

**RETURN ADDRESS:**

PEOPLES BANK  
MOUNT VERNON OFFICE  
1801 RIVERSIDE DRIVE  
MOUNT VERNON, WA  
98273



200511010105

Skagit County Auditor

11/1/2005 Page

1 of

9 11:32AM

**MODIFICATION OF DEED OF TRUST**

Reference # (if applicable): \_\_\_\_\_

Additional on page \_\_\_\_\_

Grantor(s):

1. NOOKACHAMP HILLS L.L.C.

FIRST AMERICAN TITLE CO.

B64631

Grantee(s)

1. PEOPLES BANK

Legal Description: PTN SE 1/2 OF SEC 25, T34N, R4; PTN NE 1/4 OF SEC 25, T 34, R4  
NE-SE; PTN NW 1/4 OF SEC 31, T 34, R 5; PTN SW 1/4 OF SEC 30, T 34, R 5

Additional on page 4

Assessor's Tax Parcel ID#: 340531-0-001-0106; 340531-0-001-0007; 340530-0-008-0209;  
340530-0-010-0015; 340425-4-004-0005; 340425-4-003-0105; 340436-1-001-0001;  
340425-4-001-0008; 340425-1-004-0100; 340425-1-003-0200

THIS MODIFICATION OF DEED OF TRUST dated October 28, 2005, is made and executed  
between between NOOKACHAMP HILLS L.L.C., A WASHINGTON LIMITED LIABILITY  
COMPANY, whose address is 1369 PACIFIC DR, BURLINGTON, WA 98233-3128 ("Grantor")  
and PEOPLES BANK, whose address is MOUNT VERNON OFFICE, 1801 RIVERSIDE DRIVE,  
MOUNT VERNON, WA 98273 ("Lender").

200107100109

MODIFICATION OF DEED OF TRUST

Loan No: 5016117-206

DEED OF TRUST. Lender and Grantor have entered into a Deed of Trust dated May 11, 2001 (the "Deed of Trust") which has been recorded in SKAGIT County, State of Washington, as follows:

RECORDED JULY 20, 2001 UNDER RECORDING NUMBER 200107100109 IN RECORDS OF SKAGIT COUNTY, WA.

REAL PROPERTY DESCRIPTION. The Deed of Trust covers the following described real property located in SKAGIT County, State of Washington:

See EXHIBIT A, which is attached to this Modification and made a part of this Modification as if fully set forth herein.

The Real Property or its address is commonly known as INTERSECTION OF OTTER POND DRIVE & HIGHWAY 9, MOUNT VERNON, WA 98274. The Real Property tax identification number is 340531-0-001-0106; 340531-0-001-0007; 340530-0-008-0209; 340530-0-010-0015; 340425-4-004-0005; 340425-4-003-0105; 340436-1-001-0001; 340425-4-001-0008; 340425-1-004-0100; 340425-1-003-0200.

MODIFICATION. Lender and Grantor hereby modify the Deed of Trust as follows:  
THIS MODIFICATION OF DEED OF TRUST AMENDS THE DEED OF TRUST DATED MAY 11, 2001 WITH THE FOLLOWING AMENDMENTS:

THE WORD "NOTE" MEANS THE PROMISSORY NOTE DATED OCTOBER 28, 2005 FROM GRANTOR TO LENDER TOGETHER WITH ALL RENEWALS OF, EXTENSIONS OF, MODIFICATIONS OF, REFINANCINGS OF, CONSOLIDATIONS OF, AND SUBSTITUTIONS FOR THE PROMISSORY NOTE OR AGREEMENT.

THE PRINCIPAL AMOUNT IS \$1,000,000.00 WHICH INCLUDES AN INCREASE OF \$94,000.00.

CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Deed of Trust shall remain unchanged and in full force and effect. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Deed of Trust as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the promissory note or other credit agreement secured by the Deed of Trust (the "Note"). It is the intention of Lender to retain as liable all parties to the Deed of Trust and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Deed of Trust does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

GRANTOR:  
NOOKACHAMP HILLS L.L.C.  
BY: DANIEL R. MITZEL, MANAGER OF NOOKACHAMP HILLS L.L.C.

