



201904260035

04/26/2019 11:24 AM Pages: 1 of 13 Fees: \$210.00  
Skagit County Auditor

RETURN RECORDED DOCUMENT TO:

AXA Equitable AgriFinance, LLC  
6300 C Street SW, MS 3B-CR  
Cedar Rapids, Iowa 52499  
Attention: Investment Officer

CHICAGO TITLE  
020037726

*Ref No. unrecorded lease and  
201904260034*

Loan No. 65719201

**SUBORDINATION, NONDISTURBANCE, ATTORNMENT AND ESTOPPEL  
AGREEMENT**

**(Tenant Subordinating Lease to AXA)**

*4/26*  
**THIS SUBORDINATION, NONDISTURBANCE, ATTORNMENT AND ESTOPPEL AGREEMENT** (this "**Agreement**") is made and entered into as of \_\_\_\_\_, 2019, by Pacific Life Insurance Company ("**Lender**"), Skagit Valley Farm LLC, a Washington limited liability company ("**Tenant**"), and B & B 1931, LLC, a Washington limited liability company ("**Owner**") to and for the benefit of Owner, Lender and Tenant (each a "**Party**" and collectively, the "**Parties**").

**RECITALS**

A. Lender is about to extend financing in the amount of Three Hundred Five Thousand and No/100 Dollars (\$305,000.00) to be secured by that certain mortgage or deed of trust ("**Mortgage**") granted by Owner, as grantor, and to be recorded in the official real property records of Skagit and Whatcom Counties, Washington (the "**Records**"), encumbering the real property described in Exhibit A attached hereto (the "**Property**").

B. Owner and Tenant are parties to that certain Agricultural Lease Agreement dated September 26, 2018 (the "**Lease**").

C. The Lease grants Tenant, and its successors and assigns, certain rights to use the Property and Tenant has expended (or plans to expend) financial and other resources in use of such rights.

D. Either: (i) Tenant has requested, and Lender has agreed, subject to the terms of this Agreement, that Tenant's rights under the Lease will not be disturbed by Lender pursuant to any exercise of Lender's rights under the Mortgage; or (ii) Lender has conditioned the closing of the financing to be secured by the Mortgage on the execution of this Agreement.

**NOW, THEREFORE**, in consideration of the premises and in consideration of ten dollars and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Owner, Lender and Tenant, Owner, Lender and Tenant hereby agree as follows:

#### AGREEMENT

1. Subordination. The Lease and each and every term and condition thereof, and any extensions, renewals, replacements or modification thereof, and all of the right, title and interest of Tenant in and to the Property are and shall be subject and subordinate to the Mortgage and to all of the terms and conditions contained therein, all advances made or to be made thereunder, and to any renewals, modifications, supplements, replacements, consolidations increases or extensions thereof.

2. Estoppel. Tenant certifies to Lender, holder or proposed holder of a promissory note or other obligation secured or to be secured by the Mortgage upon the Property, and to its successors and assigns and any participant with Lender in such loan, that: the Lease is presently in full force and in effect and unmodified except as indicated at the end of this Agreement; the term thereof has commenced and the full rental is now accruing thereunder; in addition to the basic rent payable under the Lease, Tenant is paying any amounts of additional rent set forth in the Lease; Tenant has accepted possession of the Property, or any portion thereof, is currently operating its business thereon, and any improvements required by the terms of the Lease to be made by Owner have been completed to the satisfaction of Tenant; no rent under the Lease has been paid more than 30 days in advance of its due date; the address for notices to be sent to Tenant is as set forth below; and Tenant, as of this date, has no charge, lien, or claim of offset under the Lease, or otherwise, against rents or other charges due or to become due thereunder.

3. Non-Disturbance. Lender covenants and agrees with the Tenant that, provided that the Lease is in full force and effect and no default of the Tenant exists thereunder beyond the grace periods which apply thereto, the Tenant's right to possession of the Property, and the terms and provisions of the Lease, shall not be affected or disturbed by Lender in the exercise of any of its rights under the Mortgage or of any rights otherwise available to Lender at law or in equity, including, without limitation, foreclosure of the Mortgage or conveyance of the Property in lieu of foreclosure of the Mortgage.

