

UNOFFICIAL



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Skagit County Auditor \$214.00  
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**GUARDIAN NORTHWEST TITLE CO.**

This Space Provided for Recorder's Use

1081667

**WHEN RECORDED MAIL TO:**

Owens Realty Mortgage, Inc  
Loan #51336  
P.O. Box 2400  
Walnut Creek, CA 94595

I, MARLA HICKOK, AM REQUESTING A  
NON STANDARD REEDRAGING FOR AN  
ADDITIONAL \$50. - FEE  
Marla Hickok 12-9-14

**DEED OF TRUST AND ASSIGNMENT OF RENTS**

Grantor(s): CLEAR VALLEY ENVIRONMENTAL FARM, LLC, a Washington limited liability company;  
and CLEAR VALLEY ENVIRONMENTAL FARM II, INC., a Washington corporation  
Grantee(s): OWENS REALTY MORTGAGE, INC., a Maryland corporation, Beneficiary  
GUARDIAN NW TITLE COMPANY, Trustee

Legal Description: Portions of Section 10, 11, 14 and 15 of Township 34 North, Range 4 East, W.M.

Assessor's Property Tax Parcel or Account No.: APN's: P24443, 340410-1-007-0005, P24490, 340410-4-001-0005, P24494, 340410-4-006-0000, P24532, 340411-3-002-0005, P24533, 340411-3-003-0004, P24692, 340414-0-001-0009, P24801, 340415-1-001-0006, P24805, 340415-1-005-0002, P24806, 340415-1-006-0001, P24890, 340415-4-000-0001, P128590, 340411-2-004-0100, P24535, 340411-3-005-0002, P24695, 340414-0-003-0007, P24696, 340414-0-004-0006, P24697, 340414-0-005-0005, P24731, 340414-2-004-0002, P24743, 340414-3-007-0007, P109225, 340411-3-006-0001

THIS DEED OF TRUST AND ASSIGNMENT OF RENTS ("DEED OF TRUST") is dated November 3, 2014, among CLEAR VALLEY ENVIRONMENTAL FARM, LLC, a Washington limited liability company; and CLEAR VALLEY ENVIRONMENTAL FARM II, INC., a Washington corporation, whose address is 1028 Wilmington Way, Redwood City, CA 94062 (referred to below as "Grantor"); OWENS REALTY MORTGAGE, INC., a Maryland corporation, whose address is P.O. Box 2400, Walnut Creek, CA 94595, (referred to below as "Beneficiary"); and GUARDIAN NW TITLE COMPANY, whose address is 1301-B Riverside Dr., Mount Vernon, WA 98273 (referred to below as "Trustee").

THIS DEED OF TRUST IS INTENDED ALSO AS A FIXTURE FILING AND IS TO BE INDEXED NOT ONLY AS A DEED OF TRUST BUT ALSO AS A FIXTURE FILING.

SEE ATTACHED EXHIBIT "A" FOR LEGAL DESCRIPTION HEREIN INCORPORATED BY THIS REFERENCE

SEE ATTACHED EXHIBIT "B" FOR RELEASE PROVISIONS HEREIN INCORPORATED BY THIS REFERENCE

WITNESSETH: That Grantor irrevocably GRANTS, TRANSFERS AND ASSIGNS TO THE TRUSTEE IN TRUST, WITH POWER OF SALE, all that real property property (hereinafter referred to as the "Premises") located in the **County of Skagit, State of Washington** and described as follows: **SEE EXHIBIT "A" ATTACHED HERETO AND HEREIN INCORPORATED BY THIS REFERENCE FOR LEGAL DESCRIPTION**

**TOGETHER WITH:**

(a) All rights-of-way, easements, tenements, hereditaments, and appurtenances, royalties, mineral, oil and gas rights and profits, water, water rights (whether riparian, appropriative or otherwise, and whether or not appurtenant), sewer and sewer connection rights, pumps and pumping plants and water stock of Grantor belonging to or in any way appertaining to the Premises, and all estate and rights of Grantor in and to the Premises and the reversion and reversions, remainder and remainders thereof and thereto;

(b) All right, title and interest of Grantor, now owned or hereafter acquired, in and to any land lying in the bed of any street, road or avenue, open or proposed, in front of or adjoining the Premises;

(c) All right, title and interest of Grantor, now owned or hereafter acquired, in and to any and all sidewalks and alleys, and all strips and gores of land, adjacent to or used in connection with the Premises;

(d) All buildings, structures and improvements now or at any time hereafter erected, constructed, or situated upon the Premises or any part thereof; and all apparatus, fixtures, equipment, furniture, furnishings, construction materials and all other articles of personal property in which Grantor now has, or at any time hereafter acquires, an interest and which now are, or at any time hereafter are, attached to or situated in, on or about the Premises or used in connection with or in the operation of the premises, including, but not limited to, all heating, cooling, air conditioning, electricity, gas, water, air and light, filtration and plumbing equipment, light fixtures, elevators and elevator equipment, all hot water heaters and water softeners, all floor coverings, all stoves, ovens, refrigerators, freezers, all wells, pumps, pipes, motors, engines and pumping apparatus and equipment fire prevention and extinguishing apparatus, security and access control apparatus, awnings, storm windows, storm doors, screens, blinds, shades, paneling, attached floor coverings, antennas, trees and plants, and all renewals, replacements and substitutions thereof and additions thereto and proceeds thereof which specifically-described property Grantor represents are and shall be and are intended to be a part of the real property;

(e) All of Grantor's accounts, accounts receivable, contract rights, inventory, chattel paper and general intangibles relating to the construction, use, operation or occupancy of the Premises and which are now owned or are hereafter owned or acquired by Grantor and/or in which Grantor now has, or at any time hereafter acquires, an interest in, and all renewals, replacements and substitutions thereof and additions thereto and all proceeds thereof;

