



201704180022

Skagit County Auditor

\$91.00

4/18/2017 Page

1 of

19 11:30AM

FILED FOR RECORD AT THE
REQUEST OF/RETURN TO:

TENN-4, LLC
P.O. Box 329
Conway, WA 98238

And To:

CITY OF MOUNT VERNON
Office of the City Attorney
P.O. Box 809
910 Cleveland Avenue
Mount Vernon, WA 98273

EASEMENT AGREEMENT FOR ACCESS AND PUBLIC PARKING

Parking Easement to City of Mount Vernon

Grantor(s): TENN-4, LLC
Grantee(s): CITY OF MOUNT VERNON, WASHINGTON

SKAGIT COUNTY WASHINGTON
REAL ESTATE EXCISE TAX
EASEMENT
APR 18 2017

Access Easements to TENN-4, LLC

Grantor(s): CITY OF MOUNT VERNON, WASHINGTON
Grantee(s): TENN-4, LLC

Amount Paid \$ —
Skagit Co. Treasurer
By HB Deputy

Abbreviated Legal of Site: Ptn. Washington Street and Block 16, Map of Mount Vernon Gates 1st and 2nd
Additions

Exhibits:

A-1: LEGAL DESCRIPTION OF THE CITY'S TRACT FOR INGRESS/EGRESS
A-2: LEGAL DESCRIPTION OF THE TENN-4 TRACT
A-3: LEGAL DESCRIPTION OF THE CITY'S TRACT FOR NORTH ACCESS
B: LEGAL DESCRIPTION OF THE TENN-4 PROPERTY
1: AGREEMENT AREA INDEX MAP
C: SITE PLAN

Assessor's Tax Parcel Number(s): P52090, P110634

THIS AGREEMENT is entered into as of 4-18, 2017 between TENN-4, LLC, a Washington Limited Liability Corporation, (referred to herein as "TENN-4") and the CITY OF MOUNT VERNON, WASHINGTON, (referred to herein as "City") collectively referred herein as "the Parties".

RECITALS

- A. The City is the owner of a certain tract of land abutting the TENN-4 Property described below along the North and West, being that portion of Washington Street lying between the Burlington Northern and Santa Fe Railroad (BNSF RR) right of way and Interstate 5 highway and a portion of Lots 1, 2, 3 and 4 in Block 16, Map of Mount Vernon Gates 1st and 2nd Additions and Vacated 3rd Street abutting and Easterly of BNSFRR lying between Washington Street on the North and Montgomery Street on the South (currently a gravel and paved dead end access around the Grantor's building and serving as access to the public utilities situated upon Grantee's property) which property is legally described in Exhibit A-1 attached hereto and made a part hereof and identified as the "City's Tract for Ingress/Egress" on the site plan attached hereto as Exhibit C and made a part hereof (the "Site Plan")
- B. TENN-4 is the owner of a certain tract of land legally described in Exhibit A-2 attached hereto and made a part hereof and identified as "the TENN-4 Tract" on the Site Plan.
- C. The City is the owner of a certain tract of land legally described in Exhibit A-3 attached hereto and made a part hereof and identified as the "City's Tract for North Access" on the Site Plan.
- D. On of March 2017 at a regularly held meeting of the City Council, the City Council has approved this Agreement and determined that the property interests conveyed by the City herein is surplus to the needs of the City and that its conveyance pursuant to terms, promises, conditions, and consideration set forth in this Agreement reflects fair value and will be for the common benefit.
- E. The Parties intend to enter into certain covenants and agreements and to grant each other certain easements, in, over, and across their respective Tracts in order to develop and operate the warehouse building and parking lot situated thereon operating as Waterfall Pond Supply located at 100 E. Washington Street, Mount Vernon, WA 98273 which property is more fully described as Exhibit "B" attached hereto and made a part hereof and identified as the "TENN-4 Property" and increase the inventory to available downtown public parking.
- F. The Parties intend that TENN-4 convey to the City rights for designated public parking and unlimited access by the public upon the TENN-4 Tract to access designated public parking in exchange for: i. use of City's Tract for Ingress/Egress as access to and from the parking lot on the TENN-4 Property and ii. use of City's Tract for North Access as a gated vehicular access to and from the North of the TENN-4 Property.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth including the mutual benefits described herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, TENN-4 and the City hereby agree as follows:

SECTION ONE

- 1.1 **Incorporation.** The above recitals are incorporated as if fully set forth herein.
- 1.2 **Scope.** This Agreement is limited to provide for the use and maintenance of the existing accesses and parking areas, as they existed in January, 2017 except for those improvement set forth herein. This Agreement is not intended to alter the size, shape and/or location of the Tracts including existing parking lots or access roadway except for those improvements to be completed in accordance with the provisions set forth herein.

