

RECORDING REQUESTED BY AND WHEN
RECORDED MAIL TO:

Laura Minton Breckenridge
P.O. Box 178
Bow, WA 98232



201204300051

Skagit County Auditor

4/30/2012 Page 1 of 26 9:18AM

THIS SPACE RESERVED FOR RECORDER'S USE

EASEMENT AGREEMENT

The information contained in this boxed section is for recording purposes only pursuant to RCW 36.18 and RCW 65.04, and is not to be relied upon for any other purpose, and shall not affect the intent of or any warranty contained in the document itself.

Grantor: The Leatherwood Trust

Grantees: Padilla Bay, LLC and Thomas J. Paulus and Suzanne J. Paulus

Reference Number of Documents Assigned or Released: N/A

Grantor Property Abbreviated Legal Description:

Parcel 350319-1-003-0000: NE1/4 NE1/4 S OF SLO LESS W 5.30AC OPEN SPACE#38 #792933 1975

Parcel 350319-1-006-0007: (40.0000 ac) SE1/4 NE1/4 OPEN SPACE #38 #792933 1975

Grantee Property Abbreviated Legal Descriptions:

Parcel 350320-2-002-0100: O/S#13 AF#766462 1973 TRNSF#807790 PORTION OF SURVEY AF#200010300004 LOCATED IN A PORTION OF THE NW1/4 NW1/4 LYING NORTHLY AND WESTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT THE NW CORNER OF SAID NW1/4 NW1/4 (NW SECTION CORNER); THENCE SOUTH 0-22-15 WEST, 1,330.49 FEET ALONG THE WEST LINE OF SAID NW1/4 NW1/4 TO THE SE CORNER THEREOF (1/16TH CORNER); THENCE NORTH 89-04-38 EAST, 150 FEET ALONG THE SOUTH LINE OF SAID NW1/4 NW1/4; THENCE NORTH 0-22-15 WEST, 537.78 FEET PARALLEL WITH SAID WEST LINE OF THE NW1/4 NW1/4 TO THE CENTERLINE OF EXISTING FIELD DITCH; THENCE ALONG SAID FIELD DITCH SOUTH 81-49-43 EAST, 313.96 FEET; THENCE SOUTH 85-7-10 EAST, 350.28 FEET; THENCE LEAVING SAID FIELD DITCH, NORTH 0-22-15 WEST TO THE NORTH LINE OF THE NW1/4 NW1/4

Parcel 350318-4-005-0003: (2.0000 ac) OPEN SPACE #38 #792933 1975 SE1/4 OF SE1/4 S OF SLO

Parcel 350318-4-004-0004: (33.8500 ac) SE1/4 SE1/4 N OF SLO LESS RD OPEN SPACE #4 #776265 1974 TRNSF #807332



Parcel 350319-1-001-0002: (3.0000 ac) OPEN SPACE #4 #776265 1974 NE1/4 OF NE1/4 N OF SLO TRNSF #807332

Parcel 350317-3-005-0200: O/S#13 AF#766462 1973 TRF#807790 THAT PORTION OF SURVEY AF#200010300004 DESCRIBED AS FOLLOWS: THAT PORTION OF THE SW1/4 SW1/4 LYING WEST OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT THE NW CORNER OF THE SW1/4 SW1/4; THENCE NORTH 88-56-49 EAST, 798.46 FEET MORE OR LESS; THENCE SOUTH 0-22-15 EAST TO THE SOUTH LINE OF THE SW1/4 SW1/4. EXCEPT THAT PORTION LYING NORTHWESTERLY OF JOE LEARY SLOUGH.

Parcel 350317-3-005-0006: (7.3200 ac) O/S#13 AF#766462 1973 RF#807790 SW1/4 SW1/4 LYING NWLY OF JOE LEARY SLOUGH LESS ROAD

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX

APR 30 2012

Amount Paid \$
Skagit Co. Treasurer
By  Deputy 

Parcel 350318-1-001-0003: (39.4000 ac) OPEN SPACE #247 #751331 1973 DK 5 NE1/4 OF NE1/4 LESS RD

Parcel 350318-0-008-0008: (8.7200 ac) OPEN SPACE #247 #751331 1973 DK5 TAX 4 BEG 670FT N OF SW C NE1/4 SE1/4 THE TAP 661.1FT W OF E LI NE1/4 SE1/4 THN TO N LI NE1/4 SE1/4 TH W TO NW C NE1/4 SE1/4 TH S TPOB LESS RD

