

Return Address

U.S. Bank National Association
Commercial Real Estate Division
1420 Fifth Avenue, 8th Floor, PD-WA-T8RE
Seattle, Washington 98101
Attention: Linda Leahy



201108030042
Skagit County Auditor

8/3/2011 Page 1 of 18 11:52AM

GUARDIAN NORTHWEST TITLE CO.
PRIORITY AND SUBORDINATION AGREEMENT
(La Venture Workforce Housing) 94881-10

Grantors:

1. U.S. Bank National Association, a national banking association
2. La Venture Workforce Housing LLC, a Washington limited liability company
3. Washington State Housing Finance Commission
4. La Venture Holdings LLC, a Washington limited liability company
5. Archdiocesan Housing Authority, a Washington nonprofit corporation

Grantees:

1. U.S. Bank National Association, a national banking association
2. Washington State Housing Finance Commission
3. La Venture Holdings LLC, a Washington limited liability company
4. Archdiocesan Housing Authority, a Washington nonprofit corporation

Abbreviated Legal Description:

Section 17, township 34, Range 4; SE NE

The complete legal description is on Exhibit A.

Assessor's Tax Parcel Numbers:

P25889, 340417-1-014-0207

Reference Numbers:

Extended Use Agreement: 201108030034 Bond Covenant: 201108030036
Washington Works Covenant: 201108030035; Bank Deed of
Trust: 201108030037 CHS Deed of Trust; and
Washington Works Deed of Trust: 201108030040 Sponsor Deed of
Trust: 201108030041.

PRIORITY AND SUBORDINATION AGREEMENT

THIS PRIORITY AND SUBORDINATION AGREEMENT ("Agreement") is made as of August 3, 2011, by and among the following parties: the Washington State Housing Finance Commission (the "Commission"); U.S. Bank National Association, a national banking association (the "Bank"); La Venture Holdings LLC, a Washington limited liability company ("Managing Member"); Archdiocesan Housing Authority d/b/a Catholic Housing Services of Western Washington, a Washington nonprofit corporation ("CHS"); and La Venture Workforce Housing LLC, a Washington limited liability company ("Borrower"). The Commission, CHS, and the Bank are referred to collectively as "Lenders", provided that CHS is a "Lender" only in its capacity as lender of the Sponsor Loan, as defined below.

This Agreement is made with reference to the following facts:

R E C I T A L S

A. BORROWER'S INTEREST

Borrower is the owner of real property located in Skagit County, Washington (referred to herein, together with all improvements now or hereafter thereon, as the "Property"), legally described as set forth on Exhibit A attached hereto and incorporated herein by this reference.

Lenders have provided or committed financial assistance for the acquisition and construction of a 42 unit low-income residential housing complex situated on the Property.

B. COMMISSION'S INTERESTS

Borrower has obtained financing for the Project through the use of Low Income Housing Tax Credits ("LIHTC"). In connection with the LIHTC, Borrower has executed a Regulatory Agreement (Extended Use Agreement) with the Commission (the "Extended Use Agreement"), recorded under Skagit County recording number 201108030034.

C. COMMISSION'S INTEREST AS ISSUER OF THE BONDS

The Commission has issued its Washington State Housing Finance Commission Multifamily Housing Revenue Bond (La Venture Apartments Project) Series 2011A (Washington Works) and 2011B (Washington Works) (the "Bonds"), in the aggregate principal amount of \$3,940,000, and is the beneficiary of the Regulatory Agreement recorded under Skagit County recording number 201108030034 (the "Bond Covenant") which was executed by Borrower in connection with the issuance of the Bonds.



