



201412090085

Skagit County Auditor

\$88.00

12/9/2014 Page

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RETURN ADDRESS:

Jan Eivin Hansen
Sherron Associates, Inc.
12301 NE 10th Place #303
Bellevue, WA 98005

GUARDIAN NORTHWEST TITLE CO.

SUBORDINATION AGREEMENT

108166

201412090082

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

GRANTOR(S):

SWAN ROAD (SHERRON ASSOCIATES) LLC

GRANTEE(S):

OWENS REALTY MORTGAGE, INC.

ADDITIONAL ON PAGE 1:

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

THIS SUBORDINATION AGREEMENT (this "Agreement"), dated as of November 3, 2014, 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 REALTY MORTGAGE, INC., a Maryland corporation ("Senior Lender").

RECITALS

A. Subordinate Lender has made a loan to Borrower in the original principal amount of One Million Five Hundred Thousand Dollars (USD \$1,500,000.00) (the "Subordinate Loan"). The Subordinate Loan is secured by, among other things, that certain Deed of Trust, Assignment of Leases and Rents, Security Agreement, and Fixture Filing recorded under Skagit County Auditor's No. 200908100155 (the "Subordinate Deed of Trust") against the property described on Exhibit A attached hereto and incorporated herein by this reference (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."

B. Senior Lender has agreed to make a loan to Borrower in the principal amount of up to One Million Eight Hundred Sixty Thousand Sixty-Seven and 74/100 Dollars (USD \$1,860,067.74) (the "Senior Loan"). The Senior Loan is secured by that certain Deed of Trust and Assignment of Rents to be recorded concurrently herewith in the Official Records of Skagit County, Washington (the "Senior Deed of Trust") against the Property. 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."

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 Senior Loan and Subordinate Loan, respectively. It is understood that Senior Lender would not make the Senior Loan secured by the Senior Deed of Trust without this Agreement.

AGREEMENT

1. Consent and Subordination. Notwithstanding any restrictions to the contrary set forth in the Subordinate Deed of Trust or other Subordinate Loan Documents, Subordinate Lender hereby consents to the Senior Loan and the liens of the Senior Deed of Trust and other Senior Loan Documents. 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. Subject to the terms and conditions of this Agreement, Subordinate Lender hereby 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 any date prior to April 27, 2015 (other than an election to accelerate upon an Event of Default (as defined below)); or

(b). Increasing the amount of the Senior Loan above the principal balance due of One Million Eight Hundred Sixty Thousand Sixty-Seven and 74/100



Dollars (USD \$1,860,067.74) (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 eight percent (8%) per annum (other than an increase to a default rate and/or 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. 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.



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: SHERRON ASSOCIATES, INC., ITS
manager

By: [Signature]
Name: TAN ERIN HAWKEN
Title: ITS VP

**SENIOR
LENDER:**

OWENS REALTY MORTGAGE, INC.,
a Maryland corporation

BY: Owens Financial Group, Inc.

A California corporation

ITS: Manager

By: _____
Name: _____
Title: _____



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

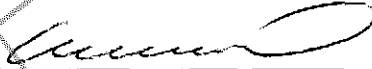
**SUBORDINATE
LENDER:**

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

By _____
Name: _____
Title: _____

**SENIOR
LENDER:**

OWENS REALTY MORTGAGE, INC.,
a Maryland corporation
BY: Owens Financial Group, Inc.
a California corporation
ITS: Manager

By  _____
Name: William E. Dutra
Title: Executive Vice President

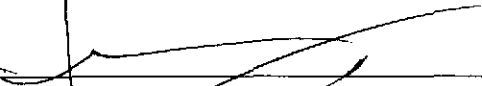



Acknowledged and accepted by:

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

By: SE SKAGIT LAND, LLC, a Washington limited
liability company
Its: Managing Member

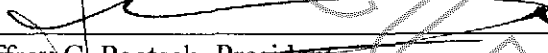
By: JCPOETSCH ADVISORS, INC., a California
corporation
Its: Managing Member

By: 
Jeffrey C. Poetsch, President

By: 
Alison Poetsch, Secretary

By: _____
John Patrick May, Managing Member

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

By: 
Jeffrey C. Poetsch, President

By: 
Alison Poetsch, Secretary



Acknowledged and accepted by:

