

AFTER RECORDING MAIL TO:

Eastside Funding, LLC
3927 Lake Washington BLVD NE
Kirkland WA 98033

CHICAGO TITLE
500090576

Grantor(s):	Alliance Construction, LLC
Grantee(s):	EASTSIDE FUNDING, LLC
Abbreviated Legal:	PTN SW 1/4, SW 1/4, SEC 13, TWP 35 NORTH, RANGE 3 EAST W.M., SKAGIT CO., WA
Assessor's tax parcel no(s):	P34206

**CONSTRUCTION DEED OF TRUST,
SECURITY AGREEMENT AND FIXTURE FILING**

THIS CONSTRUCTION DEED OF TRUST, SECURITY AGREEMENT AND FIXTURE FILING, made this 21st day of June, 2019 between Alliance Construction, LLC, GRANTOR(S)/TRUSTOR(S), whose street address is PO box 1845, Mount Vernon, Washington 98273, CASCADE TRUSTEE SERVICES, INC., TRUSTEE, whose street address is: 23515 Northeast Novelty Hill Road #B221-229, Redmond, WA 98053, and EASTSIDE FUNDING, LLC, a Washington limited liability company, BENEFICIARY, whose street address is 3927 Lake Washington BLVD NE, Kirkland, WA 98033.

WITNESSETH: Grantor(s) hereby bargain(s), sell(s), and convey(s) to Trustee in trust, with power of sale, the following described real property in Skagit County, Washington (the "Property"):

ABBREVIATED LEGAL: PTN SW 1/4, SW 1/4, SEC 13, TWP 35 NORTH, RANGE 3 EAST W.M., SKAGIT COUNTY, WA

Commonly known as: 8881 & 8877 Ershig Road, Bow, Washington 98232.

together with all the tenements, hereditaments, and appurtenances now or hereafter belonging or in any way appertaining, and together with the following, (all of which shall be deemed included in the "Property"):

- (a) All land lying in streets and roads adjoining the Property, and all access rights, easements and rights of way pertaining to the Property.
- (b) All the lands, tenements, privileges, reversions, remainders, irrigation and water rights and stock, oil and gas rights, royalties, minerals and mineral rights, hereditaments and appurtenances belonging or in any way pertaining to the Property.
- (c) All buildings, structures, improvements, and any other fixtures now or hereafter attached to or placed on the Property. In addition, Trustor hereby conveys into trust all right, title, interest and estate of Trustor, now owned or hereafter acquired, in and to: (a) all goods, inventory, specifically including, without limitation, all materials, furnishings, and supplies (construction materials or otherwise), whether stored on or off the Property, delivered to the Property for incorporation or use in any construction, renovation, rehabilitation or maintenance of the

Property or the improvements, supplies, furnishings, construction materials, equipment, machinery, appliances, including attached and unattached appliances, and any other tangible personal property and/or fixtures located in or upon the Property or the improvements thereon and used and/or useable in connection therewith, or to be used in the construction, reconstruction, remodeling, or repair of any of the improvements now or hereafter located upon the Property; (b) all furniture, fixtures and equipment as equipment is defined in the Uniform Commercial Code, wherever located, and all related right, title and interest of Trustor now owned or hereafter acquired or created, all proceeds and products of the foregoing and all additions and accessions to, replacements of, insurance or condemnation proceeds of; and documents covering any of the foregoing, all leases of any of the foregoing, and all rents, revenues, issues, profits and proceeds arising from the sale, lease, license, encumbrance, collection, or any other temporary or permanent disposition of any of the foregoing or any interest therein; (c) all architectural, engineering, development, construction and construction cost guarantee contracts or bonds entered into in connection with the improvement or rehabilitation of the Property, all plans and specifications, construction drawings, estimates, building or use permits, subdivision plats and any related subdivision development requirements and specifications prepared by the engineer and architect thereunder, relating to the construction, development, ownership or maintenance of the Property; (d) all engineering reports, studies, surveys, soil reports and other documents relating to the Property; (e) all modifications, parts, and accessions to each and all of the foregoing and all renewals and replacements thereof.