Parcel 350318-1-006-0008: (1.0000 ac) OPEN SPACE #247 #751331 1973 DK 5 1 SQ AC IN NW COR OF N1/2 OF SE1/4 OF NE1/4

Parcel 350318-1-005-0009: (18.4700 ac) OPEN SPACE #247 #751331 1973 DK 5 N1/2 OF SE1/4 OF NE1/4 LESS 1 AC & RD

Parcel 350318-1-007-0007: (19.6200 ac) OPEN SPACE #248 #751332 1973 DK 5 S1/2 OF SE1/4 OF NE1/4 LESS RD

Parcel 350318-0-007-0009: (29.9200 ac) TAX 3 BEG AT SE C OF NE1/4 SE1/4 TH W T OSW C OF NE1/4 SE1/4 TH N 670FT TH E TO PT 661.1FT W OF E LI OF NE1/4 SE1/4 TH NTO N LI OF NE1/4 SE1/4 TH E 661.1FT TO NE C OF NE1/4 SE1/4 TH S TPOB LESS RDS OPEN SPACE #4 #776265 1974 TRNSF #807332

Parcel 380317-3-003-0008: (16.6300 ac) OPEN SPACE#352 #760931 1973-TRF#807014 E1/2 NW1/4 SW1/4 LESS RD & E 6RDS

Parcel 350317-2-002-0001: (20.0000 ac) OPEN SPACE #352 #760931 1973 DK 5 W1/2 OF NE1/4 OF NW1/4 TRNSF #807014

Parcel 350317-2-004-0009: (40.0000 ac) OPEN SPACE #352 #760931 1973 DK 5 SW1/4 OF NW1/4 TRNSF #807014

Parcel 350317-2-003-0000: (40.0000 ac) OPEN SPACE #352 #760931 1973 DK 5 NW1/4 OF NW1/4 TRNSF #807014

Parcel 350317-2-006-0007: (20.0000 ac) OPEN SPACE#620 #762226 1973-TRF#834857 DK 5 W1/2 OF SE1/4 OF NW1/4

Parcel 350317-3-004-0007: (19.6300 ac) OPEN SPACE#619 #762225 1973-TRF#807015 W1/2 NW1/4 SW1/4 LESS RD

Parcel 350317-3-002-0009: (3.0000 ac) OPEN SPACE#620 #762226 1973-TRF#834857 E 6RDS OF NW1/4 SW1/4 LESS RD

Parcel 350307-4-004-0007: (39.2500 ac) OPEN SPACE#97 #760603 1973-TRF#834855 DK 5 SE1/4 OF SE1/4 LESS RD

Parcel 350308-3-003-0009: (40.0000 ac) OPEN SPACE#97 #760603 1973-TRF#834855 DK 5 SW1/4 OF SW1/4

Parcel 350308-3-002-0000: (40.0000 ac) OPEN SPACE#97 #760603 1973-TRF#834855 DK 5 NW1/4 OF SW1/4

Complete Legal Descriptions set forth in Exhibits A ("Grantor's Property") and B-1 to B-13 ("Grantee's Property") of Document.

Grantor Assessor's Parcel Numbers: 350319-1-003-0000 and 350319-1-006-0007

Grantees Assessor's Parcel Numbers: 350319-1-001-0002, 350318-4-004-0004, 350320-2-002-0100, 350318-1-001-0003, 350318-0-008-0008, 350318-1-006-0008, 350318-1-005-0009, 350318-1-007-0007, 350318-0-007-0009, 380317-3-003-0008, 350317-2-002-0001, 350317-2-004-0009, 350317-2-003-0000, 350317-2-006-0007, 350317-3-004-0007, 350317-3-002-0009, 350307-4-004-0007, 350308-3-003-0009, 350308-3-002-0000

THIS EASEMENT AGREEMENT ("Agreement") is entered into between THE LEATHERWOOD TRUST ("Leatherwood") and PADILLA BAY, LLC, a Washington limited liability company and THOMAS J. PAULUS and SUZANNE J. PAULUS (collectively "Grantees"), as of April 26, 2012 ("Effective Date").



RECITALS

A. Leatherwood is the owner of real property more particularly described in **Exhibit A**, attached hereto and incorporated herein by reference ("Leatherwood Property"). Grantees are the owners of real property contiguous with the Leatherwood Property more particularly described in **Exhibit B-1** through **B-13**, attached hereto and incorporated herein by reference ("Grantees' Property").