SECTION TWO

CITY'S PARKING AND ACCESS EASEMENT

- 2.1 **Grant of Easement.** TENN-4 hereby conveys and grants to the City for the benefit of the City's public roads, transportation system, infrastructure and right of way, over, on, and through the TENN-4 Tract an exclusive easement of seven (7) parking stalls which may be used for public parking at the City's discretion fully described as set forth in Exhibit A-2 herein ("Parking Easement"). TENN-4 further grants to the City a non-exclusive easement for public pedestrian and public vehicular ingress and egress over and across the TENN-4 Tract for the purpose of access to the City's Parking Easement.
- 2.2 **Installation of Parking Spaces.** TENN-4 shall at its own cost install seven (7) public parking spaces as delineated upon Exhibit A-2 and Exhibit C, including but not limited to the cost of materials and labor to provide public parking signage to the satisfaction of the City.
- 2.3 **Maintenance and Repair.** TENN-4 shall be responsible for all regular and long term maintenance and repair of the surface, adjacent landscaping, and lighting (including periodic slurry seals or complete overlay when needed) required to keep the TENN-4 Tract including the seven (7) parking stalls granted to the City in good condition and repair. TENN-4 shall maintain and repair the TENN-4 tract in as good or better condition set forth in City of Mount Vernon 2016 engineering standards codified under Chapter 12.04 of the Mount Vernon Municipal Code. TENN-4 shall maintain, repair and replace when necessary signs markers and lines for the seven (7) parking stalls.

SECTION THREE

TENN-4'S NON-EXCLUSIVE ACCESS EASEMENT

- 3.1 **Grant of Easement.** City hereby conveys and grants to TENN-4 for the benefit of the TENN-4 Property, a non-exclusive easement for pedestrian and vehicular ingress and egress over and across the CITY Tract for Ingress/Egress for the purpose of access to the warehouse building and parking lot fully described as set forth in Exhibit A-1 herein. Conveyance shall be effective upon full performance, construction and final acceptance by the City of parking spaces set forth in Section 2.2.

3.2 **Limitations and City Reservation of Rights.** The City and its successors and assigns hereby reserves and is granted a perpetual blanket easement, privilege and right on, in, over and under CITY'S Tract for Ingress/Egress, to construct, install, maintain and use utilities including but not limited to, electric, cable, gas, lighting, and telephone distribution systems, poles, wires, cables, conduits, water mains, water lines, drainage lines, drainage ditches, or drainage structures, sewers, fiber optic systems, and all suitable equipment and structures on, in, over, and under the CITY'S Tract for Ingress/Egress to include any existing or future utility and retains right for complete and unobstructed access. All rights granted in this Section 4 either directly or by implication are subordinate to and inferior to City's reservation of right for all existing and future public or private utilities. Unless specifically provided for in this Agreement, TENN-4 is prohibited from installing any improvements on the CITY'S Tract for Ingress/Egress.

3.3 **Maintenance and Repair.** City shall be responsible for all regular and long term maintenance of the surface (including periodic slurry seals or complete overlay when needed) required to keep the CITY'S Tract for Ingress/Egress in good condition and repair.

SECTION FOUR **TENN-4'S NORTH ACCESS EASEMENT**

4.1 **Grant of Easement.** City hereby grants to TENN-4 for the benefit of the TENN-4 Property, exclusive access for ingress and egress over and across the CITY'S Tract for North Access fully described as set forth in Exhibit A-3 herein; provided however, City reserves all rights of access and ingress or egress to: i) emergency responders needing access for public health and safety reasons whether from the City or a third party and ii) for the utility purposes described in Section 4.2. Ingress and egress to TENN-4 shall be limited to access for employee parking and freight unloading or loading of merchandise to the warehouse. Conveyance shall be effective upon full performance, construction and final acceptance by the City of parking spaces set forth in Section 2.2.

