westerly, along said line, 2,113.04 feet, more or less, to a point which lies 329.30 feet Easterly from
the Northwest corner of said Section 14;
thence South $56^{\circ}41'17''$ East 1,482.47 feet, more or less, to the true point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "N":

The following described portions of Sections 14 and 15 of Township 34 North, Range 4 East, W.M.,
described as follows:

- 1.) That portion of the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said
Section 15, Township 34 North, Range 4 East, W.M., lying Northerly of State Highway No. 538.
- 2.) The Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 15, Township 34 North, Range 4 East, W.M.,
EXCEPT that portion thereof lying within the boundaries of the as built and existing State Highway (SR 538)
running through said subdivision, also known as Clear Lake Road and College Way.
- 3.) The East $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of said Section 15, Township 34 North, Range 4 East, W.M.
- 4.) That portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 14, lying Westerly of the West line of
the 100 foot wide right of way conveyed to the Seattle Lake Shore and Eastern Railway Company by deed
recorded under Auditor's File No. 3823, in Volume 20 of Deeds, page 504, records of Skagit County,
Washington, EXCEPT mineral rights as reserved by deed recorded under Auditor's File 28646, in Volume
34 of Deeds, page 392, records of Skagit County, Washington.

AND ALSO EXCEPT that certain 20 foot wide strip of land conveyed to the Northern Pacific Railway
Company by deed recorded under Auditor's File No. 102078, in Volume 96 of Deeds, page 509, records of
Skagit County,

AND ALSO EXCEPT that portion of the North 30 feet of the East 105 feet of that portion of said Northwest
 $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ lying West of the West line of the Northern Pacific Railway, said portion being the
non-vacated portion of Coltrine No. 211 County Road, said road being previously conveyed to Skagit County
by deeds recorded under Auditor's File Nos. 75461 and 75462, in Volume 78 of Deeds, page 223, records of
Skagit County, and portions of said road being vacated by Order of Vacation entered in Volume 12 of
Commissioners Journal, page 479, records of Skagit County,



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Schedule "A-1":

DESCRIPTION CONTINUED:

PARCEL "N" Continued:

AND ALSO EXCEPT any portion of the as built and existing road commonly known as Gunderson Road and formerly known as Coltrine Road, extending on to said property.

5.) The Westerly $\frac{1}{2}$ of that portion of that certain 100 foot wide strip of land conveyed to the Seattle Lake Shore and Eastern Railway Company by Deed dated July 17, 1891, and recorded July 25, 1891, under Auditor's File No. 3823, in Volume 20 of Deeds, page 504, records of Skagit County, lying within the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 14, Township 34 North, Range 4 East, W.M..

6.) That certain 20 foot wide strip of land conveyed to the Northern Pacific Railway Company by Deed dated April 15, 1914, and recorded April 21, 1914, under Auditor's File No. 102078, in Volume 96 of Deeds, page 509, records of Skagit County, being a portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section 14, Township 34 North, Range 4 East, W.M..

7.) That portion of the South 660 feet of the Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of said Section 14, Township 34 North, Range 4 East, W.M., lying Westerly of the West line of the 200 foot wide right of way and depot grounds of the Seattle Lake Shore and Eastern Railway Company, as said right of way and depot grounds were conveyed to said railway company by deeds recorded in Volume 10 of Deeds, pages 651 to 654, records of Skagit County,

EXCEPT that portion of the South 30 feet of the East 105 feet of that portion of said Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, lying West of the West line of the right of way of the Northern Pacific Railway, as said right of way existed on June 6, 1927, said portion being the non-vacated portion of Coltrine No. 211 County Road, said road being previously conveyed to Skagit County by deed recorded under Auditor's File Nos. 75461 and 75462 in Volume 78 of Deeds, page 223, and portions of said road being vacated by Order of Vacation entered in Volume 12 of Commissioners Records, page 479, records of Skagit County,

AND ALSO EXCEPT that portion, if any, lying within the boundaries of the as built and existing County Road commonly known as Gunderson Road and formerly known as Coltrine Road, extending into said property.

8.) The Westerly $\frac{1}{2}$ of that certain 100 foot wide strip of land conveyed to the Seattle Lake Shore and Eastern Railway Company by Deed dated April 4, 1890 and recorded July 13, 1890 in Volume 10 of Deeds, page 651, records of Skagit County, being a portion of the Northwest $\frac{1}{4}$ of said Section 14, Township 34 North, Range 4 East, W.M.

9.) The Easterly $\frac{1}{2}$ of that portion of that certain 100 foot strip of land conveyed to the Seattle Lake Shore and Eastern Railway Company by Deed dated April 4, 1890, and recorded July 13, 1890, in Volume 10 of Deeds, page 651, records of Skagit County, which lies Southerly of a line drawn perpendicular through the centerline of said 100 foot wide strip of land and through the point of divergence of the Easterly right of way line of said 100 foot wide strip of land and the Westerly right of way line of the road right of way commonly known as State Highway No. 9, being a portion of the Northwest $\frac{1}{4}$ of said Section 14, Township 34 North, Range 4 East, W.M.



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Schedule "A-J":

DESCRIPTION CONTINUED:

PARCEL "N" Continued:

10.) Those two fifty-foot by fifteen hundred-foot strips of land conveyed to the Seattle Lake Shore and Eastern Railway Company by deed dated April 4, 1890 and recorded July 13, 1890 and July 25, 1890, in Volume 10 of Deeds, pages 653 and 759, records of Skagit County, being a portion of said Section 14.

EXCEPT that portion of the Northwest $\frac{1}{4}$ of Section 14, Township 34 North, Range 4 East, W.M., described as follows:

All that portion of that certain 100 foot wide strip of land conveyed to the Seattle Lake Shore and Eastern Railway Company by Deed dated July 17, 1891, and recorded July 25, 1891, under Auditor's File No. 3823, in Volume 20 of Deeds, page 504, records of Skagit County, lying Northerly of the following described line:

Beginning at the North $\frac{1}{4}$ corner of said Section 14;
thence West, along the North line of said Section 14, a distance of 275.88 feet to an intersection with the Westerly right of way line of the Northern Pacific Railway Company;
thence Southwesterly along said right of way line, 1,494.24 feet to the true point of beginning of this line description;
thence South $60^{\circ}07'16''$ East on a projection of a line that would intersect the West line of the Section at a point 396 feet South of the Northwest corner thereof, a distance of 100.66 feet to the Easterly line of said railway right of way and the terminus of said line description.



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