



EXHIBIT "A"

An undivided 1.80% interest in the following real property improvements constituting the Fidalgo Marina in Anacortes, Washington, shown on Exhibit B attached hereto and incorporated herein by this reference:

The concrete pier head, access ramp, piers, floating walkways and finger piers, supporting structures, support beams, roof covering the covered portions of the Fidalgo Marina and associated vertical supporting structures, improvements affixed to the pier structure (such as dockside boxes), rock jetty improvements, pilings, the breakwater approximately 1,000 feet long on the east side of the Fidalgo Marina and the breakwater located on the north and northeast side of Marina Slip No. 32, together with all after-acquired title of the Grantor therein (collectively, the "Marina Improvements").

The Marina Improvements are constructed or to be constructed, as shown on Exhibit B, on portions of the real property situated in the County of Skagit, State of Washington, described on Exhibits C, D, and E attached hereto and incorporated herein by this reference.

The Marina Improvements do not include (i) the approximately 120 foot long breakwater north of Fidalgo Marina or the portion of the existing rock jetty south of the Fidalgo Marina not located within the area of the real property described on Exhibit C, as shown on Exhibit B, or any other improvements not located within the real property described on Exhibits C, D or E or (ii) any structures or improvements built or to be built as part of the "Adjacent Project" (as defined in the Declaration and Covenants, Conditions, Restrictions and Reservations for Fidalgo Marina Condominium recorded under Skagit County Auditor's File No. 9302250060, as corrected by Correction recorded under Skagit County Auditor's File No. 9303050032) or on the real property described on Exhibit C which are not shown on the map attached hereto as Exhibit B. The Marina Improvements include all improvements now or hereafter located on the real property described on Exhibit E attached hereto.

Any ownership interest in the Marina Improvements created by this conveyance is subject to defeasance based on the following:

- (1) the reversionary rights of the City of Anacortes upon the termination of that certain Lease dated May 6, 1990, by and between the City of Anacortes, as lessor, and Development Ventures, Inc. ("DVI), as lessee, as amended, the lessee's interest under which was assigned to and assumed by Fidalgo Marina Partnership July 31, 1992, between DVI and Fidalgo Marina Partnership and recorded under Skagit County Recording No. 9207310172;
- (2) the reversionary rights of the State of Washington Department of Natural Resources upon the termination of that certain Harbor Area Lease No. 22-002664 dated August 18, 1987; and
- (3) as to the pilings built in anticipation of the possible future construction of Marina Slip No. 54 as shown on Exhibit B hereto, the rights of Fidalgo Marina Partnership and/or the owner of the real property described on Exhibit D hereto to remove the same in the event Marina Slip No. 54 is never built or is located in or relocated to a different place.

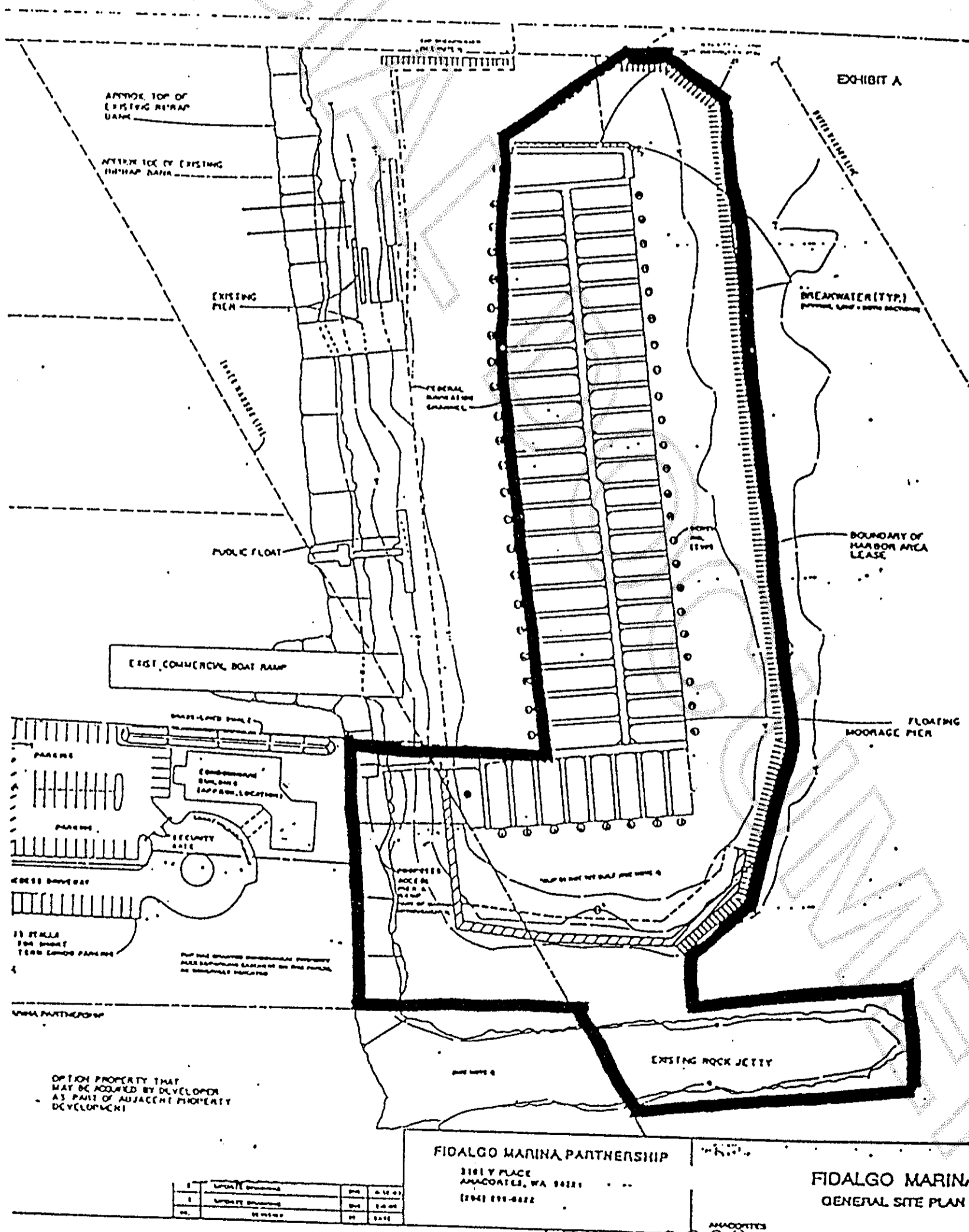
LIST OF EXHIBITS:

Exhibit A - Legal Description of Subject Property  
Exhibit B - Map Showing Marina Improvements  
Exhibit C - Legal Description of Harbor Area  
Exhibit D - Legal Description of Adjacent Property  
Exhibit E - Legal Description of a portion of the Condominium Land



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EXHIBIT "B"



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EXHIBIT C

HARBOR AREA LEGAL DESCRIPTION

FIDALGO MARINA PHASE I

DNR Harbor Area Sublease Legal Description

Revised March 17, 1992

September 17, 1991

Job No. 90-104-03

That portion of the harbor area, Plate No. 11, Tide and Shorelands of Section 30, Township 35 North, Range 2 East, Willamette Meridian, Anacortes Harbor in Skagit County, Washington, according to the official map thereof in the Office of the State Land Commissioner at Olympia, Washington described as follows:

Beginning at the meander corner common to Sections 19 and 30, Township 35 North, Range 2 East, Willamette Meridian, and the northwest corner of Tract One, Plate No. 11, Tide and Shorelands of Section 30, Township 35 North, Range 2 East, Willamette Meridian, Anacortes Harbor, from which the northwest corner of Section 30 bears North  $89^{\circ}56'05''$  West 2191.12 feet distant per the Plat of Anacortes Industrial Park Addition as recorded in Volume 10 of Plats, pages 19, 20 and 21, records of Skagit County, Washington; thence South  $89^{\circ}56'05''$  East along the north line of said Tract One, Plate No. 11, a distance of 606.30 feet to the inner harbor line on the east boundary of said Tract One; thence South  $30^{\circ}20'05''$  East along the inner harbor line, a distance of 1139.43 feet to the True Point of Beginning of the herein described parcel; thence North  $83^{\circ}49'22''$  East 250.00 feet; thence North  $06^{\circ}10'38''$  West 85.00 feet; thence South  $83^{\circ}49'22''$  West 185.00 feet; thence North  $06^{\circ}10'38''$  West 48.62 feet; thence North  $46^{\circ}49'22''$  East 78.03 feet; thence North  $12^{\circ}29'49''$  East 153.84 feet; thence North  $06^{\circ}10'38''$  West 603.40 feet; thence North  $51^{\circ}51'37''$  West 63.83 feet to a point of intersection on the easterly prolongation of the north line of said Tract One, Plate No. 11 from which the northeast corner of said Tract One, Plate No. 11 bears North  $89^{\circ}56'05''$  West 600.78 feet distant; thence North  $89^{\circ}56'05''$  West along said easterly prolongation a distance of 43.37 feet; thence South  $53^{\circ}39'33''$  West 129.76 feet; thence South  $03^{\circ}17'16''$  West 91.43 feet; thence South  $00^{\circ}31'22''$  East 111.54 feet; thence South  $06^{\circ}10'38''$  East 376.62 feet to a point of intersection on the easterly prolongation of the north line of Tract A of survey recorded in Volume 10 of Surveys, pages 29 and 30, records of Skagit County, Washington; thence North  $88^{\circ}07'59''$  West along said easterly prolongation 108.14 feet to the inner harbor line; thence South  $30^{\circ}20'05''$  East along the inner harbor line 384.86 feet to the True Point of Beginning.

Containing 215,858 Square Feet  
or 4.9554 acres more or less.



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EXHIBIT D

LEGAL DESCRIPTION OF ADJACENT PROPERTY

Lot 2 of ANACORTES SHORT PLAT NO. ANA-92-005 as approved January 6, 1993, and recorded January 11, 1993, in Volume 10 of Short Plats, page 165, under Auditor's File No. 9301110152, records of Skagit County, Washington; being a portion of Tracts 3 and 4 of Plate 11, Anacortes Tide and Shore Lands, according to the Official Map thereof in the office of the State Land Commissioner at Olympia, Washington.

Situated in Skagit County, Washington.



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**EXHIBIT E**

That portion of the following described real property located east of the top of the rip rap line as shown on Sheet 2 of the Survey for Fidalgo Marina recorded under Skagit county Auditor's File No. 9302250059:

Lot 1 of ANACORTES SHORT PLAT NO. ANA-92-005 as approved January 6, 1993, and recorded January 11, 1993, in Volume 10 of Short Plats, page 165, under Auditor's File No. 9301110152, records of Skagit County, Washington; being a portion of Tracts 3 and 4 of Plate 11, Anacortes Tide and Shorelands, according to the official map thereof in the office of the State Land Commissioner at Olympia, Washington;

Situated in Skagit County, Washington.



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, Skagit County Auditor