4. Attornment. If a Successor Owner (as hereinafter defined) comes into possession or ownership of the Property, then (i) such Successor Owner shall (A) thereby succeed to the position of the Owner under the Lease and (B) not disturb the possession of the Tenant except in accordance with the terms of the Lease, (ii) the Lease shall continue in full force and effect and (iii) Tenant shall attorn to such Successor Owner. "Successor Owner" means any person or entity (including, without limitation, Lender or any nominee or designee of Lender) that shall acquire possession or ownership of the Property by reason of foreclosure of the Mortgage, any other exercise by Lender of rights and remedies available to Lender as holder of the Mortgage or conveyance of the Property in lieu of foreclosure of the Mortgage.

5. Successor Liability. Notwithstanding anything to the contrary contained in this Agreement or in the Lease, in the event that a Successor Owner acquires title to the Property pursuant to the exercise of any remedy provided for in the Mortgage or under applicable law or as a result of a deed-in-lieu of foreclosure, Successor Owner shall not be:

(a) liable for any act or omission of Owner which occurs prior to the date Successor Owner obtains title to the Property or any obligation of Owner to perform or incur any liability with respect to the completion of improvements to be located on the Property; or

(b) bound by any payment made by Tenant to Owner for periods extending more than six months beyond the date on which Successor Owner obtains title to the Property or by any security deposit Tenant may have paid to Owner and not received by Lender; or

(c) bound by any material amendments to the Lease entered into without the written consent of Lender, not to be unreasonably withheld or delayed.

In the event that Lender acquires title to the Property, Lender shall have no obligation nor incur any liability beyond Lender's then equity interest in the Property.

6. Assignment of Rents. Owner and Tenant hereby agree that any and all amounts payable to Owner pursuant to the terms of the Lease or any other document related thereto, including but not limited to any rent, signing fee, operating fee, initial lease payment, extension payment, acreage allowance, base rent, royalty rent, minimum rent, contract rate, construction bonus, or any rents, royalties, or monies of all similar kinds or nature are "rents, issues, royalties, income and/or profits" as described in the Mortgage and have been pledged to Lender pursuant to the terms of the Mortgage ("Rents"). Owner hereby irrevocably authorizes and directs Tenant, upon receipt from Lender of written notice to do so, to pay all Rents payable by Tenant to or as directed by Lender. Owner irrevocably releases Tenant from any liability to Owner for all payments so made. Tenant agrees that upon receipt of such notice it will pay all Rents then due and becoming due from Tenant to or as directed by Lender, notwithstanding any provision of the Lease to the contrary.

7. Covenants of Tenant. Tenant covenants and agrees as follows:

(a) Tenant shall send a copy of any default notice under the Lease to Lender at the same time Tenant sends such default notice to Owner.

(b) Tenant has no right or option of any nature to purchase the Property or any portion of the Property or any interest in the Owner. To the extent Tenant has or acquires any such right or option, those rights or options are acknowledged to be subject and subordinate to the Mortgage and are of no force and effect as to Lender and any Successor Owner or with regard to any conveyance by Lender or any Successor Owner.

8. Conflicting Terms. To the extent the terms of this Agreement are inconsistent with the terms of the Lease, the conflicting terms of the Lease shall be deemed amended hereby to incorporate the terms contained herein.

9. Enforcement. The Parties intend that this Agreement be specifically enforceable. If any action is brought to interpret or enforce the provisions of this Agreement, the substantially prevailing party therein shall be entitled to recover from the losing party all of its costs and reasonable attorneys' fees incurred in connection therewith.

10. Notices. Any notices given in connection with this Agreement shall be sent by certified mail, return receipt requested, with postage prepaid and addressed to the recipient at the address stated below its signature herein.

11. Successors. The terms and provisions of this Agreement shall run with the Property and shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, administrators, executors, legal representatives, successors and assigns and, without limiting the generality of the foregoing, are specifically intended to be relied upon and be enforceable by any successor and assign of Tenant, and any person holding a lien against any estate or interest in or under the Lease or any part thereof.