LENDER:  
PEOPLES BANK

Authorized Officer  
*[Signature]*

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT  
STATE OF Washington  
COUNTY OF Skagit

On this 31 day of October, 2005, before me, the undersigned Notary Public, personally appeared DANIEL R. MITZEL, MANAGER OF NOOKACHAMP HILLS L.L.C., and personally known to me or proved to me on the basis of satisfactory evidence to be a member or designated agent of the limited liability company that executed the Modification of Deed of Trust and acknowledged the Modification 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 is authorized to execute this Modification and in fact executed the Modification on behalf of the limited liability company.  
Residing at Cedar Valley WA  
My commission expires March 16, 2006  
Notary Public in and for the State of WA  
*[Signature]*

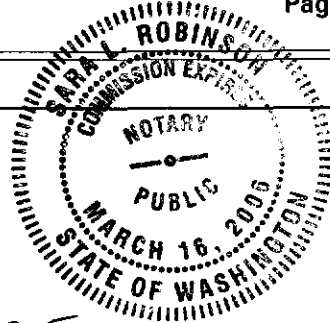
MODIFICATION OF DEED OF TRUST  
(Continued)

Loan No: 5016117-206

Page 3

LENDER ACKNOWLEDGMENT

STATE OF Washington )  
 ) SS  
COUNTY OF Skagit )



On this 31 day of October, 20 05, before me, the undersigned Notary Public, personally appeared Vines VanderMeer and personally known to me or proved to me on the basis of satisfactory evidence to be the Senior Vice President, authorized agent for the Lender that executed the within and foregoing instrument and acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender 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 that the seal affixed is the corporate seal of said Lender.

By Sara L. Robinson  
Notary Public in and for the State of WA

Residing at Selma Woolley WA  
My commission expires March 16, 2006



200511010105  
Skagit County Auditor

11/1/2005 Page 3 of 9 11:32AM

Exhibit A:

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

Phase 2A:

That portion of Sections 25 and 36, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Southeast corner of Phase 1 of the Plat of "NOOKACHAMP HILLS PLANNED UNIT DEVELOPMENT, PHASE 1" as recorded in Volume 17 of Plats at pages 26 to 31, under Auditor's File No. 9811020154, records of Skagit County Washington; thence North 0 degrees 53'08" East along the East line thereof, a distance of 527.78 feet to an angle point on the South line of "Trout Drive" as shown on Sheet 6 of 6 of said plat and the true point of beginning; thence the following courses along the East line of said Plat, North 13 degrees 18'46" East 63.28 feet; thence North 0 degrees 50'18" East 178.34 feet; thence North 36 degrees 52'07" West 341.57 feet; thence South 48 degrees 07'09" West 167.94 feet; thence North 33 degrees 48'03" West 207.27 feet; thence North 23 degrees 42'25" West 180.45 feet; thence North 53 degrees 36'43" East 222.67 feet; thence North 1 degree 35'31" West 65.17 feet; thence North 17 degrees 01'48" West 91.73 feet; thence South 86 degrees 06'06" West 159.70 feet; thence North 37 degrees 26'06" West 154.69 feet; thence Southwesterly along a non-tangent curve concave to the Southeast whose radius point bears South 29 degrees 10'32" East a distance of 970.00 feet through a central angle of 2 degrees 27'12" an arc distance of 41.53 feet; thence North 16 degrees 36'14" West 129.81 feet; thence along a curve to the right having a radius of 65.00 feet through a central angle of 28 degrees 53'42" an arc distance of 32.78 feet; thence North 12 degrees 17'28" East 15.10 feet; thence along a curve to the right having a radius of 149.00 feet through a central angle of 16 degrees 48'42" an arc distance of 43.72 feet; thence North 29 degrees 06'10" East 94.58 feet; thence along a curve to the left having a radius of 176.00 feet through a central angle of 50 degrees 44'40" an arc distance of 155.88 feet; thence North 21 degrees 38'30" West 33.85 feet; thence along a curve to the right having a radius of 15.00 feet through a central angle of 82 degrees 04'26" an arc distance of 21.49 feet to the Southeasterly line of Otter Pond Drive as shown on Sheet 4 of 6 of said Plat of "NOOKACHAMP HILLS PLANNED UNIT DEVELOPMENT, PHASE 1"; thence North 29 degrees 34'04" West 60.00 feet to the Northwesterly line of said Otter Pond Drive; thence leaving the boundary of said plat, North 60 degrees 25'56" East along the Northwesterly line of that certain easement as described under Auditor's File No. 8212100052 records of Skagit County Washington, 673.04 feet; thence South 29 degrees 34'04" East 253.84 feet; thence South 43 degrees 09'03" West 93.28 feet; thence South 46 degrees 50'57" East 238.22 feet; thence South 13 degrees 44'55" West 266.22 feet; thence North 43 degrees 13'27" West 96.12 feet; thence South 55 degrees 31'35" West 205.89 feet; thence Southeasterly along a non-tangent curve concave to the Southwest whose radius point bears South 25'24'32" West 480.00 feet through a central angle of 7 degrees 36'21" an arc distance of 63.72 feet; thence South 33 degrees 00'53" West 60.00 feet; thence Southeasterly along a non-tangent curve concave to the Southwest whose radius point bears South 33 degrees 00'53" West 420.00 feet through a central angle of 20 degrees 26'01" an arc distance of 149.79 feet; thence South 55 degrees 40'48" West 106.40 feet; thence South 25 degrees 55'47" East 223.39 feet; thence South 41 degrees 02'48" East 570.93 feet; thence South 39 degrees 29'29" East 191.78 feet; thence South 55 degrees 40'48" West 130.00 feet; thence Southeasterly along a non-tangent curve concave to the Northeast whose radius point bears North 34 degrees 19'13" East 270.00 feet through a central angle of 16 degrees 35'57" an arc distance of 78.22 feet; thence along a curve to the right having a radius of 230.00 through a central angle of 2 degrees 26'18" an arc distance of 9.79 feet; thence South 20 degrees 09'35" West 60.00 feet; thence South 0 degrees 53'08" West 170.27 feet; thence North 89 degrees 06'52" West 212.22 feet; thence South 0 degrees 53'08" West 30.14 feet; thence North 89 degrees 06'52" West a distance of 260.00 feet, more or less to a point which lies South 0 degrees 53'08" West from the true point of beginning; thence North 0 degrees 53'08" East 144.13 feet, more or less, to the true point of beginning.



