



201708020055

Skagit County Auditor

8/2/2017 Page

1 of

12

\$159.00

3:03PM

**RETURN ADDRESS:**

Skagit Bank  
Attn: Loan Operations  
Center  
301 E Fairhaven Ave, P O  
Box 285  
Burlington, WA 98233

SUBAGREEM%#####%#####%07-14-2017\*

**NOTICE: THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT RESULTS IN YOUR SECURITY INTEREST IN THE COLLATERAL BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF SOME OTHER OR LATER SECURITY INSTRUMENT.**

**SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT  
AND ESTOPPEL CERTIFICATE**

Reference # (if applicable): 155948-0  
01-161826-0

(unrecorded lease)

Additional on page \_\_\_\_

Grantor(s):

1. SKYLINE MARINA HOLDINGS, LLC
2. SKYLINE MARINA MOORAGES, LLC

Land Title

Grantee(s)

1. Skagit Bank

Legal Description: Lots 9 & 10, Skyline #13; Lot D, SP AN-83-004 Aka Skyline Short Plat; Units A, B & C, Skyline #24, a Condo. (Amend #2); ptn GL 4 & 5, 28-35 1 E W.M., ptn Tr. 7 & 8, Plate 4, Tide & Shorelands

Additional on page \_\_\_\_

Assessor's Tax Parcel ID#: 350128-0-011-1902 (P32472), 4426-000-002-0006 (P82074), 4426-000-003-0005 (P82075), 4426-000-004-0004 (P82076), 350128-0-019-0005 (P32486), 3828-000-009-0005 (P60079), 3828-000-010-0002 (P60080), 350128-0-011-0102 (P32458), 4571-000-001-0000 (P100086), 4571-000-013-0002 (P100103), 4571-000-019-0008 (P100109) and 350127-0-017-1105 (P32371)

**THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT** dated July 14, 2017 ("Agreement"), is made and executed among SKYLINE MARINE CENTER, LLC, a Washington limited liability company, whose address is 2011 SKYLINE WAY, ANACORTES, WA 98221 ("Landlord"); MARINE SERVICES GROUP formerly MICO HOLDING, LLC, a Washington limited liability company, whose address is 1910 SKYLINE WAY, ANACORTES, WA 98221 ("Tenant"); and Skagit Bank, Main Office, 301 E. Fairhaven Ave, P O Box 285, Burlington, WA 98233 ("Lender").

**SUBORDINATED LEASE.** Tenant and Landlord have executed a lease dated November 9, 2009 of the property described herein which was recorded as follows: Unrecorded (the "Lease"). The following information is the summary of the basic terms and conditions of the Subordinated Lease: Lease dated November 9, 2009 between Skyline Marine Center, LLC ("Landlord") and Resolute Industries Inc., DBA North Island Boat Co. ("Tenant") which commenced on May 1, 2010 and expired on April 30, 2015 with a term of 5 years with options to extend. Said Lease subsequently assigned to MICO Holdings, LLC, a Washington limited liability company, now known as Marine Services Group, by Tenant and agreed to by Landlord as evidenced by an Assignment and Assumption of Lease and Consent and Guaranty dated January 25, 2012.

**REAL PROPERTY DESCRIPTION.** The Lease covers Schedule "A-1" of the following described real property (the "Real Property") located in Skagit County, State of Washington:

See Schedule "A-1", which is attached to this Agreement and made a part of this Agreement as if fully set forth herein.

The Real Property or its address is commonly known as 2011, 2013, 1910 and 2201 Skyline Way, 5918 Cabana Lane and NHN on various roads, (consisting of twelve (12) parcels in Skagit County as described in Schedule A-1), Anacortes, WA 98221. The Real Property tax identification number is 350128-0-011-1902 (P32472), 4426-000-002-0006 (P82074), 4426-000-003-0005 (P82075), 4426-000-004-0004 (P82076), 350128-0-019-0005 (P32486), 3828-000-009-0005 (P60079), 3828-000-010-0002 (P60080), 350128-0-011-0102 (P32458), 4571-000-001-0000 (P100086), 4571-000-013-0002 (P100103), 4571-000-019-0008 (P100109) and 350127-0-017-1105 (P32371).