4.2 **Limitations and City Reservations of Rights.** The City and its successors and assigns hereby reserved and is granted a perpetual blanket easement, privilege and right on, in, over and under CITY'S Tract for North Access, to construct, install, maintain and use utilities including but not limited to, electric, cable, gas, lighting, and telephone distribution systems, poles, wires, cables, conduits, water mains, water lines, drainage lines, drainage ditches, or drainage structures, sewers, fiber optic systems, and all suitable equipment and structures on, in, over, and under the City's Tract for North Access to include any existing or future utility and retains right for complete and unobstructed access. All rights granted in this Section 4 either directly or by implication are subordinate to and inferior to City's reservation of right for all existing and future public or private utilities. Unless specifically provided for in this Agreement, TENN-4 is prohibited from installing any improvements on the CITY'S Tract for North Access.

4.3 **Maintenance.** City shall be responsible for all regular and long term maintenance of the surface (including periodic slurry seals or complete overlay when needed) required to keep the CITY'S Tract for North Access in good condition and repair.

4.4 **Improvements.** Notwithstanding subsection 4.2 TENN-4 may at their own cost and to the satisfaction of the City, install an unlocked gate at the Southwest corner of TENN-4's building blocking access to that portion of CITY'S Tract for North Access to deter public traffic. Gate shall remain unlocked with no locking mechanism installed unless further permission is granted by the City in writing at its sole discretion.

SECTION 5

BINDING EFFECT

5.1 **Successors and Assigns.** This Agreement and the easement and restrictions created hereby shall inure to the benefit of and be binding upon the Parties, their heirs, personal representatives, occupants, tenants, successors and assigns, and upon any person or entity acquiring a Tract, or any portion thereof, or any interest therein, whether by operation of law or otherwise. The Parties stipulate that the properties legally described herein will be, held, sold and conveyed subject to and burdened by this Agreement, which is for the purpose of providing both public parking and public and private access upon said parcels as stipulated, and that this Agreement is binding upon all parties having or acquiring any right, title or interest in the Tracts or any part thereof, and this Agreement shall inure to the benefit of the owner(s) thereof.

5.2 **Covenants Run With the Land.** Each restriction and easement on each Tract shall be a burden on that Tract, shall be appurtenant to and for the benefit of the other Tracts, each part thereof, and the City's public right of way, roads, and transportation infrastructure, and shall otherwise in all respects be regarded as easements and covenants running with the land.

SECTION 6

MISCELLANEOUS

6.1 **Notices.** All notices given pursuant to this Agreement shall be in writing and shall be given by personal delivery, by U.S. mail or U.S. express mail postage or delivery charge prepaid, return receipt requested, sent to the person and address designated below or in lieu of or the absence of such designation, to the person and address shown on the then current real property tax rolls of the county in which the TENN-4 Property is located. All notices to the Parties shall be sent to the person and address set forth below:

City: City of Mount Vernon
Attn: Development Services Director
P.O. Box 809
910 Cleveland Avenue
Mount Vernon, WA 98273

With copy to:

Office of the City Attorney
City of Mount Vernon

P.O. Box 809
910 Cleveland Avenue
Mount Vernon, WA 98273

TENN-4, LLC: TENN-4, LLC
100 Washington Street
Mount Vernon, WA 98273

The Person and address to which notices are to be given may be changed at any time upon written notice to the other party. All notices given pursuant to this Agreement shall be deemed given upon receipt. For the purpose of this Agreement "Receipt" shall mean the earlier of the following: (i) the date of delivery of the notice or other document to the address specified above as shown on the return receipt, (ii) the date of actual receipt of the notice or other document by the person or entity specified pursuant to this Section, (iii) in the case of refusal to accept delivery or inability to deliver the notice or other document, the earlier of (A) the date of the attempted delivery or refusal to accept delivery, (B) the date of the postmark on the return receipt, or (C) the date of receipt of notice of refusal or notice of non-delivery by the sending party.

6.2 Waiver. The failure of one party to insist upon strict performance of any of the provisions of this Agreement, or to exercise any option herein conferred in any one or more instances, shall not be construed to be a waiver of any rights or remedies that party may have, and shall not be deemed a waiver of any subsequent breach or default in the performance of any of the restrictions or other terms and provisions contained herein but the same shall be and remain in full force and effect.