BORROWER: 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 C. Poetsch, President

By _____
Alison Poetsch, Secretary

By _____
John Patrick May, Managing Member

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

By _____
Jeffrey C. Poetsch, President

By _____
Alison Poetsch, Secretary

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Skagit County Auditor

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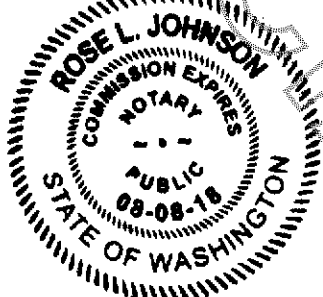
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\$88.00

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Jan Elvin Hansen is 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 VP of 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 6 day of November, 2014.



Rose L Johnson
(Signature of Notary)

Rose L Johnson
(Print or stamp name of Notary)

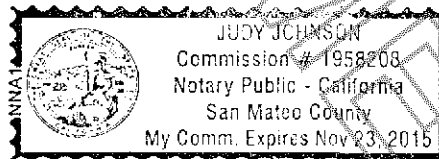
NOTARY PUBLIC in and for the State of Washington Resides in Lake Forest Park, WA
My Appointment Expires: 8-8-18

STATE OF California)
) ss.
COUNTY OF San Mateo)

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



992190.01



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that _____ is 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 _____ 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 ____ day of _____, 2014.

(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State of Washington

My Appointment Expires: _____

STATE OF California)
) ss.
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.

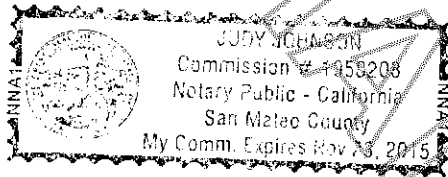
Witness my hand and official seal.
Laura E. Quisito
SIGNATURE OF NOTARY



STATE OF California)
) ss.
COUNTY OF San Mateo)

I certify that I know or have satisfactory evidence that JEFFREY C. POETSCH and ALISON POETSCH are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they are authorized to execute the instrument and acknowledged it as the President and Secretary, respectively, of JCPOETSCH ADVISORS, INC., which is the Managing Member of SE SKAGIT LAND, LLC, which is the Managing Member of CLEAR VALLEY ENVIRONMENTAL FARM, LLC, to be the free and voluntary act and deed of such corporation, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed this 5 day of Dec, 2014.



Judy Johnson
(Signature of Notary)
Judy Johnson
(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State
of California
My Appointment Expires: Nov 23, 2015

STATE OF _____)
) ss.
COUNTY OF _____)

I certify that I know or have satisfactory evidence that JOHN PATRICK MAY is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he is authorized to execute the instrument and acknowledged it as the Managing Member of SE SKAGIT LAND, LLC, which is the Managing Member of CLEAR VALLEY ENVIRONMENTAL FARM, LLC, to be the free and voluntary act and deed of such limited liability company, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed this _____ day of _____, 2014.

(Signature of Notary)

(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State
of _____
My Appointment Expires: _____

7

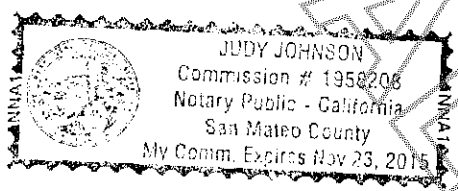
992190.01



STATE OF California)
COUNTY OF San Mateo) SS.

I certify that I know or have satisfactory evidence that JEFFREY C. POETSCH and ALISON POETSCH are the persons who appeared before me, and said persons acknowledged that they signed this instrument, on oath stated that they are authorized to execute the instrument and acknowledged it as the President and Secretary, respectively, of CLEAR VALLEY ENVIRONMENTAL FARM II, INC., to be the free and voluntary act and deed of such corporation, for the uses and purposes mentioned in the instrument.

WITNESS my hand and official seal hereto affixed this 5 day of Dec, 2014.