**SUPERIOR INDEBTEDNESS.** Lender has extended or has agreed to extend the following described financial accommodations to SKYLINE MARINA HOLDINGS, LLC, secured by the Real Property (the "Superior Indebtedness"):

**Promissory Note dated September 27, 2016 for the original principal amount of \$1,250,000.00.**

**LENDER'S LIEN.** The Superior indebtedness is or will be secured by the Real Property and evidenced by a mortgage, deed of trust, or other lien instrument, dated September 27, 2016, from SKYLINE MARINA HOLDINGS, LLC and SKYLINE MARINA MOORAGES, LLC to Lender (the "Lender's Lien") and recorded in Skagit County, State of Washington as follows:

**Recorded on October 3, 2016 under Skagit County Auditor File Number 201610030119.**

As a condition to the granting of the requested financial accommodations, Lender has required that the Lender's Lien be and remain superior to the Subordinated Lease and all of Tenant's rights in the Real Property ("Lease Rights").

**REQUESTED FINANCIAL ACCOMMODATIONS.** Landlord and Tenant each want Lender to provide financial accommodations to SKYLINE MARINA HOLDINGS, LLC in the form of the Superior Indebtedness. Landlord and Tenant each represent and acknowledge to Lender that Landlord and Tenant will benefit as a result of these financial accommodations from Lender to SKYLINE MARINA HOLDINGS, LLC, and Landlord and Tenant acknowledge receipt of valuable consideration for entering into this Agreement.

**IN EXCHANGE FOR GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY AND RECEIPT OF WHICH ARE HEREBY ACKNOWLEDGED, LENDER, LANDLORD, AND TENANT HEREBY AGREE AS FOLLOWS:**

**ESTOPPEL CERTIFICATE.** Tenant hereby certifies to and agrees with Lender that as of the date of this Agreement, Lender is relying on all of the following certifications and agreements of Tenant as consideration for Lender executing this Agreement:

- (A) The Lease is in full force and effect and is the valid and binding obligation of Tenant, enforceable in accordance with its terms.
- (B) All requirements for the commencement and validity of the Lease have been satisfied.
- (C) Neither Tenant nor Landlord is in default under the Lease and no event has occurred and no condition exists, which with the giving of notice, the passage of time, or both, would constitute a default by Tenant or Landlord under the Lease.
- (D) There are no defenses, counterclaims or setoffs against rents or charges due or which may become due under the Lease and no claim by Tenant of any nature exists against Landlord under the Lease. All obligations of Landlord have been fully performed.
- (E) None of the rent, which Tenant is required to pay under the Lease, has been prepaid, or will in the future be prepaid, more than one month in advance.
- (F) The Lease shall not after the date of this Agreement be modified, terminated, or amended, without the prior written consent of Lender for any termination and each such amendment or modification. Any attempted modification, termination, or amendment without the prior written consent of Lender shall be void.
- (G) Tenant has not assigned, mortgaged, sublet, encumbered or otherwise transferred any or all of its interest under the Lease and, during the term of the Loan, agrees to not assign, mortgage, sublet, encumber, or otherwise transfer any or all of its interest under the Lease without the prior written consent of Lender.

**SUBORDINATION.** Notwithstanding anything in the Lease to the contrary, the parties acknowledge and agree that the Lease and Lease Rights are and shall be subject and subordinate in right, interest and lien, and for all purposes, to Lender's Lien, and to all renewals, modifications, consolidations, replacements, and extensions thereof, and to any subsequent lien of the Lender with which Lender's Lien may be spread or consolidated, to the full extent of the principal sum and all other amounts secured thereby and interest thereon. Tenant will not cause the Lease to be subordinated to any interests other than those held by or made for the benefit of Lender, and its successors and assigns, without the prior written consent of Lender.