B. Grantees wish to obtain from Leatherwood, and Leatherwood has agreed to grant to Grantees, an easement over and around the Leatherwood Property as described in **Exhibit A**, attached hereto and incorporated herein by reference (the "Easement Area"), together with an easement for ingress and egress to the Easement Area, upon the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties agree as follows:

AGREEMENT

1. **Grant of Easement.** Leatherwood, on behalf of itself and its successors and assigns, hereby grants and conveys to Grantees, and their agents, tenants, successors and assigns, a non-exclusive easement over, under, across and through the Easement Area for the purpose of installing, constructing, operating, maintaining, repairing, adding to, altering or replacing, present or future irrigation equipment and systems, including but not limited to, pipe, electrical wiring, electrical control boxes, wells, well heads, pump heads, pump houses, valves, meters, connections, retention ponds and other appurtenant facilities, for the withdrawal, transmission and distribution of water, through, upon and across the Leatherwood Property (collectively, "Equipment"). Grantees, on behalf of themselves and their agents, successors and assigns, shall also have the right of ingress and egress to the Easement Area.

2. **Conditions of Easement.** This easement is granted subject to and conditioned upon the following terms, conditions and covenants which Grantees, their agents, tenants, successors and assigns, promise to faithfully and fully observe and perform:

2.1 **Rights of Easement.** Grantees, their agents, tenants, successors and assigns, shall have the non-exclusive use of the Easement Area, and right of way to and from the Easement Area, for the purposes identified in Section 1 above, and shall have the right to use abutting land adjoining the Easement Area when necessary, provided, however, that the right to use abutting land shall be exercised only during periods of actual installation or maintenance, and then only to the minimum extent necessary for such installation and maintenance.

2.2 **Leatherwood's Rights.** Leatherwood reserves the right to itself to make any use of the Easement Area that is not inconsistent with the rights conveyed to Grantees under this Agreement and that does not interfere with the use of the Easement Area by Grantees, including the construction and maintenance of roadways and fencing over the



Easement Area. Grantees acknowledge Leatherwood has a residence, office, garage and other outbuildings on its property in addition to roadways, fencing, walls, trails and landscaping and nothing in this Agreement shall prevent or preclude Leatherwood from its use, maintenance, repair or improvement of those existing improvements or undertaking any future improvements provided that such use, maintenance, repair or improvement does not interfere with Grantees' rights to the Easement Area.

2.3 Permissible Use. Grantees agree it will use the Easement Area only for permissible purposes consistent with the rights and usage set forth in this Agreement. Grantees, their agents, tenants, successors and assigns may not use or permit the use of the Easement Area for any purpose prohibited by any law, ordinance, regulation, covenant, condition or restriction.

2.4 Equipment and Activities. The following provisions shall apply with respect to the Equipment and Grantee's activities:

2.4.1 Ownership. The Equipment installed in the Easement Area shall be and remain the property of Grantees, their successors and assigns.

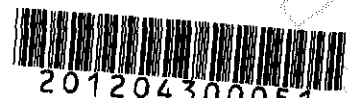
2.4.2 Maintenance. The expense of installation, construction, operation, maintenance, repair, replacement and use of the Equipment shall be paid entirely by Grantees.

2.4.3 Work Standards. All work to be performed by Grantees in the Easement Area shall be completed in a careful and workmanlike manner and free of claims and liens.

2.4.4 Restoration Obligation. Grantees shall have the right to trim, cut and remove trees, shrubbery, fences, or other facilities in or abutting the Easement Area if they interfere with the efficient installation, operation and maintenance of the Equipment. Grantees, however, shall, at their own expense, restore, as nearly as possible, to their original condition, all land and facilities within the Easement Area or abutting the Easement Area that are disturbed by the installation, operation and maintenance of the Equipment. This restoration obligation shall extend to, but shall not be limited to, the backfilling of trenches, the replacement of fences, the reseeding or resodding of lawns or pasture areas, the replacement of shrubbery, trees, and landscaping and the repair and replacement of drainage and roadways and other facilities located within the Easement Area.

2.5 Hazardous Substances and Waste. Both parties, and their successors and assigns, covenant and agree they will not use, store or dispose of any hazardous substances or waste in or around the Easement Area and further covenant and agree they shall strictly comply with any and all governmental laws, regulations and ordinances regarding the handling, transportation and storage of hazardous substances and hazardous wastes.

2.6 Indemnification



2.6.1 Right to Indemnification. The parties shall defend, indemnify and hold one another harmless from and against liabilities, claims, actions, damages, demands, costs and expenses of any kind or nature, including but not limited to legal fees and costs and other professional expenses, arising out of or in connection with the other party's acts or omissions. The indemnification rights set forth in this Agreement shall survive the termination date of this Agreement and the termination date of the easement.

