RETURN ADDRESS:

UniBank 16929 Highway 99, Suite # 110 Lynnwood, WA 98037



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GUARDIAN NORTHWEST TITLE CO. HAZARDOUS SUBSTANCES AGREEMENT 103562-3

Reference # (if applicable): Loan # 42065800 Grantor(s):

Additional on page ____

1. Cho, Soon Woong

2. Cho-Kim, Hyun Sil

Grantee(s)

1. UniBank

Legal Description: Section 24, Township 35 North, Range 4 East; Ptn. NE NE

Additional on page 2

Assessor's Tax Parcel ID#: P37510, 350424-1-125-0007, P106035, 350424-0-127-0100 and P37512, 350424-0-127-0005

THIS HAZARDOUS SUBSTANCES AGREEMENT dated May 17, 2012, is made and executed among Soon Woong Cho, whose address is 108 & 116 N. Township Street, Sedro Woolley, WA 98284 and Hyun Sil Cho-Kim, whose address is 108 & 116 N. Township Street, Sedro Woolley, WA 98284 (sometimes referred to below as "Grantor" and sometimes as "Indemnitor"); and UniBank, Lynnwood Branch, 16929 Highway 99, suite # 110, Lynnwood, WA 98037 (referred to below as "Lender").

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For good and valuable consideration and to induce Lender to make a loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

PROPERTY DESCRIPTION. The word "Property" as used in this Agreement means the following Real Property located in Skagit County, State of Washington:

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

The Real Property or its address is commonly known as 108 & 116 N. Township Street, Sedro Woolley, WA 98284. The Real Property tax identification number is P37510, 350424-1-125-0007, P106035, 350424-0-127-0100 and P37512, 350424-0-127-0005

REPRESENTATIONS. The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing:

Use of Property. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that there has been any use, generation, manufacture, storage, treatment, refinement, transportation, disposal, release, or threatened release of any Hazardous Substances by any person on, under, or about the Property.

Hazardous Substances. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that the Property, whenever and whether owned by previous Occupants, has ever contained asbestos, PCBs, lead paints or other Hazardous Substances, whether used in construction or stored on the Property.

No Notices. Indemnitor has received no summons, citation, directive, letter or other communication, written or oral, from any agency or department of any county or state or the U.S. Government concerning any intentional or unintentional action or omission on, under, or about the Property which has resulted in the releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into any waters, ambient air or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, biota, air or other natural resources.

AFFIRMATIVE COVENANTS. Indemnitor covenants with Lender as follows:

Use of Property. Indemnitor will not use and does not intend to use the Property to generate, manufacture, refine, transport, treat, store, handle or dispose of any Hazardous Substances, PCBs, lead paint or asbestos.

Compliance with Environmental Laws. Indemnitor shall cause the Property and the operations conducted on it to comply with any and all Environmental Laws and orders of any governmental authorities having jurisdiction under any Environmental Laws and shall obtain, keep in effect and comply with all governmental permits and authorizations required by Environmental Laws with respect to such Property or operations. Indemnitor shall furnish Lender with copies of all such permits and authorizations and any amendments or renewals of them and shall notify Lender of any expiration or revocation of such permits or authorizations.

Preventive, Investigatory and Remedial Action. Indemnitor shall exercise extreme care in handling Hazardous Substances if Indemnitor uses or encounters any. Indemnitor, at Indemnitor's expense, shall undertake any and all preventive, investigatory or remedial action (including emergency response, removal, containment and other remedial action) (a) required by any applicable Environmental Laws or orders by any governmental authority having jurisdiction under Environmental Laws, or (b) necessary to prevent or minimize property damage (including damage to Occupant's own property), personal injury or damage to the environment, or the threat of any such damage or injury, by releases of or exposure to Hazardous Substances in connection with the Property or operations of any Occupant on the Property. In the event Indemnitor fails to perform any of Indemnitor's obligations under this section of the Agreement, Lender may (but shall not be required to) perform such obligations at Indemnitor's expense. All such costs and expenses incurred by Lender under this section and otherwise under this Agreement shall be reimbursed by Indemnitor to Lender upon demand with interest at the Note default rate; or in the absence of a default rate, at the Note interest rate. Lender and Indemnitor intend that Lender shall have full recourse to Indemnitor for any sum at any time due to Lender under this Agreement. In performing any such obligations of Indemnitor, Lender shall at all times be deemed to be the agent of Indemnitor and shall not by reason of such performance be deemed to be assuming any responsibility of Indemnitor under any Environmental Law or to any third party. Indemnitor hereby irrevocably appoints Lender as Indemnitor's attorney-in-fact with full power to perform such of Indemnitor's obligations under this section of the Agreement as Lender deems necessary and appropriate.