(f) All of the Grantor's interest in and to any and all present and future leases and rental agreements, subleases, licenses and tenancies of any portion of the Premises or of any space in any building erected upon the Premises, and the income, receipts, rents, issues and profits of the Premises or arising from the use or enjoyment of all or any portion thereof and of any improvements now or hereafter situated on the Premises; and all security deposits arising from the use or enjoyment of all or any portion of the Premises, and all utility deposits made to procure and maintain utility services to the Premises or any portion thereof. The foregoing assignment is recorded in accordance with RCW 65.08.070 and the lien created by this assignment is intended to be specific, perfected, and choate upon the recording of this Deed of Trust;

(g) Any and all awards, payments or other amounts including interest thereon, for the taking by eminent domain or by any proceeding or purchase in lieu thereof of the whole or any part of the Premises or of any improvements now or hereafter situated thereon or any estate or easement therein, and all proceeds of insurance paid on account of partial or total destruction of improvements on the Premises, all



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of which awards and proceeds are hereby assigned to Beneficiary, which is hereby authorized to collect and receive such awards and proceeds and to give proper receipts and acquittances therefore.

(h) Any licenses, contracts, permits and agreements and related rights and benefits associated with the development and use of the Premises including, but not limited to, construction contracts, rights to plans and specifications for construction, governmental permits, engineering studies and reports, and utility service contracts relating to the construction of improvements on the Premises, or occupancy or use of the Premises; and any licenses, contracts, permits and agreements now or hereafter required or used in connection with the ownership, operation and maintenance of the Premises, and the right to use any trade name, trademark or service mark now or hereafter associated with the operation of any business of Grantor conducted on the Premises and any grazing or range rights related to or pertaining to the Premises and all proceeds from any of the foregoing.

(i) All of Grantor's interest presently owned or hereafter acquired in personal property associated with the development and use of the Premises, including, but not limited to, goods, including building materials located on or off the Premises, inventory, accounts, instruments, documents, intangibles, chattel paper, general intangibles, contract rights, and all items listed above to the extent such items are deemed to be personal property under the **Washington** Uniform Commercial Code, and in the proceeds and products of any of the foregoing.

(j) All right, title and interest of Grantor in and to:

- (i) all unearned premiums accrued, accruing, or to accrue under any and all insurance policies now or hereafter obtained by Grantor pursuant to the provisions hereof; and
- (ii) all credits and reimbursements due Grantor from any governmental agency

(k) Any proceeds derived from the sale, transfer, hypothecation, disposition, assignment, lease, or loss of any of the foregoing, to have and to hold unto Trustee, its successors and assigns forever.

All of the real and personal property, rights, privileges and interests described in the foregoing and hereby granted, conveyed and assigned are hereinafter collectively referred to as the "Property".

FOR THE PURPOSE OF SECURING: 1. Performance of each agreement of Grantor herein contained.  
2. Payment of the indebtedness evidenced by one promissory note of even date herewith in the Principal sum of **\$1,860,067.74**

**One Million Eight Hundred Sixty Thousand Sixty Seven and 74/100 Dollars**

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payable to Beneficiary or order ("Note"). 3. Payment of additional sums and interest thereon which may hereafter be loaned to Grantor, or his successors or assigns, when evidenced by a promissory note or notes reciting that they are secured by this Deed of Trust. Such additional loans shall be secured hereby only if made to the owner of record of said property at a time when he is such owner of record.

A. To protect the security of this Deed of Trust, Grantor agrees:

1. To Keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.



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1. To Keep said property in good condition and repair; not to remove or demolish any building thereon; to complete or restore promptly and in good and workmanlike manner any building which may be constructed, damaged or destroyed thereon and to pay when due all claims for labor performed and materials furnished therefor; to comply with all laws affecting said property or requiring any alterations or improvements to be made thereon; not to commit or permit waste thereof; not to commit, suffer or permit any act upon said property in violation of law; to cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of said property may be reasonably necessary, the specific enumerations herein not excluding the general.



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2. To provide, maintain and deliver to Beneficiary fire insurance satisfactory to and with loss payable to Beneficiary. The amount collected under any fire or other insurance policy may be applied by Beneficiary upon any indebtedness secured hereby and in such order as Beneficiary may determine, or at option of Beneficiary the entire amount so collected or any part thereof may be released to Grantor. Such application or release shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

3. To appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary, or Trustee; and to pay all costs and expenses, including cost of evidence of title and attorney's fees in a reasonable sum, in any such action or proceeding in which Beneficiary or Trustee may appear.

4. To pay at least ten days before delinquency all taxes and assessments affecting said property, including assessments on appurtenant water stock; when due, all encumbrances, charges and liens, with interest, on said property or any part thereof, which appear to be prior or superior hereto; all costs, fees and expenses of this Trust.

5. To pay immediately and without demand all sums expended by Beneficiary or Trustee pursuant to the provisions hereof, with interest from date of expenditure at the same interest rate as set forth in the promissory note(s) secured by this Deed of Trust.

6. Should Grantor fail to make any payment or to do any act as herein provided, then Beneficiary or Trustee, but without obligation so to do and without notice to or demand upon Grantor and without releasing Grantor from any obligation hereof, may make or do the same in such manner and to such extent as either may deem necessary to protect the security hereof, Beneficiary or Trustee being authorized to enter upon said property for such purposes; appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee; pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of either appears to be prior or superior hereto; and, in exercising any such powers, pay necessary expenses, employ counsel and pay his reasonable fees.

**B. It is mutually agreed that:**

1. Any award of damages in connection with any condemnation for public use of or injury to said property or any part thereof is hereby assigned and shall be paid to Beneficiary, who may apply or release such moneys received by him in the same manner and with the same effect as above provided for disposition of proceeds of fire or other insurance.