(d) All rents, issues and profits of the Property, all existing and future leases of the Property (including extensions, renewals and subleases), all agreements for use and occupancy of the Property (all such leases and agreements whether written or oral, are hereafter referred to as the "Leases"), and all guaranties of lessees' performance under the Leases, together with the immediate and continuing right to collect and receive all of the rents, income, receipts, revenues, issues, profits and other income of any nature now or hereafter due (including any income of any nature coming due during any redemption period) under the Leases or from or arising out of the Property including minimum rents, additional rents, percentage rents, parking or common area maintenance contributions, tax and insurance contributions, deficiency rents, liquidated damages following default in any Lease, all proceeds payable under any policy of insurance covering loss of rents resulting from untenability caused by destruction or damage to the Property, all proceeds payable as a result of a lessee's exercise of an option to purchase the Property, all proceeds derived from the termination or rejection of any Lease in a bankruptcy or other insolvency proceeding, and all proceeds from any right and claims of any kind which Grantor may have against any lessee under the Leases or any occupants of the Property (all of the above are hereafter collectively referred to as the "Rents"). This subsection is subject to the right, power and authority given to the Beneficiary in the Loan Documents (as defined herein) to collect and apply the Rents.

(e) All compensation, awards, damages, rights of action and proceeds (including insurance proceeds and any interest on any of the foregoing) arising out of or relating to a taking or damaging of the Property by reason of any public or private improvement, condemnation proceeding (including change of grade), fire, earthquake or other casualty, injury or decrease in the value of the Property; all returned premiums or other payments on any insurance policies pertaining to the Property and any refunds or rebates of taxes or assessments on the Property.

(f) All permits, permit applications, plans, specifications, contracts, agreements and purchase orders pertaining or incidental to the design, construction, maintenance or management of any improvements existing or to be constructed, installed, completed or rehabilitated on the Property, Grantor's rights under any payment, performance, or other bond in connection with construction of improvements on the Property, and all construction materials, supplies, and equipment delivered to the Property or intended to be used in connection with the construction of improvements on the Property wherever actually located.

(g) All contracts, agreements, or commitments between Trustor and any utility company, water company or user association, telephone company, or other entity to furnish electricity, natural gas, telephone, sewer, water or other such services, or to provide hook-ups, connections, lines or other necessary taps to the Property and the improvements thereon. Trustor hereby irrevocably appoints Beneficiary as its attorney-in-fact to execute, acknowledge, and deliver any instruments and to do or perform any act in the name or on behalf of Trustor

CONSTRUCTION DEED OF TRUST

necessary to maintain and continue any such contracts, agreements or commitments with any such utility company and, otherwise, to perform all acts necessary to assure uninterrupted utility service to the Property for construction, rehabilitation, maintenance operations or otherwise.

(h) Any other contracts, subcontracts, work orders, change orders or agreements for the construction and/or completion of the improvements to be constructed on the Property and all contracts and agreements which shall hereinafter be entered into relating to construction on all or any portion of the Property.

THIS DEED IS FOR THE PURPOSE OF SECURING the following:

(a) Payment of the maximum principal sum of FORTY THREE THOUSAND AND FIFTY AND 00/100 DOLLARS (\$43,050.00), or so much of such principal as has been advanced hereunder with interest thereon, according to the terms of a promissory note of even date herewith, payable to Beneficiary or to its order and made by Grantor (the "Note," which term shall include all renewals, modifications or extensions thereof evidencing the indebtedness secured by this Deed of Trust);

(b) Payment of any further sums advanced or loaned by Beneficiary to Grantor, or any of its successors or assigns, if (1) the Note or other writing evidencing the future advance or loan specifically states that it is secured by this Deed of Trust or (2) the advance, including costs and expenses incurred by Beneficiary, is made pursuant to this Deed of Trust or any other documents executed by Grantor evidencing, securing or relating to the Note and/or the Property, whether executed prior to, contemporaneously with or subsequent to this Deed of Trust (this Deed of Trust, the Note and such other documents or other written agreements, including any construction or other loan agreement, are hereafter collectively referred to as the "Loan Documents") together with interest thereon at the applicable rate set forth in the Note or agreed to in writing; and

(c) Performance of each agreement, term and condition set forth or incorporated by reference in the Loan Documents unless performance of such agreement, term or condition is specifically provided to not be secured by this Deed of Trust.

Notwithstanding the foregoing and the covenants hereafter set forth, it is expressly agreed and acknowledged that none of the covenants, representations, or other obligations of Grantor set forth in this Deed of Trust are intended by Grantor and Beneficiary to secure or be the substantial equivalent of obligations of Grantor arising under (a) that certain Hazardous Substance Warranty and Indemnity Agreement, between Trustor and Beneficiary of even date herewith, or (b) any other environmental indemnity provisions, including without limitation provisions pertaining to hazardous or toxic wastes or substances, and any reference hereafter to the Loan Documents shall not include any such environmental indemnity provisions included therein.