Notices. Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

- (1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with any of its operations if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.
- (2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property or the operations conducted on the

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Property.

(3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property

- (4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.
- (5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

Access to Records. Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

Inspections. Lender reserves the right to inspect and investigate the Property and operations on it at any time and from time to time, and Indemnitor shall cooperate fully with Lender in such inspection and investigations. If Lender at any time has reason to believe that indemnitor or any Occupants of the Property are not complying with all applicable Environmental Laws or with the requirements of this Agreement or that a material spill, release or disposal of Hazardous Substances has occurred on or under the Property, Lender may require Indemnitor to furnish Lender at Indemnitor's expense an environmental audit or a site assessment with respect to the matters of concern to Lender. Such audit or assessment shall be performed by a qualified consultant approved by Lender. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to any Indemnitor or to any other person.

INDEMNITOR'S WAIVER AND INDEMNIFICATION, Indemnitor hereby agrees to and shall indemnify, defend, and hold harmless Lender and Lender's officers, directors, employees and agents, and Lender's successors and assigns and their officers, directors, employees and agents from and against any and all claims, demands, losses, liabilities, costs, fines, penalties and expenses (including without limitation attorneys' fees at trial and on any appeal or petition for review, consultants' fees, remedial action costs, natural resource damages and diminution in value) incurred by such person (a) arising out of or relating to any investigatory or remedial action involving the Property, the operations conducted on the Property, or any other operations of Indemnitor or any Occupant and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws, including without limitation any natural resource damages, or (b) arising out of or related to any noncompliance with or violation of Environmental Laws or any applicable permits or approvals, or (c) on account of injury to Lender or any person whatsoever or damage to any property arising out of, in connection with, or in any way relating to (i) the breach of any covenant, representation or warranty contained in this Agreement, (ii) the violation of any Environmental Laws, permits, authorizations or approvals, (iii) the use, treatment, storage, generation, manufacture, transport, release, spill, disposal or other handling of Hazardous Substances on the Property, or (iv) the contamination of any of the Property by, or the presence, release or threatened release of, Hazardous Substances by any means whatsoever (explicitly including without limitation any presently existing contamination of the Property, whether or not previously disclosed to Lender), or (d) pursuant to this Agreement. Indemnitor's obligations under this section shall survive the termination of this Agreement and as set forth below in the Survival section. In addition to this indemnity, Indemnitor hereby-releases and waives all present and future claims against Lender for indemnity or contribution in the event Indemnitor becomes liable for cleanup or other costs under any Environmental Laws.

PAYMENT: FULL RECOURSE TO INDEMNITOR. Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and expenses to Lender as so incurred within thirty (30) days after written notice from Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice. In addition to any remedy available for failure to pay periodically such amounts, such amounts shall thereafter bear interest at the Note default rate, or in the absence of a default rate, at the Note interest rate.

SURVIVAL. The covenants contained in this Agreement shall survive (A) the repayment of the Indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

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

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and

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

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

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

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

Choice of Venue. If there is a lawsuit, Indemnitor agrees upon Lender's request to submit to the jurisdiction of the courts of Snohomish County, State of Washington.

Joint and Several Liability. All obligations of Indemnitor under this Agreement shall be joint and several, and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

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

Notices. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Indemnitor agrees to keep Lender informed at all times of Indemnitor's current address. Subject to applicable law, and except for notice required or allowed by law to be given in another manner, if there is more than one Indemnitor, any notice given by Lender to any Indemnitor is deemed to be notice given to all Indemnitors.

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

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Indemnitor's Interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Indemnitor, Lender, without notice to Indemnitor, may deal with Indemnitor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Indemnitor from the obligations of this Agreement or liability under the Indebtedness.



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Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Hazardous Substances Agreement, as this Hazardous Substances Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Hazardous Substances Agreement from time to time.

Borrower. The word "Borrower" means Soon Woong Cho and Hyun Sil Cho-Kim and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Note or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Note or Related Documents and any amounts expended or advanced by Lender to discharge Indemnitor's obligations or expenses incurred by Lender to enforce Indemnitor's obligations under this Agreement, together with interest on such amounts as provided in this Agreement.