6.3 Indemnification. Each party shall defend, indemnify, protect and hold the other harmless for, from and against any and all Claims in connection with the loss of life, personal injury and/or damage to property (i) arising from or out of any negligence in or upon the indemnifying Party's Tract, including a party's own negligence; (ii) occasioned wholly by any negligent or willful act or omission of the indemnifying party or their respective its agents, contractors, servants, tenants or employees; or (iii) in connection with the failure to comply with the provisions of this Agreement.

6.4 Insurance Requirements. TENN-4, its successors, heirs or assigns shall obtain the following required insurance for the duration of the Agreement until extinguished against injuries to persons or damage to property which may arise from or in connection with TENN-4's operation and use of all properties and properties granted rights herein:

- (a). Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop gap liability, independent contractors, products-completed operations, personal injury and advertising injury, and liability assumed under an insured contract. The Commercial General Liability insurance shall be endorsed to provide a per project general aggregate limit, using ISO form CG-25 03 05 09 or an equivalent endorsement. There shall be no exclusion for liability arising from explosion, collapse or underground property damage. The City shall be named as an additional insured under the Contractor's Commercial General Liability insurance policy with respect to the work performed for the City using ISO Additional Insured endorsement CG 20 10 10 01 and

Additional Insured-Completed Operations endorsement CG 20 37 10 01 or substitute endorsements providing at least as broad coverage. Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate and a \$2,000,000 products- completed operations aggregate limit.

(b). Property insurance shall be written on an all risk basis. Property insurance shall be written covering the full value of Lessee's property and improvements with no coinsurance provisions.

(c). Other Insurance Provisions. TENN-4's Commercial General Liability insurance policy or policies are to contain, or be endorsed to contain that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of TENN-4's insurance and shall not contribute with it. TENN-4 shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the TENN-4. Failure on the part of the TENN-4 to maintain the insurance as required shall constitute a material breach of lease, upon which the City may, after giving five business days notice to the TENN-4 to correct the breach, terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand. The insurance referenced in this Section may be provided under: (i) an individual policy specifically covering such Tracts, (ii) a blanket policy or policies which includes other liabilities, properties and locations of TENN-4; so long as the amount and coverage of insurance required to be carried hereunder is not diminished, or (iii) a combination of any of the foregoing insurance programs. To the extent any deductible is permitted or allowed as a part of any insurance policy carried by an TENN-4 in compliance with this Section, TENN-4 shall be deemed to be covering the amount thereof under an informal plan of self-insurance; provided, however, that in no event shall any deductible exceed \$50,000.00 unless the City agrees in writing at its sole discretion. Insurance is to be placed with insurers with a current A.M. Best rating of not less than A: VII. TENN-4 hereby releases and discharges from the City all claims, losses and liabilities arising from or caused by any hazard covered by property insurance on or in connection with the premises or any improvement. This release shall apply only to the extent that such claim, loss or liability is covered by insurance.

6.5 Eminent Domain. If the whole or any part of a Tract shall be taken or damaged by right of eminent domain or any similar authority of law or any transfer in lieu thereof (a "Taking"), the entire award for the value of the land and improvements so taken shall belong to the owner of the Tract so taken or to such owner's mortgagees or tenants parties, as they may have agreed between or among themselves, and in the absence of any such agreement, as provided by law, and no other party shall have a right to claim any portion of such award by virtue of any interest created by this Agreement. Any owner of a Tract which is not the subject of a Taking may file a collateral claim with the condemning authority over and above the value of the Tract (or portion thereof) being so taken to the extent of any damage suffered by such Owner resulting from the severance of the land or improvements so taken. In the event of a partial Taking, the Owner of the portion of the Tract so taken shall restore any

Improvements located on the Tract as nearly as possible to the condition existing prior to the Taking to insure the continued ingress/egress to, from and between all areas to the extent reasonably feasible, without contribution from any other party.