**NON-DISTURBANCE.** So long as the Lease is in full force and effect and Tenant is not in default under the Lease beyond any applicable cure period, Lender shall not name or join Tenant as a defendant in any exercise of Lender's rights and remedies arising upon a default of the Loan under the Note and/or under Lender's Lien unless applicable law requires Tenant to be made a party thereto as a condition to proceeding against Landlord or pursuing such rights and remedies. In the latter case, Lender may join Tenant as a defendant in such action only for such purpose and not to terminate the Lease or otherwise

adversely affect Tenant's rights under the Lease or this Agreement in such action. If the Lease has not been terminated, then, when Lender succeeds to the interest of Landlord, the Lender shall not terminate or disturb Tenant's possession of Tenant's premises under the Lease, except in accordance with the terms of the Lease and this Agreement.

**ATTORNMEN**. If Lender shall succeed to the interest of the Landlord under the Lease, and the Lease shall not have expired or been terminated in accordance with the terms of the Lease or this Agreement, Tenant shall, from and after such event, attorn to Lender, all rights and obligations under the Lease to continue as though the interest of Landlord had not terminated. Such attornment shall be effective and self-operative without the execution of any further instrument on the part of the parties hereto. Tenant agrees, however, to execute and deliver at any time and from time to time, upon the request of Lender, any instrument or certificate which, in the sole judgment of Lender, may be necessary or appropriate in any such foreclosure proceeding or otherwise to evidence such attornment.

**NO LIABILITY FOR LENDER**. Lender in the event of attornment shall have the same remedies in the event of any default by Tenant (beyond any period given Tenant to cure such default) in the payment of annual base rent or additional rent or in the performance of any of the terms, covenants, and conditions of the Lease on Tenant's part to be performed that are available to Landlord under the Lease. Tenant shall have the same remedies against Lender for the breach of an agreement contained in the Lease that Tenant might have had against Landlord if Lender had not succeeded to the interest of Landlord; provided, however, that Lender shall not be:

- (A) Liable for any act or omission of or any claims against any prior landlord, including Landlord; or
- (B) Subject to any offsets or defenses which Tenant might have against any prior landlord, including Landlord; or
- (C) Bound by any rent or additional rent which Tenant might have paid for more than the current month to any prior landlord, including Landlord; or
- (D) Bound by any amendment or modification of the Lease, or waiver of any of its terms, made without its consent; or
- (E) Liable for any sum that any prior landlord, including Landlord, owed to Tenant, including without limitation any security deposit, unless the amount owed was actually delivered to Lender; or
- (F) Bound by any surrender, cancellation, or termination of the Lease, in whole or in part, agreed upon between Landlord and Tenant; or
- (G) Liable for any construction obligation of any prior landlord, including Landlord; or
- (H) Liable for any breach of representation or warranty of any prior landlord, including Landlord.

**NEW LEASE**. If Lender shall succeed to the interest of the Landlord under the Lease, upon the written request of Lender to Tenant, Tenant shall execute and deliver to Lender a lease of the Real Property upon the same terms and conditions as the Lease between Landlord and Tenant, which lease shall cover any unexpired term of the Lease existing prior to such transfer.

**ACKNOWLEDGMENT AND AGREEMENT BY LANDLORD**. Landlord, as landlord under the Lease, acknowledges and agrees for itself and its heirs, successors and assigns to each of the following:

- (A) This Agreement does not in any way release Landlord from its obligations to comply with the terms, provisions, conditions, covenants, agreements and clauses of the Note, Lender's Lien or any other documents executed in connection with the Loan.
- (B) In the event of a default under the Note, or any of the other documents executed in connection with the Loan, Landlord hereby consents to Tenant's attornment to Lender and, upon such event, Tenant shall pay all rent and all other sums due under the Lease to Lender as provided in the Lease.

**MISCELLANEOUS PROVISIONS**. The following miscellaneous provisions are a part of this Agreement:

**Amendments**. This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

**Attorneys' Fees; Expenses**. If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however, subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports, and appraisal fees and title insurance, to the extent permitted by applicable law. Landlord also will pay any court costs, in addition to all other sums provided by law.

**Authority**. Any person who signs this Agreement on behalf of Landlord and Tenant represents and warrants that he or she has authority to execute this Agreement.