2. By accepting payment of any sum secured hereby after its due date, Beneficiary does not waive his right either to require prompt payment when due of all other sums so secured or to declare default for failure so to pay.

3. At any time or from time to time, without liability therefore and without notice, upon written request of Beneficiary and presentation of this Deed and said note for endorsement, and without affecting the personal liability of any person for payment of the indebtedness secured hereby, Trustee may reconvey all or any part of said property; consent to the making of any map or plat thereof; join in granting any easement thereon; or join in any extension agreement or any agreement subordinating the lien or charge hereof.

4. Upon written request of Beneficiary stating that all sums secured hereby have been paid, and upon surrender of this Deed of Trust and said note to Trustee for cancellation and retention and upon payment of its fees, Trustee shall reconvey, without warranty, the property then held hereunder. The recitals in any reconveyance executed under this deed of trust of any matters or facts shall be conclusive proof of the truthfulness thereof. The Beneficiary in such reconveyance may be described as "the person or persons legally entitled thereto."



5. As additional security, Grantor hereby gives to and confers upon Beneficiary the right, power and authority, during the continuance of these Trusts, to collect the rents, issues and profits of said property, reserving unto Grantor the right, prior to any default by Grantor in payment of any indebtedness secured hereby or in performance of any agreement hereunder, to collect and retain such rents, issues and profits as they become due and payable. Upon any such default, Beneficiary may at any time without notice, either in person, by agent, or by a receiver to be appointed by a court, and without regard to the adequacy of any security for the indebtedness hereby secured, enter upon and take possession of said property or any part thereof, in his own name sue for or otherwise collect such rents, issues and profits, including those past due and unpaid, and apply the same less costs and expenses of operation and collection, including reasonable attorney's fees, upon any indebtedness secured hereby, and in such order as Beneficiary may determine. The entering upon and taking possession of said property, the collection of such rents, issues and profits and the application thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice.

6. Upon default by Grantor in payment of any indebtedness under the Note secured by this Deed of Trust or in performance of any agreement hereunder, or any other instrument constituting additional security for the Note, all sums secured hereby shall immediately become due and payable at the option of the Beneficiary. In the event of default Beneficiary shall execute or cause the Trustee to execute a written notice of such default and of his election to cause to be sold the herein described property to satisfy the obligations hereof, and shall cause such notice to be recorded in the office of the recorder of each county wherein said real property or some part thereof is situated.

Notice of sale having been given as then required by law and not less than the time then required by law having elapsed after recordation of such notice of default, Trustee, without demand on Grantor, shall sell said property at the time and place of sale fixed by it in said notice of sale, either as a whole or in separate parcels and in such order as it may determine, at public auction to the highest bidder for cash in lawful money of the United States, payable at time of sale. Trustee may postpone sale of all or any portion of said property by public announcement at such time and place of sale, and from time to time thereafter may postpone such sale by public announcement at the time fixed by the preceding postponement. Trustee shall deliver to the purchaser its deed conveying the property so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Grantor, Trustee, or Beneficiary, as hereinafter defined, may purchase at such sale.

After deducting all costs, fees and expenses of Trustee and of this Trust, including cost of evidence of title and reasonable counsel fees in connection with sale, Trustee shall apply the proceeds of sale to payment of: all sums expended under the terms hereof, not then repaid, with accrued interest at the same interest rate as set forth in the promissory note(s) secured by this Deed of Trust; all other sums then secured hereby; and the remainder, if any, to the person or persons legally entitled thereto.

The remedies set forth above are in addition to, and not a limitation on, the rights and remedies available to the Trustee and the Beneficiary, at law and in equity, including without limitation, the right to judicially foreclose this Deed of Trust.

7. This Deed applies to, inures to the benefit of, and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The term Beneficiary shall mean the holder and owner of the note secured hereby; or, if the note has been pledged, the pledgee thereof. In this Deed, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

8. Trustee is not obligated to notify any party hereto of pending sale under any other Deed of Trust or of any action or proceeding in which Grantor, Beneficiary or Trustee shall be a party unless brought by Trustee.



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9. Beneficiary may, from time to time, as provided by statute, or by a writing, signed and acknowledged by him and recorded in the office of the county recorder of the county in which said land or such part thereof as is then affected by this deed of trust is situated, appoint another Trustee in place and stead of Trustee herein named, and thereupon, the Trustee herein named shall be discharged and Trustee so appointed shall be substituted as Trustee hereunder with the same effect as if originally named Trustee herein.

10. If two or more persons be designated as Trustee herein, any, or all, powers granted herein to Trustee may be exercised by any of such persons, if the other person or persons is unable, for any reason, to act, and any recital of such inability in any instrument executed by any of such persons shall be conclusive against Grantor, his heirs and assigns.

11. Beneficiary, may at its option, (1) declare immediately due and payable all sums secured by the Note and/or (b) increase the interest rate provided in the Note or other document evidencing the indebtedness and impose such other conditions as Beneficiary deems appropriate, upon the sale or transfer, without the Beneficiary's prior written consent, of all or any part of the Property securing the Note. A "sale or transfer" means the conveyance of Property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Property, by operation of law, or by any other method of conveyance of Property interest. If any Grantor is a corporation or partnership or limited liability company, transfer also includes any change in: (a) the management or (b) ownership of more than twenty-five (25%) of the voting stock or partnership interests or membership interest, as the case may be, of Grantor. However, this option shall not be exercised by Beneficiary if such exercise is prohibited by federal law.

12. For any statement regarding the obligations secured hereby, Beneficiary may charge the maximum amount permitted by law at the time of the request therefore.