Lender. The word "Lender" means UniBank, its successors and assigns.

Note. The word "Note" means the Note executed by Soon Woong Cho and Hyun Sil Cho-Kim in the principal amount of \$1,140,000.00 dated May 17, 2012, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Occupant. The word "Occupant" means individually and collectively all persons or entities occupying or utilizing the Property, whether as owner, tenant, operator or other occupant.

Property. The word "Property" means all of Indemnitor's right, title and interest in and to all the Property as described in the "Property Description" section of this Agreement.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED MAY 17, 2012.

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Loan No: 42065800	(Continued)	Page 6
GRANTOR: X Soon Woong Cho	2_	
x Juliu Schku Hyun Sii Cho-Kim		
LENDER:		
UNIBANK X Authorized Signer		
INI	DIVIDUAL ACKNOWLEDG	MENT
STATE OF SOMMUSH	ton	NOTARY PUBLIC STATE OF WASHINGTON SUNG YONG REE COMMISSION EXPIRES 06-14-15
or proved to me on the basis of satisfa	actory evidence to be the individual des edged that he or she signed the Agree herein mentioned.	Soon Woong Cho, personally known o me s cribed i n and who executed the Hazardous ement as his or her free and voluntary act
Notary Public in and for the State of		esiding at 40047
		and the second s

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<u> </u>	ON THE PROPERTY	
INDIVIDUAL ACKN	OWLEDGIVII	1
STATE OF WOSHINGTON	,	NOTARY PUBLIC STATE OF WASHINGTON
STATE OF LOUISTILL THE T)) SS	SUNG YONG REE
COUNTY OF STOPPINGY	122	COMMISSION EXPIRES 06-14-15
	,	1 1
On this day before me, the undersigned Notary Public, person or proved to me on the basis of satisfactory evidence to be the Substances Agreement, and acknowledged that he or she signed deed, for the uses and purposes therein mentioned.	e individual descril	bed in and who executed the Hazardou
	day of	May . 20 1
Ву	Resid	ling at AUGUM
Notary Public in and for the State of	My c	ommission expires 6-14-201
LENDER ACKNO	WLEDGMEN	
STATE OF Washington) Ass	NOTARY PUBLIC STATE OF WASHINGTON SUNG YONG REE
COUNTY OF SACHOMISH		COMMISSION EXPIRES 08-14-15
on the basis of satisfactory evidence to be the	and p	, before me, the undersignersonally known to me or proved to me, authorized agent for UniBarrument to be the free and voluntary a
and deed of UniBank, duly authorized by UniBank through its I therein mentioned, and on oath stated that he or she is authothis said instrument on behalf of UniBank.	poard of directors rized to execute t	or otherwise, for the uses and purpos his said instrument and in fact execut
By Colored	Resi	ding at Auburn
Notary Public in and for the State of	T.	commission expires 6-14-2015
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LASER PRO Lending, Ver. 5.60.00.005 Copr. Harland Financial Solutions, Inc. 1997, 2012. All Rights Reserved. WA H:\HARLAND\CFI\LPL\G210.FC TR-1123 PR-2



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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:

Parcel "A":

That portion of the Northeast ¼ of the Northeast ¼ of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of the State Highway a distance of 379 feet North of the South line of said Northeast 1/4 of the Northeast 1/4; thence West 146.5 feet; thence South 120 feet; thence East 146.5 feet; thence North 120 feet to the point of beginning.

EXCEPT that portion conveyed to the City of Sedro Woolley on June 9, 2006 under Auditor's File No. 200606090045.

Parcel "B":

That portion of the Northeast ¼ of the Northeast ¼ of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of State Highway right of way 172 feet North of the South line of said Northeast ¼ of the Northeast ¼; thence North 87 feet, more or less, to the Southeast corner of that tract of land as conveyed to Albert J. Anderson and Hannah Anderson, by deed recorded December 17, 1953, under Auditor's File No. 496353, records of Skagit County, Washington; thence West 146.5 feet to the Southwest corner of said Anderson Tract; thence North 120 feet, more or less, to the Northwest corner of said Anderson Tract, said Northwest corner being 379 feet North of the South line of the Northeast ¼ of the Northeast ¼; thence West 65.5 feet to a point 212.0 feet West of the West line of said State Highway right of way; thence South parallel to the West line of said State Highway right of way a distance of 207 feet; thence East 212 feet to the point of beginning, EXCEPT the West 65.5 feet thereof.