**Caption Headings**. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

**Counterparts**. This Agreement may be executed in multiple counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts, taken together, shall constitute one and the same Agreement.

**Governing Law**. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Washington without regard to its conflicts of law provisions.

**This Agreement has been accepted by Lender in the State of Washington.**

**Notices.** Any notice required to be given under this Agreement shall be given in writing, and, shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address.

**No Waiver by Lender.** Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing among Lender, Landlord, and Tenant shall constitute a waiver of any of Lender's rights or of any of Landlord's and/or Tenant's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

**Successors.** This Agreement shall extend to and bind the respective heirs, personal representatives, successors and assigns of the parties to this Agreement.

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH PARTY AGREES TO ITS TERMS. THIS AGREEMENT IS DATED JULY 14, 2017.

LANDLORD:

SKYLINE MARINE CENTER, LLC

By: Janet B Elway

JANET B ELWAY, Manager of SKYLINE MARINE CENTER LLC

LENDER:

SKAGIT BANK

X Steven P Henery

Authorized Officer

TENANT:

MARINE SERVICES GROUP

By: Michael K Roff

MICHAEL ROFF, Owner of MARINE SERVICES GROUP

**LIMITED LIABILITY COMPANY ACKNOWLEDGMENT**

STATE OF Washington

COUNTY OF Skagit

On this 21st day of July, 2017, before me, the undersigned Notary Public, Janet B Elway personally appeared Janet B Elway, Manager of Skyline Marine

and personally known to me or proved to me on the basis of satisfactory evidence to be (a) member(s) or designated agent(s) of the limited liability company that executed the Subordination, Non-Disturbance and Attornment Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she/they is/are authorized to execute this Agreement and in fact executed the Agreement on behalf of the limited liability company.

By Laura L. Iles

Residing Anacortes at

Notary Public in and for the State of  
WASHINGTON

My commission 2-17-19 expires

**LENDER ACKNOWLEDGMENT**

STATE OF Washington

COUNTY OF Skagit

On this 21st day of July, 2017, before me, the undersigned Notary Public, personally appeared Steven P Henery and personally known to me or proved to me on the basis of satisfactory evidence to be the SR. VICE PRESIDENT, authorized agent for Skagit Bank that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of Skagit Bank, duly authorized by Skagit Bank through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and in fact executed this said instrument on behalf of Skagit Bank.

By Laura L. Iles

Residing Anacortes at

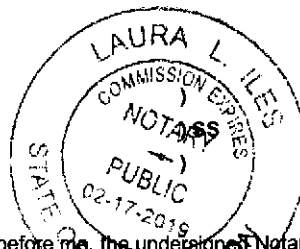
Notary Public in and for the State of  
Washington

My commission 2-17-19 expires

CORPORATE ACKNOWLEDGMENT

STATE OF Washington

COUNTY OF Skagit



On this 21<sup>st</sup> day of July, 20 17, before me, the undersigned Notary Public, Michael personally appeared Michael Reich Owner Marine Services Group

and personally known to me or proved to me on the basis of satisfactory evidence to be (an) authorized agent(s) of the corporation that executed the Subordination, Non-Disturbance and Attornment Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that he or she/they is/are authorized to execute this Agreement and in fact executed the Agreement on behalf of the corporation.

By Laura L. Iles

Residing Anacorte at

Notary Public in and for the State of WASHINGTON

My 2-17-19 commission expires

**Schedule "A-1"**

**155948-O**

**DESCRIPTION:**

**PARCEL "A":**

Lot 9, "SKYLINE NO. 13," as per plat recorded in Volume 9 of Plats, pages 96 and 97, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "B":**

Lot 10, "SKYLINE NO. 13," as per plat recorded in Volume 9 of Plats, pages 96 and 97, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "C":**