D. BANK'S INTERESTS

Bank is the holder of a loan to Borrower in the amount of \$3,940,000 (the "Bank Loan"), all of which is to be made with proceeds of the Bonds used by the Commission to acquire the Bank Loan. The Bank Loan is evidenced by two promissory notes, each dated as of August 3, 2011, one in the amount of \$2,505,000 and one in the amount of \$1,435,000 (the "Bank Notes"). Repayment of the Bank Notes is secured by, among other security documents, a Construction Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "Bank Deed of Trust"), recorded under Skagit County recording number 201108030031. All documents identified in this Paragraph D, and all documents executed by Borrower in connection therewith, are referred to collectively in this Agreement as the "Bank Loan Documents."

E. COMMISSIONS INTERESTS AS LENDER

Commission made a loan to Borrower in the amount of \$2,500,000 (the "Washington Works Loan"). The Washington Works Loan is evidenced by a Promissory Note dated as of August 3, 2011 (the "Washington Works Note") and secured by a Deed of Trust, recorded under Skagit County recording number 201108030040 (the "Washington Works Deed of Trust"). Borrower and Commission also entered into a Low Income Housing Covenant Agreement recorded under Skagit County recording number * (the "Washington Works Covenant"). All documents referenced in this Paragraph E, and any documents executed by Borrower in connection therewith, are referred to collectively herein as the "Washington Works Loan Documents."

* 201108030035

F. CHS'S INTEREST AS LENDER

CHS made a loan to Borrower in the amount of \$249,000 (the "Sponsor Loan"). The Sponsor Loan is evidenced by a Promissory Note dated as of August 3, 2011 (the "Sponsor Note") and secured by a Deed of Trust, recorded under Skagit County recording number * (the "Sponsor Deed of Trust"). All documents referenced in this Paragraph F, and any documents executed by Borrower in connection therewith, are referred to collectively herein as the "Sponsor Loan Documents."

* 201108030041

G. MANAGING MEMBER'S INTERESTS

Pursuant to the Purchase Option and Right of First Refusal Agreement (the "ROFR") executed in connection with the amended and restated operating agreement of Borrower ("LLC Agreement"), CHS holds a right of first refusal to purchase the Project upon the terms and conditions set forth in the ROFR. CHS's rights to acquire the Project pursuant to the ROFR are referred to herein as the "Option to Purchase."



201108030042
Skagit County Auditor

D. BANK'S INTERESTS

Bank is the holder of a loan to Borrower in the amount of \$3,940,000 (the "Bank Loan"), all of which is to be made with proceeds of the Bonds used by the Commission to acquire the Bank Loan. The Bank Loan is evidenced by two promissory notes, each dated as of July 29, 2011, one in the amount of \$2,505,000 and one in the amount of \$1,435,000 (the "Bank Notes"). Repayment of the Bank Notes is secured by, among other security documents, a Construction Deed of Trust, Assignment of Rents and Leases, Security Agreement and Fixture Filing (the "Bank Deed of Trust"), recorded under Skagit County recording number 201108030037. All documents identified in this Paragraph D, and all documents executed by Borrower in connection therewith, are referred to collectively in this Agreement as the "Bank Loan Documents."

E. COMMISSIONS INTERESTS AS LENDER

Commission made a loan to Borrower in the amount of \$2,500,000 (the "Washington Works Loan"). The Washington Works Loan is evidenced by a Promissory Note dated as of July 29, 2011 (the "Washington Works Note") and secured by a Deed of Trust, recorded under Skagit County recording number 201108030040 the "Washington Works Deed of Trust"). Borrower and Commission also entered into a Low Income Housing Covenant Agreement recorded under Skagit County recording number * (the "Washington Works Covenant"). All documents referenced in this Paragraph E, and any documents executed by Borrower in connection therewith, are referred to collectively herein as the "Washington Works Loan Documents."

* 201108030035

F. CHS'S INTEREST AS LENDER

CHS made a loan to Borrower in the amount of \$249,000 (the "Sponsor Loan"). The Sponsor Loan is evidenced by a Promissory Note dated as of July 29, 2011 (the "Sponsor Note") and secured by a Deed of Trust, recorded under Skagit County recording number 201108030041 (the "Sponsor Deed of Trust"). All documents referenced in this Paragraph F, and any documents executed by Borrower in connection therewith, are referred to collectively herein as the "Sponsor Loan Documents."