12. Entire Agreement. This Agreement supersedes all previous oral and written understandings and agreements between the Parties with respect to the priority of the Mortgage and the Lease and the effect of a foreclosure or trustee's sale of the Mortgage (or conveyance in lieu thereof) on the Lease, and comprises the entire agreement of the Parties with respect thereto. No provisions of this Agreement may be modified or waived except through the execution and recordation of a subsequent written agreement by the Party to be charged therewith.

13. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future law, (a) such provision will be fully severable, (b) this Agreement will be construed and enforced as if such illegal or unenforceable provision had never comprised a part hereof, and (c) the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

14. Execution in Counterparts. This Agreement may be executed in counterparts, all of which shall constitute one and the same contract.

15. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the state in which the Property is located, without regard to those governing conflicts of law.

**IN WITNESS WHEREOF**, Lender has duly executed this Agreement as of the date and year first above written.

**LENDER:**

PACIFIC LIFE INSURANCE COMPANY,  
a Nebraska corporation

By: AXA Equitable AgriFinance, LLC,  
its authorized signatory

By:   
Michael Mercure, Senior Vice President *AWM*

Address:

Pacific Life Insurance Company  
Attn: Law Department  
700 Newport Center Drive  
Newport Beach, CA 92660

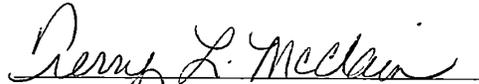
With copy to:

AXA Equitable AgriFinance, LLC  
6300 C Street SW, MS 3B-CR  
Cedar Rapids, Iowa 52499  
Attention: Investment Officer

STATE OF IOWA )  
 ) SS:  
COUNTY OF LINN )

On this 5<sup>th</sup> day of April, 2019, before me, the undersigned notary public in and for said county and state, personally appeared Michael Mercure, Senior Vice President, to me personally known, who, being by me duly sworn, did say that he is an officer of the corporation that executed the within instrument; that he signed said instrument on behalf of said corporation by authority of its board of directors; and that he acknowledged the execution of said instrument to be the voluntary act and deed of said corporation.



  
Notary Public

My commission expires:





**EXHIBIT A****LEGAL DESCRIPTION**

THE SOUTH 20 RODS OF THE NORTHWEST QUARTER OF SECTION 3, EXCEPT NORTHWOOD ROAD ALONG THE EAST LINE THEREOF; THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 3; THE SOUTH 20 RODS OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER; THE WEST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER; AND ALL OF THE EAST HALF OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 4;

EXCEPT THE NORTH 20 FEET THEREOF; IN SECTION 4, ALL IN TOWNSHIP 40 NORTH, RANGE 3 EAST OF W.M.

EXCEPTING THEREFROM THE FOLLOWING DESCRIBED TRACTS:

**TRACT A**

THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER; ALSO THE SOUTH 10 ACRES OF THE FOLLOWING TRACTS:

THE NORTH HALF OF THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF THE SOUTHWEST QUARTER, ALL IN SECTION 3, TOWNSHIP 40 NORTH, RANGE 3 EAST OF W.M.;

**TRACT B**

ALL THAT PART OF THE SOUTH 20 RODS OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER AND OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER, SECTION 4, TOWNSHIP 40 NORTH, RANGE 3 EAST OF W.M., LYING WESTERLY OF FISH TRAP CREEK;

**TRACT C**

A TRACT OF LAND LOCATED PARTLY IN THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER AND PARTLY IN THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 3, TOWNSHIP 40 NORTH, RANGE 3 EAST OF W.M., DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHEASTERLY CORNER OF A TRACT OF LAND CONVEYED BY CONTRACT TO MARVIN J. VANMERSBERGEN AND WIFE, UNDER WHATCOM COUNTY AUDITOR'S FILE NO. 927800, WITH THE NORTH AND SOUTH CENTERLINE OF SAID

SECTION, TOWNSHIP AND RANGE; THENCE NORTHERLY ALONG SAID CENTERLINE 466.69 FEET; THENCE WESTERLY 466.69 FEET; THENCE SOUTHERLY AT RIGHT ANGLES 466.69 FEET, MORE OR LESS, TO THE NORTHERLY LINE OF THE VANMERSBERGEN TRACT; THENCE EASTERLY ALONG THE NORTHERLY LINE OF SAID VANMERSBERGEN TRACT TO THE PLACE OF BEGINNING.