2.6.2 Procedure Regarding Indemnification Rights. In the event either party receives notice of a claim or demand against which it is entitled to indemnification pursuant to this Section, it shall immediately give written notice of the claim to the other party. The party obligated to indemnify shall immediately take such measures as may be reasonably required to properly and effectively defend against the claim, and may defend the claim with counsel of its own choosing, approved by the other party provided such approval is not unreasonably withheld or delayed. In the event the party obligated to indemnify fails to properly and effectively defend the claim, then the party entitled to indemnification may defend the claim with counsel of its own choosing at the expense of the party obligated to provide a defense.

2.7 Termination. In the event Grantees collectively abandon their use of the Equipment for a period of five (5) successive years, this Agreement, and Grantees' rights under this Agreement, shall terminate and revert to Leatherwood. Upon termination of this Agreement, Grantees shall, at the option of Leatherwood, remove the Equipment and restore the ground to its prior condition, or, in the alternative, restore the Leatherwood Property or take such other mutually agreed upon measures to minimize the impact of the Equipment. This work shall be done at the cost and expense of Grantees and in a manner satisfactory to Leatherwood.

2.8 Third Party Rights. Leatherwood reserves all rights with respect to the Leatherwood Property, including, without limitation, the right to grant easements, licenses and permits to others subject to the rights granted in this Agreement.

3. General Provisions. The following general provisions shall apply with respect to this Agreement:

3.1 Successors and Assigns. The rights and obligations created pursuant to this Agreement shall bind and benefit all subsequent owners of the Leatherwood Property, as described in **Exhibit A**, as well as subsequent owners of the Grantees' Property, as described in **Exhibit B**.

3.2 Running Covenants. This Agreement is, and in all events shall be, understood to relate to the properties described in **Exhibit A** and **Exhibit B** and shall be deemed to be covenants running with the land and shall inure to and be binding upon successors, assigns, heirs and personal representatives of the parties.



3.3 Entire Agreement; Modifications. This Agreement is the entire understanding between the parties with respect to the transactions contemplated herein and all prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision in this Agreement may be waived, modified, amended, discharged or terminated, except by an instrument in writing signed by both parties and then, only to the extent set forth in such instrument.

3.4 Notices. Any notice required or permitted to be delivered under this Agreement shall be in writing and shall be validly given and made to another party if delivered either personally or by Federal Express or other overnight delivery service of recognized standing. If such notice is personally delivered, it shall be deemed given and received at the time of such delivery. If such notice is delivered by Federal Express, or other overnight delivery service of recognized standing, it shall be deemed given one (1) business day after the deposit with such delivery service. Each such notice shall be deemed given only if properly addressed to the party to whom such notice is given, as follows:

If to Leatherwood Trust: Leatherwood Trust
12708 Leatherwood Lane
P.O. Box 178
Bow, WA 98232

If to Grantees: Padilla Bay, LLC
12708 Leatherwood Lane
P.O. Box 178
Bow, WA 98232
Attention: Thomas J. Paulus

Thomas J. Paulus
12708 Leatherwood Lane
P.O. Box 178
Bow, WA 98232

By giving to the other parties at least 15 days' written notice, the parties to this Agreement and their respective successors and assigns shall have the right from time to time and at any time during the term of this Agreement to change their respective addresses and each shall have the right to specify as its address any other address.

3.5 Attorney's Fees. Should either party employ an attorney or attorneys to enforce any of the provisions in this Agreement or to protect its interest in any manner arising under this Agreement, or to recover damages for any breach under this Agreement, the breaching party agrees to pay the non-breaching party its reasonable costs, damages, and expenses, including attorneys' fees incurred.

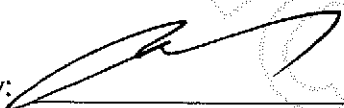


3.6 Severability. If one or more of the provisions of this Agreement, or its application, is determined to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions or any other application shall in no way be affected or impaired.

3.7 Applicable Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

GRANTOR:

THE LEATHERWOOD TRUST


By: 
Thomas J. Paulus, Co-Trustee

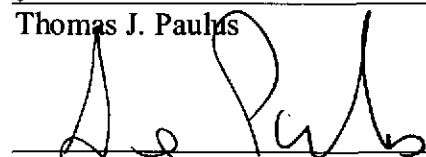
By: 
Laura Minton Breckenridge, Co-Trustee

GRANTEES:

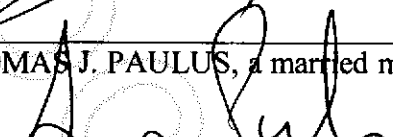
PADILLA BAY, LLC,
a Washington limited liability company