AND EXCEPT that portion conveyed to the City of Sedro Woolley on June 9, 2006 under Auditor's File No. 200606090045.

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Exhibit "A" (Continued)

Parcel "C":

The West 65.5 feet of the following described tract:

That portion of the Northeast ¼ of the Northeast ¼ of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of State Highway right of way a distance of 172 feet North of the South line of said Northeast ¼ of the Northeast ¼; thence North a distance of 87 feet, more or less, to the Southeast corner of that tract of land as conveyed to Albert J. Anderson and Hannah Anderson, by deed recorded December 17, 1953, under Auditor's File No. 496353, records of Skagit County, Washington; thence West a distance of 146.5 feet to the Southwest corner of said Anderson Tract; thence North a distance of 120 feet, more or less, to the Northwest corner of said Anderson Tract, said Northwest corner being 379 feet North of the South line of the Northeast ¼ of the Northeast ¼; thence West 65.5 feet to a point 212.0 feet West of the West line of said State Highway right of way; thence South parallel with the West line of State Highway right of way, a distance of 207 feet; thence East a distance of 212 feet to the point of beginning.

Said Parcels "A", "B" and "C" are TOGETHER WITH a non-exclusive easement established by Auditor's File No. 200102080044 for ingress, egress and utilities over, under and across a 30-foot strip of land lying 15 feet on either side of the described centerline:

That portion of the Northeast ¼ of the Northeast ¼ of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at a point on the West line of State Highway 9 (Township Road), being 30.00 feet West of the centerline 379 feet North of the South line of the Northeast ¼ of the Northeast ¼ of said Section 24; thence South along the West right of way of said State Highway, a distance of 15.00 feet to the true point of beginning of this line description; thence North 88°51'15" West, parallel to a line of 379 feet North of the South line of said Northeast ¼, a distance of 221.37 feet; thence South 44°42'45" West a distance of 100.84 feet; thence on a curve to the left, having a radius of 65.00 feet, which bears South 45°17'15" East, through a central angle of 44°42'45" an arc length of 50.72 feet; thence South a distance of 224.88 feet to a line of 20 feet North of the North right of way of State Route 20 and the terminus of this line description.

EXCEPT any portion thereof which lies within Parcels "A", "B" and "C".

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Exhibit "A" (Continued)

ALSO said Parcels "A", "B" and "C" are TOGETHER WITH a non-exclusive easement established by Auditor's File No. 200102080046 for the installation, construction, repair, replacement and maintenance of a sign over, under and across the East 10 feet of the South 10 feet of the following described property:

That portion of the Northeast 4 of Section 24, Township 35 North, Range 4 East, W.M., described as follows:

Beginning at the intersection of the West right of way line (40 feet from centerline) of Township Road with the North right of way line (75 feet from centerline) of Secondary State Highway No. 1-A; thence South 88°33'29" West, along the North line of said State Highway No. 1-A, a distance of 76.20 feet to a line 20 feet North of, as measured perpendicular to, the South line of the East one-third of the Northeast 1/4 of the Northeast 1/4 of said Section 24; thence North 88°51'15" West along said line 20 feet North of said Southerly line, a distance of 188.90 feet to the true point of beginning; thence North 00°00'00" East a distance of 152.02 feet; thence South 88°51'15" East, parallel with said South line, a distance of 63.18 feet to a point that bears North 88°51'15" West and is 202.00 feet distant from the West line of said Township Road; thence North 00°00'00" East, parallel with said Township Road, a distance of 207.06 feet to a line that is 379 feet North of, as measured perpendicular to, the South line of said Northeast 1/4 of the Northeast 1/4; thence North 88°51'15" West, parallel with said South line, a distance of 204.98 feet to the West line of said East one-third of the Northeast ¼ of the Northeast ¼; thence South 00°17'16" East along said West line, a distance of 359.12 feet to a line that is parallel with and 20 feet North of, as measured perpendicular to, said South line of the East one-third of the Northeast ¼ of the Northeast ¼; thence South 88°51'15" East along said parallel line, a distance of 140.00 feet to the true point of beginning. (Also known as lot 2 of the Survey recorded July 12, 1991, under Auditor's File No. 9107120026, in Volume 11 of Surveys, pages 127 and 128, records of Skagit County, Washington).