SITUATE IN COUNTY OF WHATCOM, STATE OF WASHINGTON

Parcel "A":

That portion of the Southwest 1/4 of the Southwest 1/4 of Section 35, Township 36 North, Range 3 East, Willamette Meridian, lying South of the North Samish River, as now re-located, by deed dated December 13, 1974 and recorded December 17, 1974 as Auditor's File No. 811284.

Situate in the County of Skagit, State of Washington.

Parcel "B":

That portion of Government Lots 3 and 4, Section 2, Township 35 North, Range 3 East, Willamette Meridian, lying Southerly of the North Samish River; EXCEPT that portion thereof, if any, that might lie Easterly of the Westerly line of the Great Northern Railway right of way;

ALSO EXCEPT that portion, thereof, lying within the following described tract:

Beginning at the Southeast corner of said Government Lot 3; thence North along the East line of Government Lot 3 a distance of 45 rods; thence West 46 1/2 rods; thence South 11° 30' West 45 rods, more or less, to the South line of Government Lot 3; thence East to the point of beginning.

ALSO EXCEPT county road along the West line thereof.

ALSO EXCEPT the South 11 acres thereof, as conveyed to Harry G. Jackson by deed dated January 23, 1946 and recorded February 25, 1946 as Auditor's File No. 388708 in Volume 207 of Deeds, Page 38.

Situate in the County of Skagit, State of Washington.

Parcel "C":

The South 11 acres of the following described property:

Government Lot 4, Section 2, Township 35 North, Range 3 East, Willamette Meridian, EXCEPT road and that portion of Government Lot 3 in said Section described as follows:

Beginning at the Southwest corner of said Government Lot 3; thence East 420.75 feet; thence Northerly along the Easterly line of those premises conveyed to Harry G. Jackson by deed dated January 23, 1946, filed February 25, 1946, and File No. 388708 and recorded in Volume 297 of Deeds at Page 38 to the

Westerly line of the Great Northern Railway Company's right of way; thence Northwesterly following said railroad right of way to the North line of said Government Lot 3; thence West to the Northwest corner of said Government Lot 3; thence South to the point of beginning.

Situate in the County of Skagit, State of Washington.

Parcel "D":

That portion of the South 1/2 of the Northwest 1/4 and of the North 1/2 of the Southwest 1/4 of Section 2, Township 35 North, Range 3 East, Willamette Meridian, described as follows:

Beginning at the Southeast corner of Government Lot 3, in said section; thence West to the Southwest corner of Government Lot 4 in said Section; thence South 882.75 feet; thence South 59 1/2° East to the South line of the Southwest 1/4 of the Northwest 1/4 of said Section; thence East 99 feet; thence South 99 feet; thence East parallel with said South line to the East line of the Northeast 1/4 of the Southwest 1/4 of said Section; thence North to the point of beginning; EXCEPT roads, ditch and railroad right of way, EXCEPT that portion of said premises lying Easterly of the Great Northern Railway Company's right of way, and EXCEPT that portion of said premises described as follows:

Beginning at the intersection of the East line of the County road with the Southwest line of said premises in the Southwest 1/4 of the Northwest 1/4 of said Section; thence South 59 1/2° East along said Southwesterly line 200 feet; thence North parallel to the East line of said County road 150 feet; thence North 59 1/2° West parallel with said Southwesterly line 200 feet to the East line of said County road; thence South along said East line 150 feet to the point of beginning.