13. The promissory note secured by this Deed of Trust contains a provision which provides that upon Grantor's failure to make any of the payments required to be paid under the terms of the promissory note and/or Deed of Trust, or in the event Beneficiary, or his agent, advances sums on behalf of the Grantor to protect the security of this Deed of Trust, then said amounts shall accrue additional interest at the rate of **5.00%** percentage points above the interest rate in effect under the Note at the time of such delinquency or default.

The undersigned Grantor requests that a copy of any notice of default and of any notice of sale hereunder be mailed to him at this mailing address opposite his signature hereto.

14. (a) Grantor, without expense to Beneficiary, shall, upon receipt of written request from Beneficiary, furnish to Beneficiary: (1) an annual statement of the operation of the property prepared and certified by Grantor, showing in reasonable detail satisfactory to Beneficiary total rents received and total expenses together with an annual balance sheet and profit and loss statement, within one hundred twenty (120) days after the close of each fiscal year of Grantor, beginning with the fiscal year first ending after the date of delivery of this Deed of Trust; (2) within thirty (30) days after the end of each calendar quarter (March 31, June 30, September 30, December 31) interim statements of the operation of the property showing in reasonable detail satisfactory to Beneficiary total rents and other income and receipts received and total expenses for the previous quarter, certified by Grantor; and (3) copies of Grantor's annual state and federal income tax returns within thirty (30) days of filing. Grantor shall keep accurate books and records, and allow Beneficiary, its representatives and agents, upon notice, at any time during normal business hours, access to such books and records regarding acquisition, construction and development of the property, including any supporting or related vouchers or papers, shall allow Beneficiary to make extracts or copies of any thereof, and shall furnish to Beneficiary and its agents convenient facilities for the audit of any such statements, books, and records.

(b) Grantor within three (3) days after a request by Beneficiary in person or within five (5) days after Beneficiary's request by mail, shall furnish Beneficiary or any third party a written statement duly acknowledged of all amounts due on any indebtedness secured hereby, whether for principal or interest



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on the Note or otherwise, and stating whether any offsets or defenses are claimed by Grantor to exist against the indebtedness secured by this Deed of Trust and covering other matters with respect to any such indebtedness as Beneficiary may reasonably require.

15. In the event the Property consists of several known lots or parcels, Grantor hereby authorizes the trustee to determine the order of sale of said lots or parcels. The presence of Grantor at the sale shall not operate to revoke the authority of the trustee hereunder.

16. **Governing Law: WITHOUT REGARD TO ANY PRINCIPLES OF CONFLICT LAW, THIS INSTRUMENT AND ALL OF THE OTHER LOAN DOCUMENTS SHALL BE GOVERNED BY THE LAWS OF THE STATE OF CALIFORNIA EXCEPT THAT THE PROCEDURAL AND SUBSTANTIVE LAWS OF THE STATE IN WHICH THE PROPERTY IS LOCATED RELATING TO THE CREATION, PERFECTION OR PRIORITY OF LIENS AND SECURITY INTERESTS AND TO FORECLOSURE OR OTHER REMEDY WITH RESPECT TO THE PROPERTY SHALL NECESSARILY GOVERN. IN NO EVENT WILL CALIFORNIA'S "ONE FORM OF ACTION RULE" (California Civil Code of Procedure section 726) BE AVAILABLE TO BORROWER, IT'S SUCCESSORS AND/OR ASSIGNS. THE VENUE FOR ANY DISPUTE, WHETHER IN FEDERAL OR STATE COURT, SHALL, AT BENEFICIARY'S OPTION, BE IN CONTRA COSTA COUNTY, CALIFORNIA.**

17. Execution in Counterparts This DEED OF TRUST and ASSIGNMENT OF RENTS may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same agreement.

**GRANTOR:**

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

BY: SE SKAGIT LAND, LLC, a Washington limited liability company  
ITS: Managing Member

BY: JCPOETSCH ADVISORS, INC., a California corporation  
ITS: Managing Member

BY:   
Jeffrey Poetsch, President

BY:   
Alison Poetsch, Secretary

BY: \_\_\_\_\_  
John Patrick May, Managing Member

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

BY:   
Jeffrey Poetsch, President

BY:   
Alison Poetsch, Secretary



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BY: \_\_\_\_\_  
Jeffrey Poetsch, President

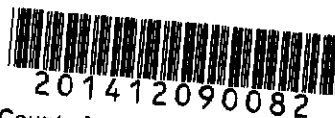
BY: \_\_\_\_\_  
Alison Poetsch, Secretary

BY: \_\_\_\_\_  
John Patrick May, Managing Member

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

BY: \_\_\_\_\_  
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BY: \_\_\_\_\_  
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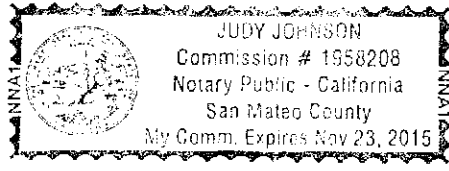
STATE OF California  
COUNTY OF San Mateo

On 12/9/2014, before me, Judy Johnson  
a Notary Public, personally appeared Jeffrey Poetsch and Alison Poetsch  
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.

Judy Johnson  
SIGNATURE OF NOTARY



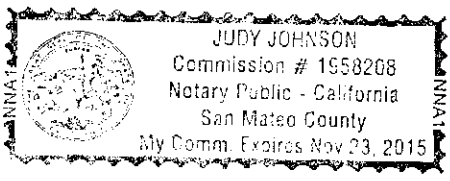
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STATE OF California  
COUNTY OF San Mateo

I certify that I know ~~of~~ have satisfactory evidence that Jeffrey Poetsch  
Alison Poetsch is the person  
who appeared before me, and said person acknowledged that ~~he~~ she signed this instrument, on oath  
stated that ~~he~~ she was authorized to execute the instrument and acknowledged it as the  
of \_\_\_\_\_, to be the free and voluntary act of such  
party for the uses and purposes mentioned in the instrument.