That portion of Government Lot 5 in Section 28, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at the Southwest corner of Lot 10 in the Plat of "SKYLINE NO. 13," as per plat recorded in Volume 9 of Plats, pages 96 and 97, records of Skagit County, Washington;  
thence due East along the South line of said Plat, a distance of 149.68 feet;  
thence South  $1^{\circ}23'59''$  West, 118.56 feet;  
thence due West 173.48 feet to a point on the East line of Tract "B" in the Plat of "SKYLINE NO. 17, A CONDOMINIUM," as per plat recorded in Volume 9 of Plats, pages 101 and 102, records of Skagit County, Washington, said point also being the beginning of a curve to the left from which the center lines North  $64^{\circ}36'41''$  West, 276.45 feet distant;  
thence Northerly along said curve and said East line through a central angle of  $25^{\circ}23'19''$ , an arc distance of 122.50 feet to a point of tangency and the point of beginning.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "D":**

That portion of Government Lot 5 in Section 28, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at the Southeast corner of the Plat of "SKYLINE NO. 13," as per plat recorded in Volume 9 of Plats, pages 96 and 97, records of Skagit County, Washington;  
thence due West along the South line of said Plat, a distance of 5.32 feet;  
thence South  $1^{\circ}23'59''$  West, 118.56 feet to the point of beginning;  
thence South  $1^{\circ}23'59''$  West, 152.45 feet;  
thence North  $76^{\circ}09'01''$  West, 56.81 feet;  
thence North  $1^{\circ}23'59''$  East, 138.85 feet;  
thence due East 55.49 feet to the point of beginning.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**Schedule "A-1"**

**155948-O**

**DESCRIPTION CONTINUED:**

**PARCEL "E":**

That portion of Government Lot 5 in Section 28, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at the Southeast corner of the Plat of "SKYLINE NO. 13," as per plat recorded in Volume 9 of Plats, pages 96 and 97, records of Skagit County, Washington;  
thence South  $88^{\circ}06'49''$  East, 262.37 feet;  
thence South  $1^{\circ}53'11''$  West, 152.98 feet to a point on the boundary of the Plat of "SKYLINE NO. 17, A CONDOMINIUM," as per plat recorded in Volume 9 of Plats, pages 101 and 102, records of Skagit County, Washington;  
thence South  $15^{\circ}53'36''$  West along said boundary, a distance of 367.37 feet;  
thence continuing along said boundary North  $73^{\circ}28'39''$  West, a distance of 98.00 feet;  
thence North  $73^{\circ}28'39''$  West, 82.69 feet;  
thence North  $1^{\circ}23'59''$  East, 463.61 feet to the South line of said Plat of "SKYLINE NO. 13";  
thence due East along said South line a distance of 5.32 feet to the point of beginning,

EXCEPT the following described tract:

Beginning at the Southeast corner of Lot 10, "SKYLINE NO. 13," as per plat recorded in Volume 9 of Plats, pages 96 and 97, records of Skagit County, Washington;  
thence due East 200.00 feet;  
thence Southerly 70 feet;  
thence due West 200.00 feet;  
thence Northerly 70.00 feet to the point of beginning.

ALSO EXCEPT that portion thereof lying within "PLAT OF SKYLINE NO. 23," according to the Second Amended Declaration thereof recorded June 25, 1999, under Auditor's File No. 9906240084, records of Skagit County, Washington, and as per Amended Survey Map and Plans thereof recorded in Volume 15 of Plats, pages 78 through 80, inclusive, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "F":**

That portion of Government Lot 5 in Section 28, Township 35 North, Range 1 East, W.M., described as follows:

Beginning at the Southeast corner of Lot 10, "SKYLINE NO. 13," as per plat recorded in Volume 9 of Plats, pages 96 and 97, records of Skagit County, Washington;  
thence due West along the South line of said Lot 10, 5.319 feet to the Northeast corner of that certain Tract "C" conveyed to Skyline Marina, Inc., and recorded under Auditor's File No. 764620;  
thence South  $1^{\circ}23'59''$  West along the East line of said Tract "C", 118.564 feet to its Southeast corner;