6.6 Default and Right to Cure.

- (a) **Default.** The failure to observe or perform any of the covenants, conditions or obligations of this Agreement, within 30 days after the issuance of a notice by the other Party (the "Non-Defaulting Party") specifying the nature of the default claimed shall constitute a material default and breach of this Agreement ; however if such matter is not susceptible of being cured within 30 days, the cure period shall be extended for a reasonable period of time provided the Defaulting Party commences the cure within said 30-day period and thereafter diligently prosecutes the cure to completion. Each Party shall be jointly and severally responsible for the default of any tenants or sublessee's of that Party having possession or rights to property identified herein.
- (b) **Right to Cure.** With respect to any default under Section 6.6, the Non-Defaulting Party shall have the right, but not the obligation, to cure such default by the payment of money or the performance of some other action for the account of and at the expense of the other Party; provided, however, if an event that would become a default with the passage of time shall constitute an emergency condition, the Non-Defaulting Party acting in good faith, shall have the right to cure such event prior to the passage of the time period set forth in Section 6.6 (a). If any Non-Defaulting Party shall cure a default, the other Party shall reimburse the Non-Defaulting Party for all costs and expenses reasonably incurred in connection with such curative action, plus a rate of interest at twelve percent per annum thereon, within ten (10) days after receipt of an invoice from such Non-Defaulting Party, together with reasonable documentation supporting the expenditures made. Furthermore, the City shall have the right to record a lien on the TENN-4 Property in the event TENN-4 fails to pay an invoice within said ten-day period, for the amount of the unpaid costs plus interests, incurred by the City as Non-Defaulting Party pursuant to this Section in addition it may include any fees including attorney fees to the lien amount. To effectuate any such cure, a Non-Defaulting Party shall have the right to enter upon the Tract of the other Party (but not into any Building) to perform any necessary work or furnish any necessary materials or services to cure the default of the other Party.
- (c) **Remedies Cumulative.** The Non-Defaulting Party shall the right to prosecute any proceedings at law or in equity against the defaulting Party hereto, or any other party violating or attempting to violate or default upon any the provisions contained in this Agreement, and to recover damages for any such violation or default. In the event of any violation or threatened violation by any Party of any of the easements, restrictions or other terms of this Agreement, any or all of the Parties shall have the right to enjoin such violation or threatened violation in a court of competent jurisdiction. All of the remedies permitted or available to the Parties under this Agreement or at law or in equity shall be cumulative and not alternative, and invocation of any such right or remedy shall not constitute a waiver or election of remedies with respect to any other permitted or available right or remedy. In all

situations arising out of this Agreement, the Parties shall attempt to avoid and mitigate the damages resulting from conduct. Each Party shall take all reasonable measures to effectuate the provisions of this Agreement

6.7 **Not a Partnership.** The provisions of this Agreement are not intended to create, nor shall they be in any way interpreted or construed to create, a joint venture, partnership, or any other similar relationship between the Parties. Each party shall be considered a separate party and no party shall have the right to act as agent for another, unless expressly authorized to do so herein or by separate written instrument signed by the party to be charged.

6.8 **Captions and Headings.** The captions and subject headings of this Agreement are included for purposes of convenience only and shall not affect the construction or interpretation of any of its provisions.

6.9 **Entire Agreement.** This Agreement contains the entire agreement between the parties hereto and supersedes all prior agreements, oral or written, with respect to the easements, restrictions and other terms and conditions contained in this Agreement affecting the Tracts. The provisions of this Agreement shall be construed as a whole and not strictly for or against any party.

6.10 **Joint and Several Obligations.** If any party is composed of more than one person or entity, the obligations of said party shall be joint and several.

6.11 **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be deemed an original. The signatures to this Agreement may be executed and notarized on separate pages, and when attached to this Agreement shall constitute one complete document.

6.12 **Governing Law/Venue.** This Agreement shall be construed in accordance with the laws of the State of Washington. Skagit County shall be the venue for any lawsuit arising out of this Agreement.

6.13 **Termination.** This Agreement may be terminated by the City without cause upon thirty days written notice to TENN-4. After notice, this agreement shall become void and the Parties shall execute and record all instruments necessary to release all property interests conveyed through this Agreement. The party with fee simple rights shall own all improvements or personal property remaining on the property after the Agreement terminates.

6.14 **Nonseverable.** Each of the terms of this Agreement are a material and integral part hereof. Should any provision of this Agreement be held unenforceable or contrary to law, the entire Agreement shall be deemed null and void.

IN WITNESS WHEREOF, the City and TENN-4 have caused this Agreement to be executed effective as of the day and year first above written.