By: Thomas J. Paulus and Suzanne J. Paulus,
husband and wife, Manager

By: 
Thomas J. Paulus

By: 
Suzanne J. Paulus

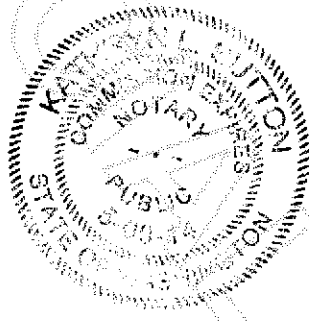

THOMAS J. PAULUS, a married man


SUZANNE J. PAULUS, a married woman

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Thomas J. Paulus is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Co-manager of Padilla Bay, 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.

Dated this 26th day of April, 2012.



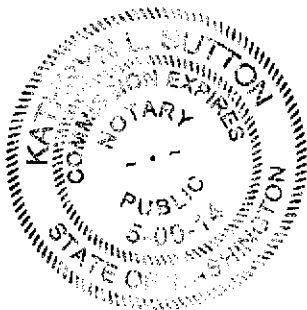
A handwritten signature of Kathryn L. Sutton in black ink.

Kathryn L. Sutton
Notary Public, State of Washington
Residing in Skagit County
My Commission Expires: 5/9/2014

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Suzanne J. Paulus is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Co-manager of Padilla Bay, 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.

Dated this 26th day of April, 2012.



A handwritten signature of Kathryn L. Sutton in black ink.

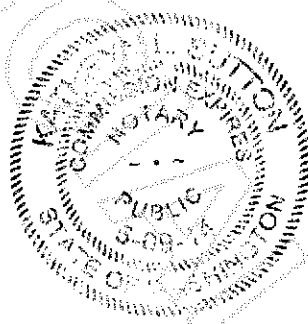
Kathryn L. Sutton
Notary Public, State of Washington
Residing in Skagit County
My Commission Expires: 5/9/2014



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that THOMAS J. PAULUS is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated this 26th day of April, 2012.



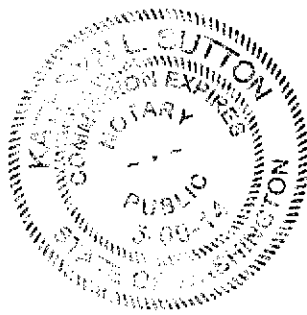
A handwritten signature of Kathryn L. Sutton in black ink.

Kathryn L. Sutton
Notary Public, State of Washington
Residing in Skagit County
My Commission Expires: 5/9/2014

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that SUZANNE J. PAULUS is the person who appeared before me, and said person acknowledged that he signed this instrument and acknowledged it to be his free and voluntary act for the uses and purposes mentioned in this instrument.

Dated this 26th day of April, 2012.



A handwritten signature of Kathryn L. Sutton in black ink.

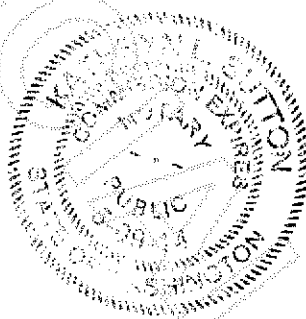
Kathryn L. Sutton
Notary Public, State of Washington
Residing in Skagit County
My Commission Expires: 5/9/2014



STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Thomas J. Paulus is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument and acknowledged it as the Co-Trustee of the Leatherwood Trust to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 26th day of April, 2012.



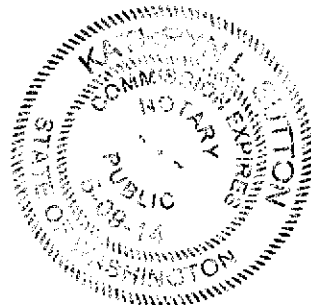
Kathryn L. Sutton

Kathryn L. Sutton
Notary Public, State of Washington
Residing in Skagit County
My Commission Expires: 5/9/2014

STATE OF WASHINGTON)
) ss.
COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Laura Minton Breckenridge is the person who appeared before me, and said person acknowledged that she signed this instrument, on oath stated that she was authorized to execute the instrument and acknowledged it as the Co-Trustee of the Leatherwood Trust to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

Dated this 26th day of April, 2012.