**Schedule "A-1"**

**155948-O**

**DESCRIPTION CONTINUED:**

**PARCEL "F" continued:**

thence due West along the South line of said Tract "C", 55.490 feet to the true point of beginning of this description;  
thence continuing due West, 117.993 feet to a point on the East line of Tract "B" (also known as Skyline Way) of "SKYLINE NO. 17, A CONDOMINIUM," as per plat recorded in Volume 9 of Plats, pages 101 and 102, records of Skagit County, Washington;  
thence South 25°23'19" West along the East line of Skyline Way, 144.400 feet;  
thence 303.532 feet along the arc of a curve to the left having a radius of 205.000 feet and a central angle of 84°50'05" to the Southwest corner of a certain tract of land recorded under Auditor's File No. 884944, in Book 2 of Surveys, page 108, records of Skagit County, Washington;  
thence North 0°50'01" East along the West line of said tract, 131.258 feet to its Northwest corner;  
thence South 88°44'55" East along the North line of said tract, 146.011 feet to a point on the West line of a certain Tract "A" recorded under Auditor's File No. 764620;  
thence North 01°23'59" East along the West line of said Tract "A", 114.452 feet to the Southeast corner of a certain Tract "D" recorded under Auditor's File No. 764620;  
thence North 76°09'01" West along the South line of said Tract "D", 56.810 feet to its Southwest corner;  
thence North 01°23'59" East along the West line of said Tract "D", 138.851 feet to the true point of beginning.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "G":**

That portion of Government Lot 4 in Section 28, Township 35 North, Range 1 East, W.M., and that portion of Tracts 7 and 8 of Plate 4 in Section 28 of Tide and Shore Lands of Anacortes Harbor, in Sections 27 and 28, Township 35 North, Range 1 East, W.M., according to the maps thereof on file at the Office of the State Commissioner of Public Lands, Olympia, Washington, and that portion of Tract No. 7A, as shown upon the Replat of Lagoon Waterway, filed in the Office of the Commissioner of Public Lands at Olympia, Washington, on November 6, 1992, lying within the boundaries of the following described tract:

Beginning at the Southwest corner of the Plat of "SKYLINE NO. 13," as per plat recorded in Volume 9 of Plats, pages 96 and 97, records of Skagit County, Washington, said point of commencement being at the beginning of a curve from which the center bears due West 320.00 feet distant;  
thence Southerly along said curve to the right through a central angle of 19°26'16", an arc distance of 108.56 feet to a point of compound curvature and the beginning of a curve to the right having a radius of 40.00 feet;  
thence Southerly and Westerly along said curve through a central angle of 72°35'38", an arc distance of 50.68 feet to a point of tangency;  
thence North 87°58'06" West, 259.30 feet to a point of beginning;  
thence North 87°58'06" West, 192.94 feet to the beginning of a curve to the right having a radius of 1134.56 feet;  
thence Westerly along said curve through a central angle of 7°34'57", an arc distance of 150.15 feet to a point of reverse curvature and the beginning of a curve to the left having a radius of 420.00 feet;

**Schedule "A-1"**

**155948-O**

**DESCRIPTION CONTINUED:**

**PARCEL "G" continued:**

thence Westerly along said curve through a central angle of  $9^{\circ}36'51''$ , an arc distance of 70.48 feet to a point of tangency;  
thence due West, 55.38 feet;  
thence due North 315.39 feet;  
thence due East, 210.00 feet;  
thence due North 210.00 feet;  
thence due West, 150.00 feet;  
thence due North 163.92 feet;  
thence South  $88^{\circ}02'54''$  East, 235.81 feet;  
thence North  $1^{\circ}57'06''$  East, 30.00 feet;  
thence South  $88^{\circ}02'54''$  East, 196.00 feet;  
thence South  $1^{\circ}57'06''$  West, 732.98 feet to the point of beginning.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "H":**