TENN-4, LLC:

Signature

Print Name/Title

Signature

Print Name/Title

CITY OF MOUNT VERNON, WASHINGTON:

Signature

Print Name/Title

Signature

Print Name/Title

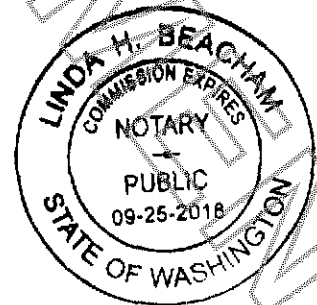
WITNESS:

STATE OF Washington } S.S.
County of Skagit }

This is to Certify that on this 18th day of April, 2017, before me, the undersigned, a Notary Public, personally appeared Irven Tennyson and owner, known to be the owner and owner of TENN-4, LLC, a Washington Limited Liability Company, which company has executed the foregoing instrument and each of said named officers acknowledged the said instrument to be the free and voluntary act and deed of the company, of which he is an officer, and on oath stated that he was authorized to execute the said instrument, and that the seal affixed is the corporate seal of the said company.

Witness my hand and official seal.

Linda H. Beacham
Access and Parking Agreement
Page -10 of 19



Notary Public in and for the State of Washington
residing at Mount Vernon
My commission expires: 9-25-2018

STATE OF Washington }
County of Skagit } S.S.

This is to Certify that on this 12th day of April, 2017, before me, the undersigned, a Notary Public, personally appeared Jill Boudreau and _____, known to be the Mayor and _____ of the CITY OF MOUNT VERNON, a municipality in the State of Washington, which municipality has executed the foregoing instrument and each of said named officers acknowledged the said instrument to be the free and voluntary act and deed of the municipality, of which he is an officer, and on oath stated that he was authorized to execute the said instrument, and that the seal affixed is the corporate seal of the said municipality.

Witness my hand and official seal.

Keri A. Grechishkin
Notary Public in and for the State of Washington,
residing at Mount Vernon
My commission expires: 5/11/19

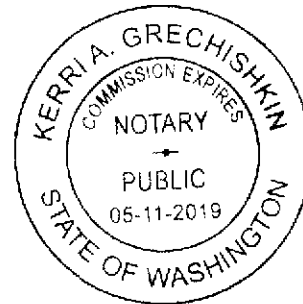


EXHIBIT "B"
TENN-4 PROPERTY

LEGAL DESCRIPTION:

That portion of the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 20, Township 34 North, Range 4 East, W.M. described as follows:

That portion of Block 16, "MAP OF MOUNT VERNON, GATES 1ST AND 2ND ADDITIONS TO MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, Washington, lying Westerly of a line drawn parallel with and 65 feet distant Westerly, measured at right angles from the centerline of Primary State Highway No. 1, Conway Junction to Junction of Primary State Highway No. 1, North of Burlington, the specific details concerning all of which are to be found within that certain map of definite location now of record and on file in the office of the Director of Highways at Olympia, and bearing date of approval January 27, 1953, revised May 15, 1953, June 9, 1953, and May 25, 1954, EXCEPT that portion thereof conveyed to the Seattle and Montana Railway Company by deed dated September 13, 1890 and recorded December 3, 1890 in Volume 16 of Deeds, page 461.

AND ALSO EXCEPT that portion thereof conveyed to the State of Washington for highway purposes by deed recorded under Auditor's File No. 784975, records of Skagit County, Washington.

TOGETHER WITH appurtenant rights to those portions of the South ½ of Washington Street, the North ½ of Montgomery Street and the West ½ of 4th Street which upon vacation would attach thereto by operation of law.

Situate in the County of Skagit, State of Washington.

EXHIBIT "A-1"
CITY TRACT FOR EGRESS/INGRESS

LEGAL DESCRIPTION:

That portion of the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 20, Township 34 North, Range 4 East, W.M. described as follows:

Those portions of Lots 1, 2, 3 and 4, inclusive, Block 16, "MAP OF MOUNT VERNON, GATES 1ST AND 2ND ADDITIONS TO MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, Washington, TOGETHER WITH a portion of 60 foot wide Third Street, vacated by Ordinance No. 1304, dated January 14, 1959, lying Westerly of a straight line drawn from the most Southerly corner of said Lot 1 to the most Northerly corner of said Lot 4, and lying Easterly of a line drawn parallel with and distant 25.0 feet Easterly, as measured at right angles from said Main Track centerline, bounded on the South by the Southerly line of Lot 1, and bounded on the North by the Westerly extension of the Northerly line of said Lot 4;

EXCEPT the Westerly 5.6 feet thereof as conveyed to the BN Leasing Corporation, Grantee from the City of Mount Vernon, Grantor by that instrument dated April 24, 2003 and recorded April 25, 2003 under Auditor's File No. 200304250120, records of Skagit County, Washington;

Situate in the County of Skagit, State of Washington.