G. MANAGING MEMBER'S INTERESTS

Pursuant to the Purchase Option and Right of First Refusal Agreement (the "ROFR") executed connection with the amended and restated operating agreement of Borrower ("LLC Agreement"), CHS holds a right of first refusal to purchase the Project upon the terms and conditions set forth in the ROFR. CHS's rights to acquire the Project pursuant to the ROFR are referred to herein as the "Option to Purchase."



H. PURPOSE

The parties wish to enter into this Agreement in order to establish their relative rights and priorities regarding the Property, all as more fully set forth herein.

All of the documents discussed in the Recitals section of this Agreement are collectively referred to as the "Documents" and the information and definitions contained in the Recitals are acknowledged by the parties to be an incorporated, integral part of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and undertakings herein contained, the parties agree as follows:

1. PRIORITIES

Regardless of the time each party's lien upon or interest in the Property was or shall be created or recorded, such liens and interests have and shall have the following priorities:

(a) First Priority

The Extended Use Agreement shall be first in priority. The liens, rights and interests of the Commission under the Bond Covenant, the Bank under the Bank Loan Documents, the Commission under the Washington Works Loan Documents, CHS under the Sponsor Loan Documents, the Sponsor under the Sponsor Loan Documents, and CHS under the Option to Purchase, are hereby made subordinate and subject to the rights and interests of the Commission under the Extended Use Agreement. The Extended Use Agreement shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property; provided that nothing contained herein shall be deemed to amend the termination provisions in the Extended Use Agreement.

(b) Second Priority

The Bond Covenant shall be second in priority. The liens, rights and interests of the Bank under the Bank Loan Documents, the Commission under the Washington Works Loan Documents, the Sponsor, CHS under the Sponsor Loan Documents, and CHS under the Sponsor Loan Documents, and Managing Member under the Option to Purchase, are hereby made subordinate and subject to the rights and interests of the Bond Covenant. The Bond Covenant shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such



201108030042

Skagit County Auditor

foreclosure or deed in lieu thereof or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property; provided that nothing contained herein shall be deemed to amend the termination provisions in the Bond Covenant.

(c) Third Priority

The Washington Works Covenant shall be third in priority. The liens, rights and interests of the Commission under the Bond Covenant, the Bank under the Bank Loan Documents, the State under the Washington Works Loan Documents (other than the Washington Works Covenant), the Sponsor under the Sponsor Loan Documents, CHS under the Sponsor Loan Documents, and CHS Managing Member under the Option to Purchase, are hereby made subordinate and subject to the rights and interests of the Extended Use Agreement. The Washington Works Covenant shall survive foreclosure of any lien with a lesser priority as established in this Agreement and shall be binding upon any person that acquires the Property by means of such foreclosure or deed in lieu thereof or that is a successor to one who acquires the Property by such means, for so long as such person shall retain an interest in the Property; provided that nothing contained herein shall be deemed to amend the termination provisions in the Washington Works Covenant.

(d) Fourth Priority

The Bank Deed of Trust shall be fourth in priority. The liens, rights and interests of the Commission under the Washington Works Loan Documents (other than the Washington Works Covenant), the Sponsor under the Sponsor Loan Documents, CHS under the Sponsor Loan Documents, and CHS Managing Member under the Option to Purchase, are hereby made subordinate and subject to the lien, security interest, and all other rights granted to Bank under the Bank Deed of Trust with respect to all sums due or to become due under the Bank Loan Documents, including, without limitation, interest and all present and future advances made by Bank thereunder, regardless of whether such advances are deemed to be mandatory or optional, and all subsequent modifications, extensions, renewals, and replacements of the Bank Loan Documents.