ALSO, EXCEPT those portions described as follows:

1.) That portion of the Southwest 1/4 of the Northwest 1/4 of Section 2, Township 35 North, Range 3 East, Willamette Meridian, described as follows:

Beginning at the Southwest corner of said Northwest 1/4; thence South 89° 48' 01" East, along the East/West centerline of said Section 2, a distance of 30.00 feet to the Easterly line of Worline Road; thence North 00° 02' 28" West, parallel to the West line of said Northwest 1/4 of Section 2, a distance of 395.00 to the true point of beginning; thence North 89° 57' 32" East, a distance of 76.01 feet to an intersection with the Southwesterly line of a tract conveyed to Gilbert Slind et ux., by deed recorded March 12, 1974 under Auditor's File No. 797733; thence North 59° 32' 28" West, along said Southwesterly line of the Slind Tract, a distance of 88.22 feet to a point on the Easterly line of Worline Road; thence South 00° 02' 28" East, parallel to the West line of said Section 2, a distance of 44.71 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

2.) That portion of the Southwest 1/4 of the Northwest 1/4 of Section 2, Township 35 North, Range 3 East, Willamette Meridian, described as follows:

Beginning at the Southwest corner of said Northwest 1/4; thence South 89° 48' 01" East, along the East/West centerline of said Section 2, a distance of 30.00 feet to the Easterly line of Worline Road; thence North 00° 02' 28" West, parallel to the West line of said Northwest 1/4 of Section 2, a distance of 550.00 feet to the most Northerly corner of a tract conveyed to Gilbert Slind et ux., by deed recorded March 12, 1974 under Auditor's File No. 797733; thence South 59° 32' 28" East, along the Northeasterly line of said Slind Tract a distance of 78.37 feet to the true point of beginning; thence continuing South 59° 32' 28" East along said Northeasterly line a distance of 66.71 feet; thence North 00° 02' 28" West a distance of 33.86 feet; thence South 89° 57' 32" West a distance of 57.48 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

Parcel "E":

That portion of Government Lot 3 in Section 2, Township 35 North, Range 3 East, Willamette Meridian, described as follows:

Beginning at the intersection of the Westerly line of the Great Northern Railway Company's right of way and the South line of said Government Lot 3; thence West to a point 420.75 feet East of the Southwest corner of said Government Lot 3; thence Northerly along the Easterly line of those premises conveyed to Harry G. Jackson by deed dated January 23, 1946, filed February 25, 1946, as File No. 388708 and recorded in Volume 207 of deeds, at Page 38, to the Westerly line of said Railroad right of way; thence Southeasterly along said Westerly line to the point of beginning.

Situate in the County of Skagit, State of Washington.

## Parcel "F":

That portion of the following described tract in the Southwest 1/4 of the Northwest 1/4 and in the Northwest 1/4 of the Southwest 1/4 of Section 2, Township 35 North, Range 3 East, Willamette Meridian, which lies Northeasterly of the County road:

Beginning at a point on the West line of said Section, at a point which is 882.75 feet South of the Southwest corner of Government Lot 4, in said Section; thence South  $59\ 1/2^\circ$  East 858 feet, more or less, to the East and West center line of said Section; thence East 99 feet; thence South 99 feet; thence East 16.5 feet to intersect a line parallel with the distant 874.5 feet East of the West line of the Section; thence South along said parallel line to the South line of the Northwest 1/4 of the Southwest 1/4 of said Section; thence West to the West line of the Section; thence North to the point of beginning, EXCEPT road and ditch rights of way, and EXCEPT the following described tract:

Beginning at a point 1163.4 feet South and 734.4 feet East of the Northwest corner of the Northwest 1/4 of the Southwest 1/4 of Section 2 at the intersection of the East line of the County road and the North line of private road, as shown by the fences of said roads; thence North  $70^\circ$  East 174 feet to the bank of slough; thence following along slough bank South  $49^\circ\ 37'$  East 148 feet; thence South  $4^\circ\ 48'$  West 104 feet; thence South  $31^\circ\ 48'$  East 34 feet to the South line of said Northwest 1/4 of the Southwest 1/4; thence West 179 feet, more or less, along said South line to the East line of the County road; thence North  $32^\circ\ 15'$  West along road line to the point of beginning.