More particularly described as follows:

That portion of the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 20, Township 34 North, Range 4 East, W.M. described as follows:

The Southerly 58.8 feet, measured at right angles from the North line of Montgomery Street, of the following described tract of land:

Those portions of Lots 1, 2, 3 and 4, inclusive, Block 16, "MAP OF MOUNT VERNON, GATES 1ST AND 2ND ADDITIONS TO MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, Washington, TOGETHER WITH a portion of 60 foot wide Third Street, vacated by Ordinance No. 1304, dated January 14, 1959, lying Westerly of a straight line drawn from the most Southerly corner of said Lot 1 to the most Northerly corner of said Lot 4, and lying Easterly of a line drawn parallel with and distant 25.0 feet Easterly, as measured at right angles from said Main Track centerline, bounded on the South by the Southerly line of Lot 1, and bounded on the North by the Westerly extension of the Northerly line of said Lot 4; AND TOGETHER WITH that portion of Washington Street lying Easterly of a line drawn parallel with and distant 25.0 feet Easterly, as measured at right angles from said Main Track centerline and lying Westerly of a line drawn parallel with and 65 feet distant Westerly, measured at right angles from the centerline of Primary State Highway No. 1, Conway Junction to Junction of Primary State Highway No. 1, North of Burlington, the specific details

concerning all of which are to be found within that certain map of definite location now of record and on file in the office of the Director of Highways at Olympia, and bearing date of approval January 27, 1953, revised May 15, 1953, June 9, 1953, and May 25, 1954; EXCEPT there from the Westerly 5.6 feet thereof as conveyed to the BN Leasing Corporation, Grantee from the City of Mount Vernon, Grantor by that instrument dated April 24, 2003 and recorded April 25, 2003 under Auditor's File No. 200304250120, records of Skagit County, Washington;

Situate in the County of Skagit, State of Washington.

EXHIBIT "A-2"
TENN-4 TRACT FOR PARKING AND ACCESS

LEGAL DESCRIPTION:

That portion of the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 20, Township 34 North, Range 4 East, W.M. described as follows:

The Southerly 58.8 feet, measured at right angles from the North line of Montgomery Street, of the following described tract of land:

That portion of Block 16, "MAP OF MOUNT VERNON, GATES 1ST AND 2ND ADDITIONS TO MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, Washington, lying Westerly of a line drawn parallel with and 65 feet distant Westerly, measured at right angles from the centerline of Primary State Highway No. 1, Conway Junction to Junction of Primary State Highway No. 1, North of Burlington, the specific details concerning all of which are to be found within that certain map of definite location now of record and on file in the office of the Director of Highways at Olympia, and bearing date of approval January 27, 1953, revised May 15, 1953, June 9, 1953, and May 25, 1954, EXCEPT that portion thereof conveyed to the Seattle and Montana Railway Company by deed dated September 13, 1890 and recorded December 3, 1890 in Volume 16 of Deeds, page 461.

AND ALSO EXCEPT that portion thereof conveyed to the State of Washington for highway purposes by deed recorded under Auditor's File No. 784975, records of Skagit County, Washington.

TOGETHER WITH appurtenant rights to those portions of the South ½ of Washington Street, the North ½ of Montgomery Street and the West ½ of 4th Street which upon vacation would attach thereto by operation of law.

Situate in the County of Skagit, State of Washington.

EXHIBIT "A-3"
CITY TRACT FOR NORTH ACCESS

LEGAL DESCRIPTION:

That portion of the Northwest Quarter (NW ¼) of the Southwest Quarter (SW ¼) of Section 20, Township 34 North, Range 4 East, W.M. described as follows:

Those portions of Lots 1, 2, 3 and 4, inclusive, Block 16, "MAP OF MOUNT VERNON, GATES 1ST AND 2ND ADDITIONS TO MOUNT VERNON", as per plat recorded in Volume 2 of Plats, page 98, records of Skagit County, Washington, TOGETHER WITH a portion of 60 foot wide Third Street, vacated by Ordinance No. 1304, dated January 14, 1959, lying Westerly of a straight line drawn from the most Southerly corner of said Lot 1 to the most Northerly corner of said Lot 4, and lying Easterly of a line drawn parallel with and distant 25.0 feet Easterly, as measured at right angles from said Main Track centerline, bounded on the South by the Southerly line of Lot 1, and bounded on the North by the Westerly extension of the Northerly line of said Lot 4;