Dated: 12/9/2014

Judy Johnson  
Notary Public for State of CA County of San Mateo  
My commission expires: Nov 23 2015



STATE OF California

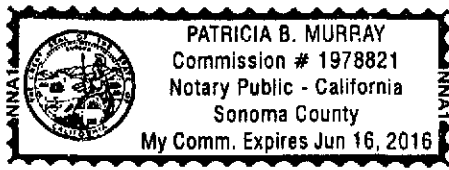
COUNTY OF Sonoma

On December 26, 2014, before me, Patricia B. Murray  
a Notary Public, personally appeared John Patrick May

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.  
Patricia B. Murray  
SIGNATURE OF NOTARY



\*\*\*\*\*

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

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

Dated: \_\_\_\_\_

Notary Public for \_\_\_\_\_

My commission expires: \_\_\_\_\_



**EXHIBIT "B"**

**RIDER TO DEED OF TRUST**

**THIS RIDER IS INCORPORATED INTO AND SHALL BE DEEMED TO SUPPLEMENT THE DEED OF TRUST OF EVEN DATE, GIVEN BY THE UNDERSIGNED, IN THE AMOUNT OF \$1,860,067.74**

Dated: November 3, 2014

\$1,860,067.74 loan secured by approximately 380 acres of land, Skagit County, WA.

In the event Grantors request a partial release of any of parcels comprising the subject property or any of the mitigation credits, the following conditions shall prevail:

- 1) A release of an individual parcel or mitigation credits will require the following paydown provisions:
  - a) 75% of the gross sales proceeds, less reasonable sales and closing costs to third parties (not to exceed 7%), subject to Beneficiary's review and approval of the seller's estimated closing statement
  - b) All interest, property taxes, and fire insurance on the remaining property must be paid current.
  - c) A partial release fee of \$117.00 per release.
  - d) A partial reconveyance fee (per reconveyance) to Trustee, as determined by Trustee.
  - e) No event of default shall have occurred under the Note, Deed of Trust or any of the other loan documents executed in connection herewith.

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**\*\*\*SEE NEXT PAGE FOR SIGNATURES\*\*\***



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Skagit County Auditor

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**SIGNATURE PAGE TO RIDER TO DEED OF TRUST DATED  
November 3, 2014**

Execution in Counterparts. This RIDER TO DEED OF TRUST may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same agreement.

**BENEFICIARY:**

OWENS REALTY MORTGAGE, INC., a Maryland corporation  
BY: OWENS FINANCIAL GROUP, INC., a California corporation  
ITS: Manager

[Signature]  
William E. Dutra, Executive Vice President

**GRANTOR:**

CLEAR VALLEY ENVIRONMENTAL FARM, LLC, a Washington limited liability company  
BY: SE SKAGIT LAND, LLC, a Washington limited liability company  
ITS: Managing Member

BY: JCPOETSCH ADVISORS, INC., a California corporation  
ITS: Managing Member

BY: [Signature]  
Jeffrey Poetsch, President

BY: [Signature]  
Alison Poetsch, Secretary

BY: \_\_\_\_\_  
John Patrick May, Managing Member

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

~~BY: [Signature]  
Jeffrey Poetsch, President~~

~~BY: [Signature]  
Alison Poetsch, Secretary~~



Skagit County Auditor  
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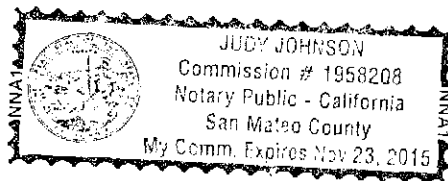
STATE OF California  
COUNTY OF San Mateo

On 12/05/2014 before me, Judy Johnson  
a Notary Public, personally appeared Jeffrey Poetsch and Alison Poetsch  
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.

[Signature]  
SIGNATURE OF NOTARY



**SIGNATURE PAGE TO RIDER TO DEED OF TRUST DATED  
November 3, 2014**

Execution in Counterparts. This RIDER TO DEED OF TRUST may be executed in counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts, taken together, shall constitute but one and the same agreement.

**BENEFICIARY:**

OWENS REALTY MORTGAGE, INC., a Maryland corporation  
BY: OWENS FINANCIAL GROUP, INC., a California corporation  
ITS: Manager

[Signature]  
William E. Dutra, Executive Vice President

**GRANTOR:**

CLEAR VALLEY ENVIRONMENTAL FARM, LLC, a Washington limited liability company  
BY: SE SKAGIT LAND, LLC, a Washington limited liability company  
ITS: Managing Member

BY: JCPOETSCH ADVISORS, INC., a California corporation  
ITS: Managing Member

BY: \_\_\_\_\_  
Jeffrey Poetsch, President

BY: \_\_\_\_\_  
Alison Poetsch, Secretary

BY: [Signature]  
John Patrick May, Managing Member

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

BY: \_\_\_\_\_  
Jeffrey Poetsch, President

BY: \_\_\_\_\_  
Alison Poetsch, Secretary



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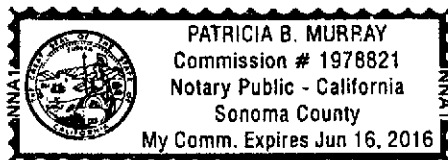
STATE OF California  
COUNTY OF Sonoma

On November 26, 2014, before me, Patricia B. Murray  
a Notary Public, personally appeared John Patrick May  
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/hers/their  
authorized capacity(ies), and that by his/hers/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.