(e) Fifth Priority

The Washington Works Deed of Trust shall be Fifth in priority. The liens, rights and interests of the Sponsor under the Sponsor Loan Documents and CHS under the Sponsor Loan Documents and CHS under the Option to Purchase, are hereby made subordinate and subject to the rights and interests of the Commission under the Washington Works Deed of Trust.



(f) Sixth Priority

The Sponsor Deed of Trust shall be Sixth in priority. The liens, rights and interests of CHS under the Option to Purchase, are hereby made subordinate and subject to the rights and interests of CHS under the Sponsor Deed of Trust.

(g) Seventh Priority

CHS's Option to Purchase shall be seventh in priority.

The parties agree that the Lenders do not have any obligation to each other to advance funds or to see to the application of their respective loan proceeds and that any application of such proceeds contrary to the terms of any loan documents shall not defeat the subordinations granted herein in whole or in part.

2. RELIANCE BY LENDERS; CONSENT

It is understood by the parties hereto that Lenders would not enter into their respective loan documents without this Agreement. Borrower consents to all terms hereof. The Commission agrees that, as assignee of any rights under the Bank Loan Documents, the Commission shall be bound hereby to all provisions binding on the Bank.

3. INSURANCE OR CONDEMNATION PROCEEDS

(a) Subject to the provisions of the Bank Loan Documents, the Bank shall have all approval, consent, and oversight rights in connection with any insurance claims relating to the Property and any decisions regarding the use of insurance or condemnation proceeds after a casualty loss or condemnation notwithstanding any rights of the Lenders pursuant to their respective loan documents.

(b) Subject to the provisions of the Bank Loan Documents, the parties agree that the Bank shall hold all insurance and condemnation proceeds with respect to the Property to be applied in accordance with this Section 3.

4. MISCELLANEOUS

(a) Entire Agreement

This Agreement comprises the entire agreement among the parties with respect to the priority of each party's liens upon and interests in the Property identified in this Agreement, and all prior understandings of agreements on that subject are superseded hereby.



(b) Applicable Law; Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue of any action or proceeding to enforce, interpret or otherwise related hereto shall lie in Skagit County, Washington.

(c) Successors; Assignment

This Agreement is for the benefit of the Lenders, and their respective successors and assigns, and any provision hereof may be waived or modified by written agreement among each of the Lenders affected thereby, without the consent of Borrower. The heirs, administrators, assigns and successors-in-interest the parties hereto shall be bound by this Agreement. This Agreement may be assigned by a party only as a part of an assignment of a party's interest in the Property or its loan secured by one of the deeds of trust described herein.

(d) Notices

All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when hand-delivered within normal business hours or two business days after deposited in the U.S. mail, postage prepaid, to the parties hereto at the addresses set forth below, or to such other place as a party may from time to time designate in writing. No transferee or successor of a party hereto shall be entitled to notices or opportunity to cure defaults hereunder unless notice of the transfer is given in accordance with this subsection. For purposes of this subsection, a "business day" is any day other than a Saturday, Sunday, statutory federal or Washington state bank holiday or official City of Seattle holiday.

(e) Amendment

This Agreement may be amended only by a writing signed by the parties hereto, but this clause shall not impair the validity of any further agreements among fewer than all of the parties hereto as among themselves.

(f) Counterparts

This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and whether or not all parties execute each counterpart.

(g) Completion of Recording Information

If this Agreement is signed without completion of certain recording information called for above, any party hereto or any title insurance company acting on the instructions of any party is hereby authorized to insert such information prior to recording this Agreement.



(h) Consent to Other Parties' Loan Documents

By executing this Agreement, each party hereby acknowledges and consents to the execution of, and where appropriate, the recording of the Documents by Borrower and the other parties thereto.

[SIGNATURE PAGE FOLLOWS]



IN WITNESS WHEREOF, the parties hereto have entered into this Priority and Subordination Agreement as of the day and year first above written.