ALSO, EXCEPT that portion described as follows:

Beginning at a point 1163.4 feet South and 734.4 feet East of the Northwest corner of the Northwest 1/4 of the Southwest 1/4 of Section 2, at the intersection of the East line of the County road and the North line of a private road; thence North  $70^\circ$  East 174 feet to the bank of slough; thence Northwesterly along said slough to its intersection with an existing fence line; thence Southwesterly along said fence, as said fence now exists, to a point on the Easterly line of the County road, which is 10 feet, more or less, Northwesterly (as measured along said road) from the point of beginning; thence Southeasterly along the Easterly line of said County road to the point of beginning.

Situate in the County of Skagit, State of Washington.

## Parcel "G":

That portion of the Southwest 1/4 of the Northwest 1/4 of Section 2, Township 35 North, Range 3 East, Willamette Meridian, described as follows:

Beginning at the Southwest corner of said Northwest 1/4; thence South  $89^\circ\ 48'\ 01''$  East, along the East/West centerline of said Section 2, a distance of 30.00 feet to the Easterly line of Worline Road; thence North  $00^\circ\ 02'\ 28''$  West, parallel to the West line of said Northwest 1/4 of Section 2, a distance of 550.00 feet to the most Northerly corner of a tract conveyed to Gilbert Slind et ux., by deed recorded March 12, 1974 under Auditor's File No. 797733 and the true point of beginning; thence South  $59^\circ\ 32'\ 28''$  East, along the Northeasterly boundary of said Slind tract, a distance of 78.37 feet; thence South  $89^\circ\ 57'\ 32''$  West, a distance of 67.52 feet to the Easterly line of Worline Road; thence North  $00^\circ\ 02'\ 28''$  West, along said Easterly line, a distance of 39.77 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

## Parcel "H":

That portion of the Southwest 1/4 of the Northwest 1/4 of Section 2, Township 35 North, Range 3 East, Willamette Meridian, described as follows:

Beginning at the Southwest corner of said Northwest 1/4; thence South 89° 48' 01" East, along the East/West centerline of said Section 2, a distance of 30.00 feet to the Easterly line of Worline Road;

thence North 00° 02' 28" West, a parallel to the West line of said Northwest 1/4 of Section 2, a distance of 550.00 feet to the most Northerly corner of a tract conveyed to Gilbert Slind et ux., by deed recorded March 12, 1974 under Auditor's File No. 797733; thence South 59° 32' 28" East, along the Northeasterly boundary of said Slind Tract, a distance of 145.08 feet to the true point of beginning; thence containing South 59° 32' 28" East, along said Northeasterly line, a distance of 54.93 feet to the Northeast corner of said Slind Tract; thence South 00° 02' 28" East, along the East line of said Slind Tract, a distance of 150.00 feet to the Southeast corner thereof; thence North 59° 32' 28" West, along the Southwesterly line of said Slind Tract, a distance of 111.78 feet; thence North 89° 57' 32" East, a distance of 48.99 feet; thence North 00° 02' 28" West, a distance of 121.14 feet to the true point of beginning.

Situate in the County of Skagit, State of Washington.

## Parcel "I":

The Northeast quarter of Section 24, Township 35 North, Range 3 East, Willamette Meridian, EXCEPT Bell Road, Cook Road, and Pulver Road; ALSO EXCEPT those portions described as follows:

Beginning at the Southwest corner of the Southwest quarter of the Northeast quarter of said Section; thence East along the South line of said Northeast quarter a distance of 495 feet; thence North parallel with the West line of said Southwest quarter of the Northeast quarter, a distance of 880 feet; thence West to the West line of said Southwest quarter of the Northeast quarter; thence South 880 feet to the point of beginning.

Beginning at the Northeast corner of said Northeast quarter; thence South 02° 22' East along the East line of said Subdivision 689 feet; thence South 89° 08' West 1052 feet; thence North 02° 22' West 689 feet to the North line of said subdivision; thence North 89° 08' East along said North line 1052 feet to the point of beginning.

Situate in the County of Skagit, State of Washington.