200511010105  
Skagit County Auditor

11/1/2005 Page

4 of

9 11:32AM

Phase 2B:  
That portion of Sections 25 and 36, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Southeast corner of Phase 1 of the Plat of "NOOKACHAMP HILLS PLANNED UNIT DEVELOPMENT, PHASE 1", as recorded in Volume 17 of Plats at pages 26 to 31, under Auditor's File No. 9811020154, records of Skagit County, Washington; thence North 0 degrees 53'08" East along the East line thereof, a distance of 527.78 feet to an angle point on the South line of "Trout Drive" as shown on Sheet 6 of 6 of said Plat; thence South 0 degrees 53'08" West 144.13 feet; thence South 89 degrees 06'52" East 260.00 feet; thence North 0 degrees 53'08" East 30.14 feet; thence South 89 degrees 06'52" East 212.22 feet to the true point of beginning; thence North 0 degrees 53'08" East 170.27 feet; thence North 20 degrees 09'35" East 60.00 feet; thence Northwesterly along a non-tangent curve concave to the Southwest whose radius point bears South 20 degrees along a curve to the right having a radius of 270.00 feet through a central angle of 16 degrees 35'57" an arc distance 78.22 feet; thence North 55 degrees 40'48" East 130.00 feet; thence North 39 degrees 29'29" West 191.78 feet; thence North 41 degrees 02'48" West 570.93 feet; thence North 25 degrees 55'47" West, 223.39 feet; thence North 55 degrees 40'48" East 105.40 feet; thence Northwesterly along a non-tangent curve concave to the Southwest whose radius point bears South 53 degrees 26'53" West, a distance of 420.00 feet through a central angle of 20 degrees 26'01" an arc distance of 149.79 feet; thence North 33 degrees 00'53" East, 60.00 feet; thence Northwesterly along a non-tangent curve concave to the Southwest whose radius point bears South 33 degrees 00'53" East, 60.00 feet; thence North 33 degrees 00'53" East, 60.00 feet; thence Northwesterly along a non-tangent curve concave to the Southwest whose radius point bears North 46 degrees 17'02" East, a distance of 430.00 feet through a central angle of 4 degrees 41'10" an arc distance of 35.17 feet; thence South 41 degrees 35'52" West, 60.00 feet; thence South 69 degrees 50'06" West, 208.22 feet; thence Southerly along a non-tangent curve concave to the Southwest whose radius point bears South 75 degrees 03'37" West, a distance of 230.00 feet through a central angle of 18 degrees 07'49", an arc distance of 72.78 feet; thence North 85 degrees 48'34" West, 60.00 feet; thence North 89 degrees 06'52" West, 113.60 feet to the true point of beginning.