Kathryn L. Sutton

Kathryn L. Sutton
Notary Public, State of Washington
Residing in Skagit County
My Commission Expires: 5/9/2014



EXHIBIT A

LEATHERWOOD PROPERTY

Parcel A

That portion of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East, W.M., lying Southerly of the Joe Leary Slough, EXCEPT the tract conveyed to William Esary by deed dated January 21, 1909 and recorded January 21, 1909 under Auditor's File No. 71571, described as follows:

"Commencing at the Southwest corner of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East of the W.M.; thence running East on the South line of said forty, 12 rods; thence North, parallel with the West line of said Forty, to the South bank of said Joe Leary Slough; thence in a Northwesterly direction following along said slough, to the West line of said above described forty; thence South along the West line of said forty to the place or beginning; (said tract of land being 12 rods in width and extending from the South line of said forty North to said Joe Leary Slough)."

TOGETHER WITH an Easement for road purposes over the following described tract:

Commencing at the Southwest corner of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East, W.M.; thence running East on South line of said forty, 12 rods; thence running North parallel with the West line of said forty, to South bank of Joe O'Leary's Slough; thence in a westerly and northerly direction following along the said slough to West line of above described forty; thence South following along the west line of said forty to place or beginning. Said tract of land being 12 rods in width and extending from the South line of said forty to Joe O'Leary's Slough.

EXCEPT that portion of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East, W.M., lying Easterly of the West 198.00 feet of the Northeast Quarter of the Northeast Quarter, and lying Southerly of the Joe Leary Slough, and lying Northerly of the following described line:

Beginning at a point on the East line of said Section 19, lying South 1 Degrees 10'20" West a distance of 769.81 feet from the Northeast corner of said Section 19; thence

North 80 Degrees 40'31" West a distance of 76.82 feet; thence

North 80 Degrees 43'02" West a distance of 272.16 feet; thence

North 81 Degrees 46'12" West a distance of 126.65 feet; thence

North 69 Degrees 07'00" West a distance of 224.38 feet; thence

North 71 Degrees 15'18" West a distance of 378.56 feet; thence

North 41 Degrees 06'52" West a distance of 113.90 feet to the East line of the West 198.00 feet of said Northeast Quarter of Section 19, being the terminus of said line.



AND ALSO EXCEPT that portion of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East, W.M., described as follows:

Commencing at the Southeast corner of said Northeast Quarter of the Northeast Quarter; thence North 88 Degrees 34'47" West, along the South line of said Northeast Quarter of the Northeast Quarter, a distance of 320.17 feet to the **TRUE POINT OF BEGINNING**; thence continuing North 88 Degrees 34'47" West a distance of 277.26 feet; thence North 01 Degrees 25'13" East a distance of 53.16 feet; thence South 88 Degrees 34'47" East a distance of 277.26 feet; thence South 1 Degree 25'13" West a distance of 53.16 feet to the **TRUE POINT OF BEGINNING**, containing 0.34 acres, more or less.

AND TOGETHER WITH that portion of the Northwest Quarter of the Northwest Quarter of Section 20, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at a point on the West line of said Section 20, lying South 1 Degree 10'20" West a distance of 769.81 feet from the Northwest corner of said Section 20; thence continuing South 1 Degree 10'20" West a distance of 560.71 feet to the Southwest corner of said Northwest Quarter of the Northwest Quarter; thence South 89 Degrees 22'47" East along the South line of said Northwest Quarter of the Northwest Quarter, a distance of 150.00 feet; thence North 1 Degree 10'20" East a distance of 537.78 feet; thence North 80 Degrees 40'31" West a distance of 151.52 feet to the Point of Beginning, containing 1.89 acres, more or less.

Parcel B

The Southeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East, W.M.,

TOGETHER WITH that portion of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East, W.M., described as follows:

Commencing at the Southeast corner of said Northeast Quarter of the Northeast Quarter; thence North 88 Degrees 34'47" West, along the South line of said Northeast Quarter of the Northeast Quarter, a distance of 320.17 feet to the **TRUE POINT OF BEGINNING**; thence continuing North 88 Degrees 34'47" West a distance of 277.26 feet; thence North 01 Degrees 25'13" East a distance of 53.16 feet; thence South 88 Degrees 34'47" East a distance of 277.26 feet; thence South 1 Degree 25'13" West a distance of 53.16 feet to the **TRUE POINT OF BEGINNING**, containing 0.34 acres, more or less.

AND TOGETHER WITH an Easement for road purposes over the following described tract:

Commencing at the Southwest corner of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East, W.M.; thence running East on South line of said forty, 12 rods; thence running North parallel with the West line of said forty, to South bank of Joe O'Leary's Slough; thence in a westerly and northerly direction following along



the said slough to West line of above described forty; thence South following along the west line of said forty to place or beginning. Said tract of land being 12 rods in width and extending from the South line of said Forty to Joe O'Leary's Slough.