COVENANTS: Grantor(s) covenant(s) and agree(s) as follows:

1. To keep the Property in good condition and repair; to permit no waste of the Property; to complete promptly and in a good and workmanlike manner any building, structure, or improvement being built or about to be built on the Property; to restore promptly and in a good and workmanlike manner any building, structure, or improvement on the Property which may be damaged or destroyed; and to comply with all laws, ordinances, regulations, covenants, conditions, and restrictions affecting the Property; not to commit, suffer or permit any act upon the Property in violation of law; to do all other acts which from the character or use of the Property may be reasonably necessary, the specific enumerations herein not excluding the general;

2. To pay before delinquent all lawful taxes and assessments upon the Property; to keep the Property free and clear of all other charges, liens, or encumbrances impairing the security of this Deed of Trust;

3. To keep all buildings now or hereafter erected on the Property continuously insured against loss by fire or other hazards in an amount not less than the total debt secured by this Deed of Trust. All policies shall be held

by the Beneficiary, and be in such companies as the Beneficiary may approve and have loss payable first to the Beneficiary, as its interest may appear, and then to the Grantor(s). The amount collected under any insurance policy may be applied upon any indebtedness secured by this Deed of Trust in such order as the Beneficiary shall determine. Such application by the Beneficiary shall not cause discontinuance of any proceedings to foreclose this Deed of Trust. In the event of foreclosure, all rights of the Grantor(s) in insurance policies then in force shall pass to the purchaser at the foreclosure sale.

4. To deliver to, pay for and maintain with Beneficiary until the indebtedness secured hereby is paid in full, such evidence of title as Beneficiary may require, including abstracts of title or policies of title insurance and any extensions or renewals thereof or supplements thereto.

5. To defend any action or proceeding purporting to affect the security hereof or the rights or powers of Beneficiary or Trustee, and to pay all costs and expenses, including cost of title search and attorneys' fees in a reasonable amount, in any such action or proceeding, and in any suit brought by Beneficiary to foreclose this Deed of Trust.

6. To pay all costs, fees, and expenses in connection with this Deed of Trust, including the expenses of the Trustee incurred in enforcing the obligation secured by this Deed of Trust and Trustee's and attorneys' fees actually incurred, as permitted by statute.

7. That, in the event Grantor(s) fails to pay when due any taxes, assessments, insurance premiums, liens, encumbrances, or other charges against the Property, Beneficiary may pay the same, and the amount so paid, with interest at the rate set forth in the Note secured by this Deed of Trust, shall be added to and become a part of the debt secured by this Deed of Trust.

8. The Property shall not be sold (by conveyance, contract to sell or otherwise), assigned, transferred or encumbered without the Beneficiary's consent; upon breach of this provision, in addition to any other remedies provided in the Note or Loan Documents, Beneficiary may accelerate the Note and declare all sums due under the Note and this Deed of Trust immediately due and payable.

9. In the event any portion of the Property is taken or damaged in an eminent domain proceeding, the entire amount of the award or such portion as may be necessary to fully satisfy the obligation secured by this Deed of Trust shall be paid to Beneficiary to be applied to said obligation.

10. By accepting payment of any sum secured by this Deed of Trust after its due date, Beneficiary does not waive its right to require prompt payment when due of all other sums so secured or to declare default for failure to so pay.

11. The Trustee shall reconvey all or any part of the Property covered by this Deed of Trust to the person entitled thereto, on written request of the Grantor(s) and the Beneficiary, or upon satisfaction of the obligations secured hereby and upon receipt of written request for reconveyance made by the Beneficiary or the person entitled thereto.

12. Time is of the essence hereof. Upon default by Trustor in the payment of any indebtedness secured hereby or in the performance of any agreement hereunder, all sums secured hereby shall immediately become due, as provided in the Note, and payable at the option of Beneficiary. In the event of such default, Beneficiary may execute or cause Trustee to execute a written notice of default and of election to cause the Property to be sold to satisfy the obligation hereof, and Trustee shall file such notice for record in each county wherein the Property or some part or parcel thereof is situated. Beneficiary also shall deposit with Trustee, the Note and all documents evidencing expenditures secured hereby. Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Trustor under this Deed of Trust, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