Phases 3 and 4:

Those portions of Sections 25 and 36, Township 34 North, Range 4 East, W.M., and of Sections 30 and 31, Township 34 North, Range 5 East, W.M., Skagit County, Washington, described as follows:

Commencing at the South quarter corner of said Section 25; thence North 89 degrees 23'49" West along the South line of said Section a distance of 83.18 feet to the Northeastly margin of State Highway SR9, as shown on Sheet 2 of 3 Sheets of Washington State Department of Transportation drawing titled "SR 9 - MP47.22 to MP 47.78 - North Big Lake Vicinity", bearing approval date of November 14, 1977; thence North 24 degrees 00'41" West along said highway margin a distance of 610.58 feet to the North line of the South 935 feet of the Northwest 1/4 of the Northeast 1/4 of said Section 36; thence South 89 degrees 06'52" East along said North line 388.53 feet to the East line of the West 490 feet of said Northwest 1/4 of the South 575 feet of said subdivision; thence South 89 degrees 06'52" East 360.07 feet to the North line of the South 575 feet of said subdivision; thence South 89 degrees 06'52" East 575.00 feet to the South line of the West 490 feet of said Northwest 1/4 of the South 575 feet of said subdivision; thence South 89 degrees 06'52" East 575.00 feet to the North line of the Northeast 1/4 of said Section 36; thence South 89 degrees 06'52" East along said South line 970.00 feet to the West line of that certain tract conveyed to Public Utility District No. 1 of Skagit County by deed recorded under Auditor's File No. 9205120072; thence North 0 degrees 53'08" East along said West line 200.00 feet to the North line of said tract; thence South 89 degrees 06'52" East along said North line 200.00 feet to the East line of said tract; thence South 0 degrees 53'08" West along said East line 200.00 feet to return to the South line of said North 1/2 of the Northeast 1/4; thence South 89 degrees 06'52" East along said South line 649.40 feet



200511010105

Skagit County Auditor

to the Southwest corner of Government Lot 1 of said Section 31; thence North 89 degrees 40'38" East along the South line of said lot a distance of 1316.76 feet to the Southeast corner thereof; thence North 1 degree 43'22" East along the East line of said lot a distance of 1333.62 feet to the Southeast corner of Government Lot 4 of said Section 30; thence North 1 degree 34'34" East along the East line of said lot and the East line of Government Lot 3 of said Section 30, a total distance of 1943.81 feet to the North line of the South 1/2 of said Government Lot 3; thence South 89 degrees 53'45" West along said North line 799.76 feet; thence South 0 degrees 00'00" West 614.99 feet; thence South 90 degrees 00'00" West 1152.74 feet; thence North 13 degrees 51'13" East 82.61 feet; thence South 60 degrees 25'56" West 2492.41 feet to the beginning of a curve to the right with a radius of 30.00 feet; thence Westerly along said curve through a central angle of 95 degrees 33'23" an arc length of 50.03 feet to return to the Northeasterly margin of State Highway SR 9 and the point of beginning;

EXCEPT that portion lying within that plat known as "NOOKACHAMP HILLS P.U.D., PHASE I", recorded November 2, 1998 under Skagit County under Auditor's File No. 9811020154.