Patricia B. Murray  
SIGNATURE OF NOTARY



STATE OF California  
COUNTY OF Contra Costa

On November 6, 2014, before me, Laura E. Quisito,  
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.  
Laura E. Quisito  
SIGNATURE OF NOTARY



STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_,  
a Notary Public, personally appeared \_\_\_\_\_,  
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.  
\_\_\_\_\_  
SIGNATURE OF NOTARY

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, before me, \_\_\_\_\_,  
a Notary Public, personally appeared \_\_\_\_\_,  
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.  
\_\_\_\_\_  
SIGNATURE OF NOTARY



EXHIBIT "A"

**Legal Description**

The land referred to in this report/policy is situated in the State of Washington, County of Skagit, and is described as follows:

**Tract "A":**

That portion of Sections 10, 11, 14 and 15 Township 34 North, Range 4 East, WM, described as follows:

Commencing 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 the TRUE POINT OF BEGINNING, said true point of beginning is the same true point of beginning as described in that certain document recorded under Auditors File No. 200710110106, records of Skagit County Washington titled parcel "B" after adjustment; Thence the following courses along said Parcel "B" boundary, 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; 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 leaving said boundary of Parcel "B" Northerly along the West margin of Babcock Road, North 3° 26' 55" East 4.07 feet; Thence continuing along said West margin the following courses, North 11° 45' 40" East 40.64 feet; Thence North 27° 27' 02" East 32.32 feet; Thence North 32° 48' 39" East 35.96 feet, more or less to the East line of the Southwest Quarter of the Northwest Quarter of said Section 11; Thence North 1° 36' 43" East, along said East line, 139.16 feet to the Southerly margin of Swan Road; Thence the following courses along said Southerly margin, Northwesterly along a non-tangent curve concave to the Southwest whose radius point bears South 10° 04' 23" West a distance of 2834.79 feet through a central angle of 6° 32' 59" an arc distance of 324.06 feet; Thence North 86° 28' 36" West 1027.43 feet, more or less to the West line of said Section 11; Thence North 1° 29' 48" East, along said West line, 15.22 feet; Thence continuing along said right of way North 86° 40' 21" West 59.18 feet; Thence North 86° 44' 13" West 105.52 feet; Thence North 85° 17' 44" West 96.36 feet; Thence North 82° 50' 22" West 76.89 feet; Thence North 81° 18' 27" West 146.29 feet to the centerline of Nookachamps creek; Thence the following meandered courses along the centerline of said Nookachamps creek, South 14° 59' 44" West 44.48 feet; Thence South 1° 39' 17" East 70.61 feet; Thence South 28° 20' 12" East 86.67 feet; Thence South 63° 39' 24" East 100.51 feet;

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Thence South 75° 45' 56" East 110.95 feet; Thence South 66° 37' 29" East 133.10 feet; Thence South 50° 39' 38" East 53.86 feet; Thence South 36° 57' 59" East 46.09 feet; Thence South 31° 38' 29" East 105.02 feet; Thence South 19° 37' 45" East 78.67 feet; Thence South 6° 28' 20" East 36.00 feet; Thence South 1° 15' 55" East 48.25 feet; Thence South 21° 57' 10" West 65.40 feet; Thence South 52° 42' 41" West 71.75 feet; Thence South 87° 55' 04" West 50.91 feet; Thence South 70° 43' 30" West 73.77 feet; Thence North 83° 33' 13" West 37.27 feet; Thence North 67° 12' 20" West 51.36 feet; Thence North 46° 14' 06" West 152.66 feet; Thence North 55° 38' 38" West 50.63 feet; Thence North 41° 51' 17" West 255.39 feet; Thence North 62° 11' 43" West 53.08 feet; Thence North 79° 35' 00" West 58.48 feet; Thence South 82° 24' 56" West 86.84 feet; Thence South 54° 57' 47" West 88.04 feet; Thence South 36° 22' 07" West 58.88 feet; Thence South 33° 34' 34" West 198.18 feet; Thence South 55° 01' 33" West 58.93 feet; Thence North 89° 28' 26" West 79.74 feet; Thence North 80° 41' 38" West 63.98 feet; Thence North 65° 20' 23" West 91.10 feet; Thence North 56° 36' 34" West 115.20 feet; Thence North 70° 29' 45" West 114.29 feet; Thence South 89° 35' 10" West 129.32 feet; Thence South 64° 49' 30" West 116.57 feet; Thence South 42° 00' 02" West 51.82 feet; Thence South 31° 47' 58" West 50.90 feet; Thence South 36° 03' 58" West 97.32 feet; Thence South 40° 28' 29" West 111.76 feet; Thence South 27° 08' 00" West 48.46 feet; Thence South 13° 48' 27" West 146.66 feet; Thence South 20° 24' 58" West 163.42 feet; Thence South 50° 47' 36" West 107.26 feet; Thence South 57° 39' 24" West 85.65 feet, more or less to the North line of the Northwest Quarter of the Southeast Quarter of said Section 10; Thence leaving said creek centerline North 88° 44' 43" West, along said North line, 196.82 feet; Thence leaving said North line South 31° 56' 05" West 31.48 feet; Thence South 22° 29' 52" West 15.99 feet; Thence South 34° 40' 55" West 51.25 feet; Thence South 5° 54' 54" East 100.00 feet; Thence South 7° 21' 13" West 80.73 feet; Thence South 49° 27' 34" East 158.12 feet; Thence South 33° 46' 25" East 6.19 feet; Thence South 23° 32' 55" East 28.75 feet; Thence South 14° 56' 18" East 62.19 feet; Thence South 31° 17' 40" East 62.18 feet; Thence South 21° 43' 52" East 44.19 feet; Thence South 26° 20' 27" East 50.67 feet; Thence South 21° 18' 30" East 50.11 feet; Thence South 26° 08' 06" East 87.41 feet; Thence South 49° 19' 42" East 101.36 feet; Thence South 74° 28' 53" East 68.57 feet; Thence South 61° 47' 09" East 24.61 feet; Thence South 60° 00' 49" East 21.17 feet; Thence South 35° 59' 34" West 60.63 feet; Thence South 16° 40' 14" West 121.02 feet; Thence South 19° 08' 12" East 132.43 feet; Thence South 12° 29' 58" East 52.68 feet; Thence South 46° 52' 30" East 48.87 feet; Thence South 60° 03' 05" East 103.02 feet; Thence South 69° 30' 09" East 48.21 feet; Thence South 85° 54' 15" East 100.84 feet; Thence South 13° 32' 45" West 57.27 feet; Thence South 2° 03' 06" East 172.92 feet; Thence South 2° 06' 02" West 912.30 feet; Thence South 27° 26' 09" West 80.39 feet; Thence South 25° 10' 53" East 33.79 feet; Thence South 22° 11' 09" East 134.93 feet; Thence South 22° 14' 46" East 135.27 feet; Thence South 19° 27' 00" East 152.21 feet; Thence South 19° 27' 02" East 154.76 feet; Thence South 30° 22' 07" East 160.09 feet; Thence South 31° 44' 17" East 165.70 feet; Thence South 8° 25' 19" East 88.89 feet; Thence South 9° 23' 50" East 153.52 feet; Thence South 13° 53' 40" East 127.17 feet; Thence South 5° 13' 09" West 703.31 feet; Thence South 16° 31' 19" West 90.60 feet; Thence South 13° 16' 59" East 93.08 feet; Thence South 15° 26' 09" East 27.73 feet; Thence South 26° 42' 33" East 216.31 feet; Thence South 53° 03' 24" East 45.81 feet; Thence South 21° 00' 54" West 115.42 feet; Thence South 7° 01' 24" West 143.10 feet; Thence South 29° 48' 00" East 59.82 feet; Thence South 1° 34' 02" East 49.36 feet; Thence South 13° 38' 32" East 64.62 feet; Thence South 23° 58' 35" East 65.67 feet; Thence South 40° 38' 15" East 90.57 feet; Thence South 50° 23' 19" East 102.63 feet; Thence South 79° 51' 55" East 166.09 feet; Thence North 70° 45' 13" East 43.22 feet; Thence South 79° 25' 18" East 20.49 feet; Thence South 81° 40' 02" East 29.44 feet;