BORROWER:

LA VENTURE WORKFORCE HOUSING LLC

By: La Venture Holdings LLC, its managing member

By: Archdiocesan Housing Authority d/b/a Catholic Housing Services of Western Washington, its manager and sole member

By John R. Hickman
John R. Hickman, Vice President

Address for Notice:

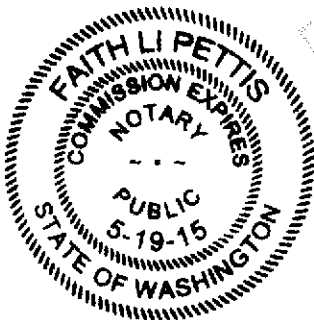
La Venture Workforce Housing LLC
c/o Catholic Housing Services of Western Washington
100-23rd Avenue S.
Seattle, Washington 98144
Attention: Director
Facsimile No. ~~(206)~~ 328 - 5757



STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that John R. Hickman is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as a Vice President of Archdiocesan Housing Authority, which is the Sole Member and Manager of La Venture Holdings LLC, managing member of LA VENTURE WORKFORCE HOUSING LLC, a Washington limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.




(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at Seattle

My appointment expires: 5/19/2015



COMMISSION:

WASHINGTON STATE HOUSING FINANCE
COMMISSION

By

Name:

Title:

Address for Notice:

Washington State Housing Finance Commission
1000 Second Ave., Suite 2700
Seattle, WA 98104-1046

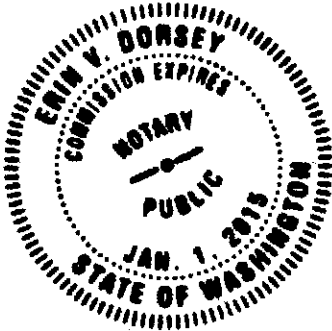
STATE OF WASHINGTON)

) ss.

COUNTY OF KING)

I certify that I know or have satisfactory evidence that Kim Herman is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the ED of WASHINGTON STATE HOUSING FINANCE COMMISSION, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at

My appointment expires:



BANK:

U.S. BANK, NATIONAL ASSOCIATION,
a national banking association

By Ann T. Melone
Ann T. Melone, Vice President

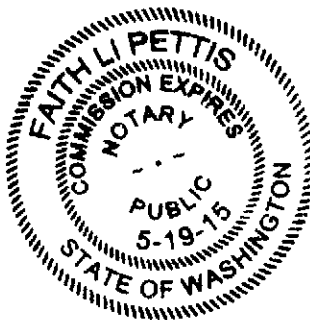
Address for Notice:

U.S. Bank National Association
Commercial Real Estate Division
1420 Fifth Avenue, 8th Floor, PD-WA-T8RE
Seattle, Washington 98101
Attention: Community Lending Manager

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that Ann T. Melone is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as a Vice President of U.S. BANK, NATIONAL ASSOCIATION, a national banking association, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



Faith Li Pettis
(Signature of Notary)
Faith Li Pettis
(Print or stamp name of Notary)
NOTARY PUBLIC in and for the State
of Washington, residing at Seattle
My appointment expires: 5/19/2015



CHS:

ARCHDIOCESAN HOUSING AUTHORITY, d/b/a
Catholic Housing Services of Western Washington, a
Washington nonprofit corporation

By John R. Hickman
John R. Hickman, Vice President

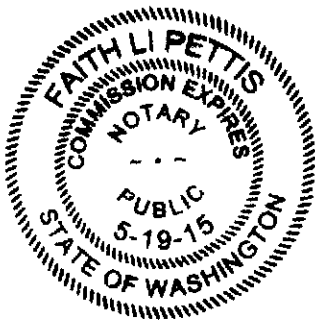
Address for Notice:

c/o Catholic Housing Services of Western Washington
100-23rd Avenue S.
Seattle, Washington 98144
Attention: Director
Facsimile No. (206) 328-5757

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that John R. Hickman is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as Vice President of ARCHDIOCESAN HOUSING AUTHORITY, a Washington nonprofit corporation, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first above written.