Lot "D" of City of Anacortes Short Plat No. AN-83-004, also labeled "Skyline Short Plat", approved October 10, 1983 and recorded October 12, 1983, under Auditor's File No. 8310120030 in Book 6 of Short Plats, pages 87-90, inclusive, EXCEPT that portion thereof lying within the plat of "PLAT OF SKYLINE NO. 24, a Condominium," according to the Amendment No. 2 to Condominium Declaration thereof recorded July 20, 2006, under Auditor's File No. 200607200069, and as per Amended Survey Map and Plans thereof recorded under Auditor's File No. 200607200068, records of Skagit County, Washington. Said Amended Declaration and the Survey Map and Plans reconfigures the units and is a replacement of the "PLAT OF SKYLINE NO. 24, a Condominium", according to the Amended Declaration thereof recorded January 16, 1992, under Auditor's File No. 9201160014, recorded in Volume 15 of Plats, pages 17 through 19, inclusive, records of Skagit County, Washington; being a portion of Section 27, Township 35 North, Range 1 East, W.M.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "T":**

Unit A, "PLAT OF SKYLINE NO. 24, a Condominium," according to the Amendment No. 2 to Condominium Declaration thereof recorded July 20, 2006, under Auditor's File No. 200607200069, and as per Amended Survey Map and Plans thereof recorded under Auditor's File No. 200607200068, records of Skagit County, Washington. Said Amended Declaration and the Survey Map and Plans reconfigures the units and is a replacement of the "PLAT OF SKYLINE NO. 24, a Condominium", according to the Amended Declaration thereof recorded January 16, 1992, under Auditor's File No. 9201160014, recorded in Volume 15 of Plats, pages 17 through 19, inclusive, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**Schedule "A-1"**

**155948-O**

**DESCRIPTION CONTINUED:**

**PARCEL "J":**

Unit B, "PLAT OF SKYLINE NO. 24, a Condominium," according to the Amendment No. 2 to Condominium Declaration thereof recorded July 20, 2006, under Auditor's File No. 200607200069, and as per Amended Survey Map and Plans thereof recorded under Auditor's File No. 200607200068, records of Skagit County, Washington. Said Amended Declaration and the Survey Map and Plans reconfigures the units and is a replacement of the "PLAT OF SKYLINE NO. 24, a Condominium", according to the Amended Declaration thereof recorded January 16, 1992, under Auditor's File No. 9201160014, recorded in Volume 15 of Plats, pages 17 through 19, inclusive, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "K":**

Unit C, "PLAT OF SKYLINE NO. 24, a Condominium," according to the Amendment No. 2 to Condominium Declaration thereof recorded July 20, 2006, under Auditor's File No. 200607200069, and as per Amended Survey Map and Plans thereof recorded under Auditor's File No. 200607200068, records of Skagit County, Washington. Said Amended Declaration and the Survey Map and Plans reconfigures the units and is a replacement of the "PLAT OF SKYLINE NO. 24, a Condominium", according to the Amended Declaration thereof recorded January 16, 1992, under Auditor's File No. 9201160014, recorded in Volume 15 of Plats, pages 17 through 19, inclusive, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "L":**

Lot 2, "SKYLINE NO. 19," as per plat recorded in Volume 13 of Plats, pages 19, 20 and 21, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "M":**

Lot 3, "SKYLINE NO. 19," as per plat recorded in Volume 13 of Plats, pages 19, 20 and 21, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "N":**

Lot 4, "SKYLINE NO. 19," as per plat recorded in Volume 13 of Plats, pages 19, 20 and 21, records of Skagit County, Washington.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**Schedule "A-1"**

**155948-O**

**DESCRIPTION CONTINUED:**

**PARCEL "O":**

Those certain easement rights set forth in Reciprocal Easement Agreements, dated and recorded October 17, 1983, under Auditor's File Nos. 8310170064 and 8310170065, which are appurtenant to Parcel "H" as described hereinabove.

Situate in the City of Anacortes, County of Skagit, State of Washington.

**PARCEL "P":**

Those certain easements, rights of ingress, egress and utilities set forth in Contract dated February 28, 1972 and recorded February 28, 1972, under Auditor's File No. 764620, which are appurtenant to Parcels "B", "C", "D", "E" and "G" of the subject property, EXCEPT those rights that may no longer be appurtenant due to merger or dedication to the public.

Situate in the City of Anacortes, County of Skagit, State of Washington.