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Thence South 11° 49' 18" West 92.65 feet; Thence South 12° 29' 54" East 123.98 feet;  
 Thence South 28° 39' 56" West 29.14 feet; Thence South 14° 37' 34" West 75.63 feet;  
 Thence South 0° 20' 45" East 111.73 feet; Thence South 48° 25' 28" East 11.36 feet;  
 Thence South 5° 04' 40" East 65.41 feet; Thence South 19° 53' 20" East 63.44 feet;  
 Thence South 28° 19' 19" East 94.72 feet; Thence South 70° 31' 51" East 89.84 feet;  
 Thence South 43° 33' 29" East 155.07 feet; Thence North 70° 24' 51" East 83.00 feet;  
 Thence South 54° 50' 52" East 21.37 feet; Thence North 79° 28' 23" East 71.92 feet;  
 Thence South 62° 24' 17" East 18.77 feet; Thence South 72° 29' 08" East 30.68 feet;  
 Thence North 78° 29' 56" East 189.47 feet; Thence North 76° 52' 30" East 48.87 feet;  
 Thence North 60° 00' 00" East 39.16 feet; Thence North 45° 00' 00" East 39.16 feet;  
 Thence North 30° 00' 00" East 39.16 feet; Thence North 15° 00' 00" East 39.16 feet;  
 Thence North 2° 40' 41" East 25.22 feet; Thence North 2° 26' 49" West 123.92 feet;  
 Thence North 11° 11' 06" West 151.99 feet; Thence North 4° 52' 22" East 217.56 feet;  
 Thence North 3° 26' 51" East 166.51 feet; Thence North 3° 54' 05" West 38.37 feet;  
 Thence North 16° 28' 47" West 55.73 feet; Thence North 2° 38' 24" East 488.36 feet;  
 Thence North 33° 46' 25" East 91.41 feet; Thence North 15° 15' 23" East 159.46 feet;  
 Thence North 23° 57' 12" East 230.05 feet; Thence North 42° 19' 28" East 83.47 feet;  
 Thence North 76° 34' 08" East 85.59 feet; Thence North 81° 15' 14" East 140.92 feet;  
 Thence North 89° 24' 51" East 314.01 feet; Thence North 79° 23' 17" East 227.38 feet;  
 Thence North 70° 05' 05" East 99.42 feet; Thence North 79° 18' 54" East 95.41 feet;  
 Thence North 73° 24' 27" East 30.88 feet; Thence North 62° 30' 16" East 39.83 feet;  
 Thence North 39° 52' 39" East 258.14 feet more or less to the Southwesterly line of that certain parcel described as Parcel "A" after BLA, recorded under Auditors File No. 200708090007, records of Skagit County Washington; Thence North 60° 07' 16" West along said Southwesterly line of said Parcel "A" a distance of 218.28 feet; Thence North 29° 52' 18" East 422.07 feet to a point on the Northeasterly line of said Parcel "A"; Thence the following courses along the boundary of said Parcel "A" South 56° 41' 17" East 148.65 feet; Thence North 46° 15' 53" East 126.54 feet; Thence South 53° 55' 39" East 185.22 feet to the Northeasterly corner of said Parcel "A", being on the centerline 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 Deeds, page 651, records of Skagit County Washington;