(Signature of Notary)

Faith L. Pettis
(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at Seattle
My appointment expires: 5/19/2015



MANAGING MEMBER:

LA VENTURE HOLDINGS LLC, a Washington
limited liability company

By: Archdiocesan Housing Authority, d/b/a Catholic
Housing Services of Western Washington, its
sole member and manager

By

John R. Hickman
John R. Hickman, Vice President

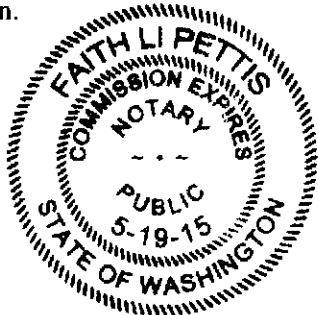
Address for Notice:

c/o Catholic Housing Services of Western Washington
100-23rd Avenue S.
Seattle, Washington 98144
Attention: Director
Facsimile No. 206 328 - 6757

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I certify that I know or have satisfactory evidence that John R. Hickman is the person who
appeared before me, and said person acknowledged that said person signed this instrument, on oath
stated that said person was authorized to execute the instrument and acknowledged it as Vice
President of Archdiocesan Housing Authority, the sole member and manager of LA VENTURE
HOLDINGS LLC, a Washington limited liability company, to be the free and voluntary act of such
party for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF I have hereunto set my hand and official seal the day and year first
above written.



(Signature of Notary)

(Print or stamp name of Notary)

NOTARY PUBLIC in and for the State
of Washington, residing at

My appointment expires:

PRIORITY AND SUBORDINATION AGREEMENT
12187-5404/LEGAL20680935.5



201108030042
Skagit County Auditor

**EXHIBIT A
to Priority and Subordination Agreement**

LEGAL DESCRIPTION OF PROPERTY

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

Parcel "A":

The South 1,122.5 feet of the East 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M., EXCEPT the South 550 feet thereof, EXCEPT the East 214 feet thereof, AND EXCEPT the North 15.33 feet of the South 565.33 feet of the West 333 feet of the East 1/2 of the Southeast 1/4 of the Northeast 1/4 of said Section 17, ALSO EXCEPT Tract "A" of Survey recorded August 4, 1997 under Auditor's File No. 9708040071 in Volume 19 of Surveys, page 153, records of Skagit County, Washington.

Parcel "B":

The South 1,122.5 feet of the East 15 feet of the West 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M., EXCEPT the South 565.33 feet thereof.

Parcel "C":

A non-exclusive easement for ingress, egress, drainage and utilities over and across the West 30 feet of the following described tract:

The North 285.33 feet of the South 565.33 feet of the West 333 feet of the East 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M., TOGETHER WITH the North 285.33 feet of the South 565.33 feet of the East 15 feet of the West 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M.

Parcel "D":

A non-exclusive easement for ingress, egress, drainage and utilities over and across the West 30 feet of the following described tract:

The East 98.5 feet of the West 143.5 feet of the North 250 feet of the South 280 feet of the East 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M., TOGETHER WITH the West 45 feet of the North 250 feet of the South 280 feet



of the East 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M., TOGETHER WITH the East 15 feet of the North 250 feet of the South 280 feet of the West 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M.

Parcel "F":

A non-exclusive easement for ingress, egress and utilities over and across the West 354.56 feet of the East 568.56 feet of the North 25 feet of the South 1,147.5 feet of the East 1/2 of the Southeast 1/4 of the Northeast 1/4 of said Section 17.