AND EXCEPT any portion lying within proposed Phase 2A and Phase 2B of "NOOKACHAMP HILLS P.U.D.", more fully described as follows:

That portion of Sections 25 and 36, Township 34 North, Range 4 East, W.M., described as follows:

Phase 2A:

That portion of Sections 25 and 36, Township 34 North, Range 4 East, W.M., described as follows:

Commencing at the Southeast corner of Phase 1 of the Plat of "NOOKACHAMP HILLS PLANNED UNIT DEVELOPMENT, PHASE 1" as recorded in Volume 17 of Plats at pages 26 to 31, under Auditor's File No. 9811020154, records of Skagit County Washington; thence North 0 degrees 53'08" East along the East line thereof, a distance of 527.78 feet to an angle point on the South line of "Trout Drive" as shown on Sheet 6 of 6 of said plat and the true point of beginning; thence the following courses along the East line of said Plat, North 13 degrees 18'46" East 63.28 feet; thence North 0 degrees 50'18" East 178.34 feet; thence North 36 degrees 52'07" West 341.57 feet; thence South 48 degrees 07'09" West 167.94 feet; thence North 33 degrees 48'03" West 207.27 feet; thence North 23 degrees 42'25" West 180.45 feet; thence North 53 degrees 36'43" East 222.67 feet; thence North 1 degree 35'31" West 65.17 feet; thence North 17 degrees 01'48" West 91.73 feet; thence South 86 degrees 06'06" West 158.70 feet; thence North 37 degrees 26'06" West 154.69 feet; thence Southwesterly along a non-tangent curve concave to the Southeast whose radius point bears South 29 degrees 10'32" East a distance of 970.00 feet through a central angle of 2 degrees 27'12" an arc distance of 41.53 feet; thence North 16 degrees 36'14" West 129.81 feet; thence along a curve to the right having a radius of 65.00 feet through a central angle of 28 degrees 53'42" an arc distance of 32.78 feet; thence North 12 degrees 17'28" East 15.10 feet; thence along a curve to the right having a radius of 149.00 feet through a central angle of 16 degrees 48'42" an arc distance of 43.72 feet; thence North 29 degrees 06'10" East 94.58 feet; thence along a curve to the left having a radius of 176.00 feet through a central angle of 50 degrees 44'40" an arc distance of 155.88 feet; thence North 21 degrees 38'30" West 33.85 feet; thence along a curve to the right having a radius of 15.00 feet through a central angle of 82 degrees 04'26" an arc distance of 21.49 feet to the Southeasterly line of Otter Pond Drive as shown on Sheet 4 of 6 of said Plat of "NOOKACHAMP HILLS PLANNED UNIT DEVELOPMENT, PHASE 1"; thence North 29 degrees 34'04" West 60.00 feet to the Northwesterly line of said Otter Pond Drive; thence leaving the boundary of said plat, North 60 degrees 25'56" East along the Northwesterly line of that certain easement as described under Auditor's File No. 8212100052 records of Skagit County Washington, 673.04 feet; thence South 29 degrees 34'04" East 253.84 feet; thence South 43 degrees 09'03" West 93.28 feet; thence South 46 degrees 50'57" East 238.22 feet; thence South 13 degrees 44'55" West 266.22 feet; thence North 43 degrees 13'27" West 96.12 feet; thence South 55 degrees 31'35" West 205.89 feet; thence Southeasterly along a non-tangent curve concave to the Southwest whose radius point bears South 25 24'32" West 480.00 feet through a central angle of 7 degrees 36'21" an arc distance of 63.72 feet; thence South 33 degrees 00'53" West 60.00 feet; thence Southeasterly along a non-tangent curve concave to the Southwest whose radius point bears South 33 degrees 00'53" West 420.00 feet through a central angle of 20 degrees 26'01" an arc distance of 149.79 feet; thence South 55 degrees 40'48" West 105.40 feet; thence South 25 degrees 55'47" East 223.39 feet; thence South 41 degrees 02'48" East 570.93 feet;



200511010105  
Skagit County Auditor

11/1/2005 Page

6 of

9 11:32AM

AND ALSO EXCEPT the following described parcel:  
That portion of the South 1/2 of Government Lot 3, Section 30, Township 34 North, Range 5 East, W.M., described as follows:

60.00 feet; thence North 89 degrees 06'52" West, 113.60 feet to the true point of beginning;  
concurve to the Southwest whose radius point bears South 76 degrees 03'37" West, a distance of 230.00 feet  
60.00 feet; thence South 69 degrees 50'06" West, 108.22 feet; thence South 41 degrees 35'52" West,  
through a central angle of 4 degrees 41'10" an arc distance of 35.17 feet; thence South 45 degrees 17'02" East, a distance of 430.00 feet  
concurve to the Northeast whose radius point bears North 45 degrees 17'02" East, a distance of 430.00 feet  
55.48 feet; thence South 9 degrees 13'06" West, 162.63 feet; thence South 35 degrees 33'13" East,  
43'16" East, 805.68 feet; thence South 18 degrees 22'07" West, 71.04 feet; thence South 39 degrees  
39 degrees 27'18" East, 197.67 feet; thence South 34 degrees 21'09" East, 186.00 feet; thence South 39 degrees,  
thence North 55 degrees 31'35" East 205.89 feet; thence South 43 degrees 13'27" East, 96.12 feet; thence South  
00'53" West, a distance of 480.00 feet through a central angle of 7 degrees 36'21" an arc distance of 63.72 feet;  
Northeastly along a non-tangent curve concave to the Southwest whose radius point bears South 33 degrees  
degrees 26'01" an arc distance of 149.79 feet; thence North 33 degrees 00'53" East, 60.00 feet; thence  
whose radius point bears South 53 degrees 26'53" West, a distance of 420.00 feet through a central angle of 20  
degrees 40'48" East 105.40 feet; thence North 53 degrees 26'53" West, 223.39 feet; thence North 55  
North 41 degrees 02'48" West 570.93 feet; thence North 25 degrees 55'47" West, 223.39 feet; thence North 55  
feet; thence North 55 degrees 40'48" East 130.00 feet; thence North 39 degrees 29'29" West 191.78 feet; thence  
curve to the right having a radius of 270.00 feet through a central angle of 16 degrees 35'57" an arc distance of 9.79 feet; thence along a  
09'35" West 230.00 feet through a central angle of 2 degrees 26'18" an arc distance of 9.79 feet; thence along a  
Northwestly along a non-tangent curve concave to the Southwest whose radius point bears South 20 degrees  
beginning; thence North 0 degrees 53'08" East 170.27 feet; thence North 20 degrees 09'35" East 60.00 feet; thence  
thence North 0 degrees 53'08" East 30.14 feet; thence South 89 degrees 06'52" East 212.22 feet to the true point of  
said Plat; thence South 0 degrees 53'08" West 144.13 feet; thence South 89 degrees 06'52" East 260.00 feet;  
thereof, a distance of 527.78 feet to an angle point on the South line of "Trout Drive" as shown on Sheet 6 of 6 of  
9811020154, records of Skagit County, Washington; thence South 0 degrees 53'08" East along the East line  
DEVELOPMENT, PHASE 1", as recorded in Volume 17 of Plats at pages 26 to 31, under Auditor's File No.  
Commenting at the Southeast corner of Phase 1 of the Plat of "NOOKACHAMP HILLS PLANNED UNIT

That portion of Sections 25 and 36, Township 34 North, Range 4 East, W.M., described as follows:

Phase 2B:

from the true point of beginning; thence North 0 degrees 53'08" East 144.13 feet, more or less, to the true point of  
degrees 06'52" West a distance of 260.00 feet; thence South 0 degrees 53'08" West 30.14 feet; thence North 89  
North 89 degrees 06'52" West 212.22 feet; thence South 0 degrees 53'08" West 170.27 feet; thence  
feet; thence South 20 degrees 09'35" West 60.00 feet; thence South 41 degrees 35'52" West, 108.22 feet; thence South 69 degrees 50'06" West,  
curve to the right having a radius of 230.00 through a central angle of 2 degrees 26'18" an arc distance of 9.79  
19'13" East 270.00 feet through a central angle of 16 degrees 35'57" an arc distance of 78.22 feet; thence along a  
Southwestly along a non-tangent curve concave to the Northeast whose radius point bears North 34 degrees  
thence South 39 degrees 29'29" East 191.78 feet; thence South 55 degrees 40'48" West 130.00 feet; thence

Beginning at the Northwest corner of said South 1/2 of Government Lot 3; thence North 89 degrees 53'45" East along the North line thereof, a distance of 520.00 feet to the true point of beginning; thence South 0 degrees 00'00" West, a distance of 614.99 feet; thence North 89 degrees 53'45" East, parallel with the North line of said South 1/2 of Government Lot 3, a distance of 783.00 feet, more or less, to the East line of said Government Lot 3; thence North 1 degree 34'34" East, along said East line, a distance of 615.00 feet, more or less, to the Northeast corner of said South 1/2; thence South 89 degrees 53'45" West, along said line, a distance of 799.76 feet, more or less, to the true point of beginning;

AND ALSO EXCEPT roads.