13. After the lapse of such time as may then be required by the laws of the State of Washington following the recordation of said notice of default, and notice of default and notice of sale having been given as then required by law, Trustee, without demand on Trustor, shall sell the Property on the date and at the time and place designated in said notice of sale, either as a whole or in separate parcels, and in such order as it may determine (but subject to any statutory right of Trustor to direct the order in which the Property, if consisting of several known lots or parcels, shall be sold), at public auction to the highest bidder, the purchase price payable in lawful money of the United States at the time of sale. The Trustee, or any duly appointed substitute trustee, conducting the sale may, for any cause he deems expedient, postpone the sale from time to time (as provided by applicable state law) until it shall be completed and, in every such case, notice of postponement shall be given by public declaration thereof by such person at the time and place last appointed for the sale; provided, if the sale is postponed for longer than forty-five (45) days beyond the day designated in the notice of sale, notice thereof shall be given in the same manner as the original notice of sale. Trustee shall execute and deliver to the purchaser its trustee's deed conveying the Property so sold, but without any covenant of warranty, express or implied. The recitals in the trustee's deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Beneficiary, may bid at the sale. Trustee shall apply the proceeds of the sale to payment of: (1) the costs and expenses of exercising the power of sale and of the sale, including the payment of the Trustee's and attorneys' fees; (2) the cost of any evidence of title procured in connection with such sale; (3) all sums expended under the terms hereof; not then repaid, with accrued interest at the rate specified in the Note from date of expenditure; (4) all other sums then secured hereby; and (5) the remainder, if any, to the person or persons legally entitled thereto, or the Trustee, in its discretion, may deposit the balance of such proceeds with the clerk of the District Court in the county in which the sale took place.

14. Trustor agrees to surrender possession of the hereinabove described Property to the purchaser at the aforesaid sale, immediately after such sale, in the event such possession has not previously been surrendered by Trustor.

15. The power of sale conferred by this Deed of Trust is not an exclusive remedy.

16. In the event of the absence, death, incapacity, disability, or resignation of Trustee, or at the discretion of the Beneficiary, Beneficiary may appoint in writing a successor trustee, and upon the recording of such appointment in the records of the County Recorder of the County in which the Property is located, the successor trustee shall be vested with all powers of the original Trustee. The Trustee is not obligated to notify any party hereto of pending sale under any other deed of trust (excluding this Deed of Trust) or of an action or proceeding in which Grantor(s), Trustee, or Beneficiary shall be a party. Trustee accepts the trust described herein when this Deed of Trust, duly executed and acknowledged, is made a public record as provided by law.

17. This Deed of Trust applies to, inures to the benefit of, and is binding not only on the parties hereto, but on his/her/their heirs, devisees, legatees, administrators, executors, and assigns. All obligations of Trustor hereunder are joint and several. The term Beneficiary shall mean the holder and owner of the Note secured hereby, whether or not named as Beneficiary herein.

18. This Deed of Trust shall be deemed a security agreement, as defined in the Uniform Commercial Code as adopted and amended by the State of Washington. The remedies for any violation of the covenants, terms and conditions of the agreements contained herein shall be as prescribed (i) herein, or (ii) by general law, or (iii) by the specific statutory consequences now or hereafter enacted, and specified in the Uniform Commercial Code as enacted by the State of Washington, all at Beneficiary's sole election. Grantor and Beneficiary agree that the filing of any financing statement in the records normally having to do with personal property shall not be construed as impairing the hereby stated intention of the parties that everything used in connection with the construction, management, maintenance and production of income from the Property together with all other rights and property described herein and comprising the secured property shall at all times and for all purposes in all proceedings, both legal and equitable, be regarded as part of the Property, whether physically attached or

specifically identified or not. Beneficiary shall have all of the rights of a secured party under the applicable Loan Documents and other agreements between Beneficiary and Trustor and pursuant to the Uniform Commercial Code. In addition, Trustor and Beneficiary acknowledge their mutual intent that all security interests contemplated herein (including additional security interests which shall arise as future advances are made by Beneficiary to Trustor hereunder) are and shall be given as a contemporaneous exchange for new value to Trustor, regardless of when advances to Trustor are actually made or when the trust estate is acquired hereunder.

19. As further security for the payment of all indebtedness and performance of all obligations secured hereby, Grantor irrevocably and absolutely assigns to Beneficiary, the rents, issues, profits and proceeds of contracts of the Property, together with all future Leases, profits and contracts, and any and all extensions, renewals and replacements hereof. However, as long as no default shall exist in any obligation secured hereby, Grantor may collect assigned rents and profits as the same shall fall due. All rents or profits receivable from or in respect to the Property which Grantor shall be permitted to collect hereunder shall be received by it in trust to pay the usual and reasonable operating expenses of, and the taxes upon, the Property and the payment of all sums secured hereby. Upon the occurrence of any default in payment of any indebtedness or performance of any obligation secured hereby, all rights of the Grantor to collect and receive rents and profits shall wholly and immediately terminate without notice, and Beneficiary shall thereafter have the absolute right to all such rents and profits. The entering upon and taking possession of the Property, the collection of any such rents, issues, and profits, or the proceeds of fire and other insurance policies, or compensation or awards for any taking or damage of the Property, and the application or release thereof as aforesaid, shall not cure or waive any default or notice of default hereunder or invalidate any act done pursuant to such notice. In addition to, and not in limitation of the foregoing, Beneficiary shall have the right to petition the Court of appropriate jurisdiction for the appointment of a receiver of the rents, issues and profits of the Property and shall have in addition to the rights and powers customarily given to and exercised by such receiver, the right to enter upon and take possession of the Property and manage the same with all rights and options in regard thereto available to Grantor. Grantor expressly waives the posting of bond by such receiver, and waives any challenge to a proposed receiver based on affiliation with Beneficiary.