Parcel "G":

A non-exclusive easement for ingress, egress and utilities over and across the following described tract:

Beginning at the Southwest corner of the West 184 feet of the East 214 feet of the North 60 feet of the South 1,182.5 feet of the Southeast 1/4 of the Northeast 1/4 of said Section 17; thence South 87 degrees 55'03" East, 184.03 feet to the Southeast corner of said West 184 feet of the East 214 feet of the North 60 feet of the South 1,182.5 feet; thence North 1 degree 01'55" East, 60.01 feet along the East line thereof to the Northeast corner thereof; thence North 87 degrees 55'03" West 90.14 feet along the North line of said South 1,182.5 feet to a point of curvature; thence along the arc of said curve concave to the Southeast having a radius of 130.00 feet, through a central angle of 32 degrees 03'12", an arc distance of 72.73 feet to a point of tangency; thence South 60 degrees 01'45" West, 0.34 feet to the North line of the South 1,162.5 feet of said subdivision; thence North 87 degrees 55'03" West, 24.24 feet along said North line to the West line of said East 214 feet to the North 1,182.5 feet of said subdivision; thence South 1 degree 01'55" West, 40.01 feet along said West line to the point of beginning.

Parcel "H":

A non-exclusive easement for ingress, egress and utilities over and across the following described tract:

Beginning at the Northwest corner of said West 184 feet of the East 214 feet of the South 1,122.5 feet of the Southeast 1/4 of the Northeast 1/4 of said Section 17; thence South 87 degrees 55'03" East, 92.79 feet along the North line of said South 1,122.5 feet to a cusp; thence along the arc of a curve concave to the Southeast having a radius of 70.00 feet and an initial tangent bearing of North 87 degrees 55'03" West, through a central angle of 32 degrees 03'12", an arc distance of 39.16 feet to a point of tangency; thence South 60 degrees 01'45" West, 28.62 feet to a point of curvature; thence along the arc of a curve concave to the Northwest having a radius of 130.00 feet; through a central angle of 14 degrees 54'00",



an arc distance of 33.81 feet to the West line of said East 214 feet of the South 1,122.5 feet to the Southeast 1/4 of the Northeast 1/4 of said Section 17; thence North 1 degree 01'55" East, 39.90 feet along said West line to the point of beginning.

Parcel "I":

A non-exclusive easement for ingress, egress and utilities over and across the following described tract, as reserved by document recorded as Auditor's File No. 9510100091: Commencing at the Southeast corner of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M.; thence North 01 degree 01'55" East along the East line of said subdivision a distance of 843.99 feet; thence North 87 degrees 55'04" West parallel to the South line of said subdivision to a point on a line parallel with and 214.00 feet distant, as measured perpendicularly from said East line of said subdivision, said point being the true point of beginning; thence North 87 degrees 55'04" West, a distance of 30.01 feet; thence South 01 degrees 01'55" West, a distance of 71.60 feet to the beginning of a tangent curve of 95.00 foot radius concave Northeasterly; thence Southeasterly through a central angle of 46 degrees 49'35" for a distance of 77.64 feet, to a point on the West line of Lot 2 of Mount Vernon Short Plat 4-87, as filed in Volume 8, page 8 of Short Plats, under Auditor's File No. 8712210075, records of Skagit County, Washington; thence North 01 degree 01'55" East along the West line of said Lot 2 and the Northerly projection thereof, a distance of 140.33 feet to the true point of beginning.

Parcel "K":

A non-exclusive easement established by document recorded under Auditor's File No. 9510100090 for ingress, egress and utilities over and across the South 30 feet of Lot 2 of Mount Vernon Short Plat No. MV-4-87, approved December 17, 1987 and recorded December 21, 1987, as Auditor's File No. 8712210075, in Book 8 of Short Plats, page 8, records of Skagit County, being a portion of the East 1/2 of the Southeast 1/4 of the Northeast 1/4 of Section 17, Township 34 North, Range 4 East, W.M.;

TOGETHER WITH a non-exclusive easement for ingress, egress and utilities over and across both the South 15 feet of Lot 1 of said Short Plat, and the North 15 feet of the South 45 feet of Lot 2 of said Short Plat.