200511010105  
Skagit County Auditor

11/1/2005 Page

8 of

9 11:32AM

Not including the following:

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

That portion of Sections 25 and 36, Township 34 North, Range 5 East, W.M., described as follows:

Commencing at the Southeast corner of Phase 1 of the Plat of "Nookachamp Hills Planned Unit Development, Phase 1" as recorded in Volume 17 of Plats at pages 26 to 31, under Auditor's File No. 9811020154, records of Skagit County Washington; thence North 0 degrees 53'08" East along the East line thereof, a distance of 200.00 feet, more or less to the Northwest corner of that certain tract conveyed to Public Utility District No. 1 of Skagit County by deed recorded under Auditor's File No. 9205120072; thence South 89 degrees 06'52" East along the North line thereof, 200.00 feet to the Northeast corner of said tract; thence South 0 degrees 53'08" West 200.00 feet, more or less, to the Southeast corner of said tract on the South line of the Northeast 1/4 of said Section 36; thence North 89 degrees 06'52" West along the South line thereof, 222.92 feet to the true point of beginning; thence North 0 degrees 53'08" East 413.81 feet; thence South 89 degrees 06'52" East 49.30 feet; thence North 0 degrees 53'08" East 170.27 feet; thence North 20 degrees 09'35" East 68.00 feet; thence Northwesterly along a non-tangent curve concave to the Southwest whose radius point bears South 20 degrees 09'35" West 230.00 feet through a central angle of 2 degrees 26'18" an arc distance of 9.79 feet; thence along a curve to the right having a radius of 270.00 feet through a central angle of 16 degrees 35'57" an arc distance of 78.22 feet; thence North 55 degrees 40'48" East 130.00 feet; thence North 39 degrees 29'29" West 191.78 feet; thence North 41 degrees 02'48" West 570.93 feet; thence North 25 degrees 55'47" West 223.39 feet; thence North 55 degrees 40'48" East 105.40 feet; thence Northwesterly along a non-tangent curve concave to the Southwest whose radius point bears South 53 degrees 26'53" West a distance of 420.00 feet through a central angle of 20 degrees 26'01" an arc distance of 149.79 feet; thence North 33 degrees 00'53" East 60.00 feet; thence Southwesterly along a non-tangent curve concave to the Southwest whose radius point bears South 33 degrees 00'53" West a distance of 40.40 feet; thence North 55 degrees 00'53" West a distance of 480.00 feet through a central angle of 4 degrees 49'20" an arc distance of 40.40 feet; thence North 55 degrees 31'35" East 178.40 feet; thence South 39 degrees 27'18" East 197.67 feet; thence South 34 degrees 21'09" East 186.00 feet; thence South 39 degrees 43'16" East 805.68 feet; thence South 18 degrees 22'07" West 71.04 feet; thence South 35 degrees 33'13" East 55.48 feet; thence South 9 degrees 13'06" West 162.63 feet; thence Southwesterly along a non-tangent curve concave to the Northeast whose radius point bears North 46 degrees 17'02" East a distance of 430.00 feet through a central angle of 58 degrees 01'57" an arc distance of 435.53 feet; thence South 11 degrees 44'55" East 60.90 feet; thence South 12 degrees 56'23" East 195.11 feet; thence South 45 degrees 04'30" East 56.38 feet; thence South 73 degrees 52'34" East 90.00 feet; thence South 0 degrees 53'08" West 185.90 feet to the South line of Government Lot 1 of said Section 31; thence South 89 degrees 40'38" West along the South line thereof, 584.28 feet to the Southwest corner of said Lot 1; thence North 89 degrees 06'52" West along the South line of the Northeast 1/4 of the Northeast 1/4 of said Section 36, a distance of 426.49 feet to the true point of beginning.

(See Note #3)



200511010105

Skagit County Auditor

11/1/2005 Page

8 of

9 11:32AM