Thence along the centerline of said right of way, North 36° 04' 21" East 104.06 feet; Thence along a curve to the right having a radius of 5613.62 feet through a central angle of 4° 10' 36" and arc distance of 409.21 feet; Thence North 40° 14' 58" East 804.87 feet to a point on the East line of the Southwest Quarter of Section 11; Thence North 1° 43' 48" East along said line, 140.29 feet to the Northeast corner of that certain parcel described as Parcel "D" described in that certain document recorded under Auditors File No. 200805080061, records of Skagit County Washington; Thence North 45° 00' 00" West along the Easterly line of said Parcel "D" a distance of 58.96 feet to the Southerly bank of the East Fork of Nookachamps Creek; Thence along the Southerly bank of the East Fork of Nookachamps Creek the following courses South 33° 37' 57" West 6.52 feet; Thence South 51° 31' 50" West 116.03 feet; Thence South 85° 47' 33" West 62.12 feet; Thence North 64° 43' 28" West 53.38 feet; Thence North 71° 22' 26" West 66.45 feet; Thence South 77° 07' 20" West 47.84 feet; Thence South 60° 57' 09" West 28.25 feet; Thence South 47° 36' 06" West 26.30 feet; Thence South 37° 13' 16" West 30.25 feet; Thence South 50° 03' 57" West 29.00 feet; Thence South 71° 14' 40" West 40.28 feet; Thence North 83° 04' 06" West 51.29 feet;

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Skagit County Auditor \$214.00  
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Thence North 69° 25' 17" West 94.54 feet; Thence North 58° 31' 50" West 104.07 feet; Thence North 50° 26' 04" West 48.54 feet; Thence North 59° 32' 38" West 24.74 feet; Thence South 89° 03' 02" West 215.66 feet; Thence North 74° 35' 08" West 54.54 feet; Thence North 68° 35' 12" West 132.92 feet; Thence South 37° 17' 52" West 92.81 feet; Thence South 52° 15' 52" West 29.33 feet; Thence South 72° 35' 27" West 56.67 feet; Thence North 85° 25' 43" West 33.79 feet to the East line of the Southwest Quarter of the Southwest Quarter of said Section 11; Thence North 1° 06' 44" East along the East line thereof, 614.85 feet more or less to a point which lies South 65° 38' 15" East from the true point of beginning; Thence North 65° 38' 15" West 163.26 feet to the TRUE POINT OF BEGINNING.

TOGETHER WITH those two portions of the Southwest ¼ of the Northwest ¼ of Section 11, Township 34 North, Range 4 East W.M., delineated as "Detail I" and "Detail II" on Page 2 of Boundary Line Adjustment Survey approved May 28, 2014 and recorded June 9, 2014, as Skagit County Auditor's File No. 201406090095; and

ALSO TOGETHER WITH that portion of the Southwest ¼ of the Southwest ¼ in Section 11, Township 34 North, Range 4 East W.M., delineated as "ADJUSTED AREA CONTAINS 2.25 ACRES" on Page 2 of Boundary Line Adjustment Survey approved May 28, 2014, and recorded June 9, 2014 as Skagit County Auditor's File No. 201406090095; EXCEPT that portion of said "ADJUSTED AREA CONTAINS 2.25 ACRES" already included in the main body of Tract "A" described above.

EXCEPT the fee ownership underlying those Easement rights AND EXCEPT those Easement rights reserved by Clear Valley Environmental Farm, LLC, a Washington limited liability company, et al, on that certain Statutory Warranty Deed recorded November 20, 2007 as Auditor's File No. 200711200139; being a portion of the North ½ of the Northwest ¼ of Section 14, Township 34 North, Range 4 East, W.M..

**Tract "B":**

Those Easement rights reserved by Clear Valley Environmental Farm, LLC, a Washington limited liability company, et al, on that certain Statutory Warranty Deed recorded November 20, 2007 as Auditor's File No. 200711200139; being a portion of the North ½ of the Northwest ¼ of Section 14, Township 34 North, Range 4 East, W.M., EXCEPT the following described property:

That portion of the below described Parcel "A" being a portion of the Northwest ¼ of Section 14, Township 34 North, Range 4 East, WM described as follows, being a portion of Parcel "A", after Boundary Line Adjustment, as recorded under Auditors File No. 200708090007. Beginning at the most Southerly corner of the below described Parcel "A": Thence North 60° 07' 16" West along the Southwesterly line thereof, 30.00 feet; Thence North 29° 52' 44" East 423.87 feet to a point on the Northeasterly line of the below Parcel A"; Thence South 56° 41' 17" East along said line, 30.00 feet; Thence South 29° 52' 18" West 422.07 feet to the point of beginning.

**Tract "C":**

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. Lindvall, et ux, by Deed recorded September 3, 1982, as Auditor's File No. 8209030067.

**Parcel "A":**

Commencing at the North Quarter 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, 1086.24 feet to a point hereinafter referred to as Point "A"; thence continue Southwesterly along said right of way, 408.00 feet; thence North 60° 07' 16" West in a straight line, 1691.33 feet, more or less, to a point 396.00 feet South of the Northwest corner of said Section 14 and on

the West line of said Section 14 to the TRUE POINT OF BEGINNING; thence North, along the West line thereof a distance of 396.00 feet; thence East, along the North line of said Section 14, a distance of 329.30 feet; thence South 56° 41' 17" East, along a line that would connect to the aforementioned Point "A", a distance of 1363.83 feet; thence South 29° 52' 18" West 422.07 feet, to a point which lies South 60° 07' 16" East from the true point of beginning; thence North 60° 07' 16" West 1460.34 feet to the TRUE POINT OF BEGINNING.



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Skagit County Auditor

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