EXCEPT there from the Westerly 5.6 feet thereof as conveyed to the BN Leasing Corporation, Grantee from the City of Mount Vernon, Grantor by that instrument dated April 24, 2003 and recorded April 25, 2003 under Auditor's File No. 200304250120, records of Skagit County, Washington;

AND EXCEPT the Southerly 58.8 feet thereof, measured at right angles from the North line of Montgomery Street.

Situate in the County of Skagit, State of Washington.

EXHIBIT 1
AGREEMENT AREAS INDEX MAP

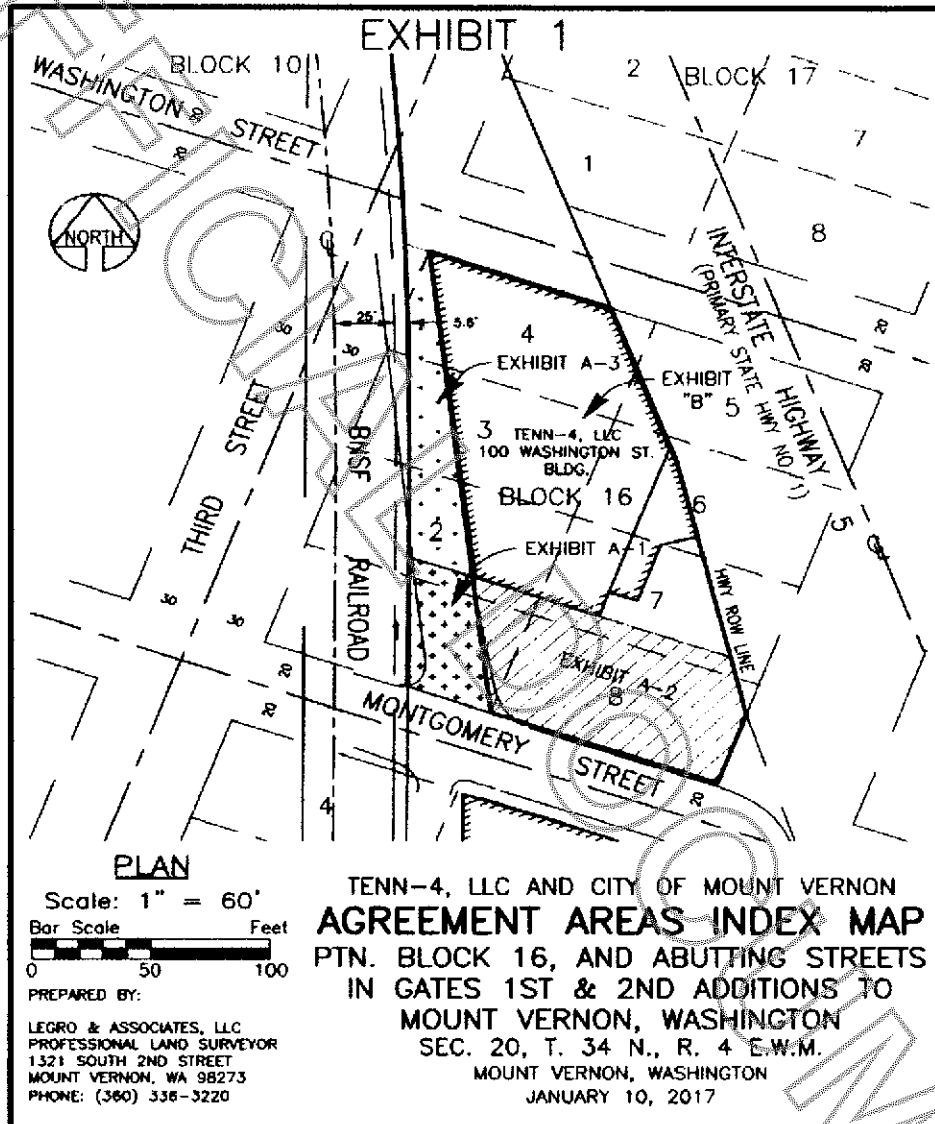


EXHIBIT C
SITE PLAN