Judy Johnson
(Signature of Notary)
Judy Johnson
(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State
of California
My Appointment Expires: Nov 23, 2015



CALIFORNIA JURAT WITH AFFIANT STATEMENT
GOVERNMENT CODE § 8202

- See Attached Document (Notary to cross out lines 1-6 below)
- See Statement Below (Lines 1-6 to be completed only by document signer[s], not Notary)

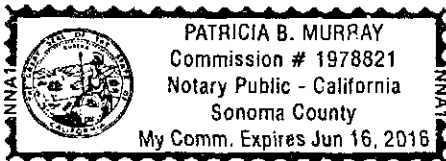
1 _____
 2 _____
 3 _____
 4 _____
 5 _____
 6 _____

Signature of Document Signer No. 1 _____ Signature of Document Signer No. 2 (if any) _____

State of California
 County of Sonoma

Subscribed and sworn to (or affirmed) before me
 on this 26 day of November, 2014,
 by _____
 Date Month Year

(1) John Patrick May
 (2) _____
 Name(s) of Signer(s)



Place Notary Seal Above

proved to me on the basis of satisfactory evidence
 to be the person(s) who appeared before me.

Signature Patricia B. Murray
 Signature of Notary Public

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____



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 $88^{\circ} 32' 07''$ East, along the South line of said Section 11 a distance of 1168.41 feet; Thence North $1^{\circ} 06' 44''$ 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 $65^{\circ} 38' 15''$ West 89.27 feet; Thence North $60^{\circ} 12' 24''$ West 578.82 feet; Thence North $58^{\circ} 52' 21''$ West 337.35 feet; Thence North $43^{\circ} 09' 09''$ West 68.08 feet; Thence North $0^{\circ} 43' 05''$ West 371.65 feet; Thence North $3^{\circ} 01' 13''$ East 349.79 feet; Thence North $28^{\circ} 03' 28''$ East 282.53 feet; Thence North $39^{\circ} 46' 02''$ East 128.04 feet; Thence North $73^{\circ} 15' 44''$ East 458.76 feet; Thence North $49^{\circ} 28' 04''$ East 210.47 feet; Thence along a curve to the left having a radius of 148.75 feet through a central angle of $87^{\circ} 56' 43''$ an arc distance of 228.33 feet; Thence North $38^{\circ} 28' 39''$ West 106.10 feet; Thence North $29^{\circ} 08' 06''$ West 48.98 feet; Thence North $5^{\circ} 45' 31''$ West 28.47 feet; Thence North $27^{\circ} 57' 37''$ East 255.36 feet; Thence North $38^{\circ} 57' 10''$ East 102.81 feet; Thence North $76^{\circ} 29' 57''$ East 62.91 feet; Thence North $60^{\circ} 00' 00''$ East 58.53 feet; Thence South $44^{\circ} 26' 23''$ 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 $3^{\circ} 26' 55''$ East 4.07 feet; Thence continuing along said West margin the following courses, North $11^{\circ} 45' 40''$ East 40.64 feet; Thence North $27^{\circ} 27' 02''$ East 32.32 feet; Thence North $32^{\circ} 48' 39''$ 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 $1^{\circ} 36' 43''$ 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 $10^{\circ} 04' 23''$ West a distance of 2834.79 feet through a central angle of $6^{\circ} 32' 59''$ an arc distance of 324.06 feet; Thence North $86^{\circ} 28' 36''$ West 1027.43 feet, more or less to the West line of said Section 11; Thence North $1^{\circ} 29' 48''$ East, along said West line, 15.22 feet; Thence continuing along said right of way North $86^{\circ} 40' 21''$ West 59.18 feet; Thence North $86^{\circ} 44' 13''$ West 105.52 feet; Thence North $85^{\circ} 17' 44''$ West 96.36 feet; Thence North $82^{\circ} 50' 22''$ West 76.89 feet; Thence North $81^{\circ} 18' 27''$ West 146.29 feet to the centerline of Nookachamps creek; Thence the following meandered courses along the centerline of said Nookachamps creek, South $14^{\circ} 59' 44''$ West 44.48 feet; Thence South $1^{\circ} 39' 17''$ East 70.61 feet; Thence South $28^{\circ} 20' 12''$ East 86.67 feet; Thence South $63^{\circ} 39' 24''$ 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 49° 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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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 213.66 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 these 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

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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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