EXHIBIT B-1

GRANTEE PROPERTY

That portion of the Northwest Quarter of the Northwest Quarter of Section 20, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the Northwest corner of said Northwest Quarter of the Northwest Quarter of Section 20 (Northwest Section corner); thence South 1 Degree 10'20" West, 769.81 feet along the West line of said Northwest Quarter of the Northwest Quarter to the centerline of an existing ditch; thence South 80 Degrees 40'31" East along the centerline of said ditch, a distance of 151.52 feet; thence South 80 Degrees 17'08" East a distance of 313.96 feet; thence South 83 Degrees 44'35" East 350.28 feet; thence leaving said field ditch, North 1 Degrees 10'20" East 878.56 feet, more or less, parallel with said West line of the Northwest Quarter of the Northwest Quarter of Section 20 to the North line of the Northwest Quarter of the Northwest Quarter of Section 20, Township 35 North, Range 3 East, W.M.; thence North 89 Degrees 30'21" West 809.43 feet, more or less, along said North line of the Northwest Quarter of the Northwest Quarter of said Section 20 to the Northwest corner of said Section 20, being the Point of Beginning.

TOGETHER WITH that portion of the Northeast Quarter of the Northeast Quarter of Section 19, Township 35 North, Range 3 East, W.M., lying Easterly of the West 198.00 feet of the Northeast Quarter of the Northeast Quarter, and lying Southerly of the Joe Leary Slough, and lying Northerly of the following described line:

Beginning at a point on the East line of said Section 19, lying South 1 Degrees 10'20" West a distance of 769.81 feet from the Northeast corner of said Section 19; thence

North 80 Degrees 40'31" West a distance of 76.82 feet; thence

North 80 Degrees 43'02" West a distance of 272.16 feet; thence

North 81 Degrees 46'12" West a distance of 126.65 feet; thence

North 69 Degrees 07'00" West a distance of 224.38 feet; thence

North 71 Degrees 15'18" West a distance of 378.56 feet; thence

North 41 Degrees 06'52" West a distance of 113.90 feet to the East line of the West 198.00 feet of said Northeast Quarter of Section 19, being the terminus of said line.



EXHIBIT B-2

GRANTEE PROPERTY

All that part or portion of the Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 18, Township 35 North, Range 3 East, W.M., lying and being South of Joe Leary Slough.

Situated in the County of Skagit, State of Washington.



EXHIBIT B-3

GRANTEE PROPERTY

That portion of the Southeast quarter of the Southeast quarter of Section 18, Township 35 North, Range 3 East, W.M., North of Slough, except roads.

Situated in the County of Skagit, State of Washington.



EXHIBIT B-4

GRANTEE PROPERTY

That portion of the Northeast quarter of the Northeast quarter, Section 19, Township 35 North, Range 3 East, W.M., lying Northerly of the Joe Leary Slough, except roads.

Situated in the County of Skagit, State of Washington.



EXHIBIT B-5

GRANTEE PROPERTY

That portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 17, Township 35 North, Range 3 East, W.M., and that portion of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 20, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the Northwest corner of said Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 20 (Northwest Section corner); thence South $0^{\circ}22'15''$ West 1,330.49 feet along the West line of said Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ to the Southwest corner thereof (1/16 corner); thence North $89^{\circ}04'38''$ East 150.00 feet along the South line of said Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$; thence North $0^{\circ}22'15''$ West 537.78 feet parallel with said West line of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ to the centerline of an existing field ditch; thence along said field ditch South $81^{\circ}49'43''$ East 313.96 feet; then South $85^{\circ}17'10''$ East 350.28 feet; thence leaving said field ditch, North $0^{\circ}22'15''$ West 2,210.67 feet, more or less, parallel with said West line of the Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 20 to the North line of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 17, Township 35 North, Range 3 East, W.M.; thence South $88^{\circ}56'49''$ West 798.46 feet, more or less, along said North line of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ to the Northwest corner thereof; thence South $0^{\circ}06'06''$ West 1,332.26 feet along the West line of said Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ to the Southwest corner of said subdivision (Southwest Section corner) and being the point of beginning.

EXCEPT that portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 17, Township 35 North, Range 3 East, W.M., lying Northwesterly of the centerline of Joe Leary Slough;

AND EXCEPT D'Arcy Road right-of-way;

Situated in the County of Skagit, State of Washington.



EXHIBIT B-6

GRANTEE PROPERTY

That portion of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 17, Township 35 North, Range 3 East, W.M., lying Northwesternly of the centerline of Joe Leary Slough, EXCEPT D'Arcy Road.

Situated in the County of Skagit, State of Washington.



EXHIBIT B-7

GRANTEE PROPERTY

The Northeast quarter of the Northeast quarter and the Southeast quarter of the Northeast quarter, Section 18, Township 35 North, Range 3 East of the WM;

EXCEPT right of way 6 feet in width, for an open ditch across the North side of said Northeast quarter of the Northeast quarter, as excepted in that certain Deed from Edward Ames to George D'Arcey, dated March 12, 1892 and recorded March 17, 1892, in Volume 24 of Deeds, page 347, records of said county;

ALSO EXCEPTING that portion lying West of the East line of that certain tract conveyed to Skagit County for road purposes by Deed recorded July 23, 1946 under Auditor's File No. 394232.



EXHIBIT B-8

GRANTEE PROPERTY

That portion of the Northeast quarter of the Southeast quarter of Section 18, Township 35, Range 3 East, W.M., described as follows:

Commencing at a point on the West line of the Northeast quarter of the Southeast quarter of said Section 18, which is 670 feet North of the Southwest corner thereof; thence East parallel with the South line of said Northeast quarter to a point 661.1 feet West of the East line of said Northeast quarter; thence North parallel with the East line of said subdivision to the North line of said Northeast quarter of the Southeast quarter; thence West along the North line of said Northeast quarter of the Southeast quarter to the Northwest corner thereof; thence South along the West line thereof to the point of beginning.

EXCEPT that portion lying West of the East line of that certain tract conveyed to Skagit County for road purposes by Deed recorded October 8, 1946 under Auditor's File No. 396829.



EXHIBIT B-9

GRANTEE PROPERTY

The Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 18, Township 35 North, Range 3 East, W.M.,

EXCEPTING THEREFROM:

COMMENCING AT A POINT ON THE WEST LINE OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SAID SECTION 18, WHICH IS 670 FEET NORTH OF THE SOUTHWEST CORNER THEREOF; THENCE NORTH TO THE NORTHWEST CORNER OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; THENCE EAST TO A POINT ON THE NORTH LINE OF SAID QUARTER WHICH IS 661.1 FEET WEST OF THE NORTHEAST CORNER THEREOF; THENCE SOUTH PARALLEL TO THE EAST LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER TO A POINT EAST OF THE POINT OF BEGINNING; THENCE WEST PARALLEL TO THE SOUTH LINE OF SAID NORTHEAST QUARTER OF THE SOUTHEAST QUARTER TO THE POINT OF BEGINNING,

AND EXCEPT those portions lying within the Bayview Edison County Road;
AND EXCEPT that portion lying within the boundaries of the D'Arcy County Road as said roads are built on the ground and as conveyed to Skagit County by Deeds recorded under Auditor's File Nos. 340420, 340421, 394230 and 394231, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.



EXHIBIT B-10

GRANTEE PROPERTY

The West $\frac{1}{2}$ of the Northwest $\frac{1}{4}$; the West $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ and the East $\frac{1}{2}$ of, the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$, all in Section 17, Township 35 North, Range 3 East, W.M., EXCEPT the East 6 rods (99 feet) of the said East $\frac{1}{2}$ of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ AND ALSO EXCEPT all ditch and dike rights of way; AND EXCEPT the D'Arcy Road running along the South line of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ and as said road was conveyed to Skagit County by deeds recorded under Auditor's File Nos. 340422, 340423 and 340424, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.



EXHIBIT B-11

GRANTEE PROPERTY

The West ½ of the Northwest ¼ of the Southwest ¼ and the West ½ of the Southeast ¼ of the Northwest ¼ and the East 6 rods (99 feet) of the Northwest ¼ of the Southwest ¼, all in Section 17, Township 35 North, Range 3 East, W.M., EXCEPT D'Arcy Road, as conveyed to Skagit County by deeds recorded under Auditor's File Nos. 340422, 340423 and 340424, AND ALSO EXCEPT ditch and dike rights of ways, if any.

Situate in the County of Skagit, State of Washington.



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Skagit County Auditor

EXHIBIT B-12

GRANTEE PROPERTY

The Southeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 7, Township 35 North, Range 3 East, W.M.,
EXCEPT the West 25 feet thereof for County Road.

Situate in the County of Skagit, State of Washington

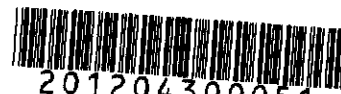


EXHIBIT B-13

GRANTEE PROPERTY

The West ½ of the Southwest ¼ of Section 8, Township 35 North, Range 3 East, W.M..

Situate in the County of Skagit, State of Washington.