20. This Deed of Trust shall be construed according to the laws of the State of Washington.

21. This Deed of Trust constitutes a fixture filing pursuant to Article 9 of the Washington Uniform Commercial Code, Section 70A-9a-502, Washington Code Annotated, as such statute is amended or re-codified from time to time, with respect to any and all fixtures or appurtenances currently constructed, installed, or to be constructed or installed on the Property by or at the request of Trustor.

22. Beneficiary, with regard to all personalty, including fixtures, chattels, equipment, inventory, and personal property, conveyed to Trustee hereunder, shall have the right to exercise, from time to time, any and all rights and remedies available to Beneficiary, as a secured party under the Washington Uniform Commercial Code, and any and all rights and remedies available to Beneficiary under any other applicable law. Upon written demand from Beneficiary, Trustor shall, at Trustor's expense, assemble such fixtures, chattels, equipment, inventory, and personal property and make them available to Beneficiary at a reasonably convenient place designated by Beneficiary. Beneficiary shall have the right to enter upon any premises (in addition to the Property) where the personalty or records pertaining to the personalty may be and take possession of the personalty and records relating to the personalty. Beneficiary may sell, lease, or otherwise dispose of any or all of the personalty and, after deducting the reasonable costs and out-of-pocket expenses incurred by Beneficiary, including, without limitation: (a) reasonable attorneys' fees and legal expenses; (b) transportation and storage costs; (c) advertising of sale of the personalty; (d) sale commissions; (e) sales tax; (f) costs for improving or repairing the personalty and (g) costs for preservation and protection of the personalty, apply the remainder to pay, or to hold as a reserve against, the obligations of Trustor hereunder.

23. This Deed of Trust constitutes a "construction mortgage" within the meaning of Section 70A-9a-334(8), Washington Code Annotated. The proceeds of the loan secured by this Deed of Trust shall be used by Trustor for the purpose of acquiring title to the Property and funding construction, renovation, rehabilitation, completion or remodeling of certain improvements on the Property, and are to be advanced and disbursed in accordance with further written agreements of Trustor and Beneficiary.

24. To protect the security of this Deed of Trust, Trustor shall promptly commence and pursue with commercially reasonable diligence to completion the construction of all contemplated improvements on the Property, all in accordance with the terms of this Deed of Trust, the Promissory Note and any further written agreement(s) between Trustor and Beneficiary.

25. Beneficiary, and its agents and other representatives or employees, are authorized (but not obligated) to enter at any reasonable times upon the Property for the purpose of making periodic inspections of the same, and for the purpose of performing any of the acts it or Trustor is authorized to perform under the terms of this Deed of Trust. Beneficiary shall also have the right (but not the obligation) to review any plans, specifications or work orders for construction work at the Property to ensure timely and quality construction; and Beneficiary may condition the release of future advances secured hereby on the timely delivery of and Beneficiary's approval of such plans, specification or work orders as may be requested by Beneficiary hereunder. Notwithstanding the foregoing, Beneficiary shall not unreasonably withhold or delay its review or approval of any such plans, specifications or work orders.

26. Trustor shall not, during the existence of this Deed of Trust and without prior written consent of Beneficiary, remove from the Property any fixture, structure, appliance, appurtenance or any other improvement at any time affixed or constructively affixed to the Property or any portion thereof.

27. If Beneficiary or the Property is held liable for, or is subject to (or potentially subject to) any losses, damages, costs, charges or expenses, directly or indirectly on account of any claims for work, labor, or material furnished in connection with or arising from the connection of any fixtures or improvements to the Property in the course of Trustor's remodeling, rehabilitation or any other construction or installation at the Property, then Trustor shall indemnify, defend and hold Beneficiary harmless from all such liability or exposure arising therefrom including reasonable attorneys' fees and costs.

28. In addition to each of the other covenants contained herein, with respect to any construction work by or at the request of Trustor, Trustor shall do each of the following: (a) maintain the Property at all times in good condition and repair; (b) not commit waste of the Property or remove, damage, demolish or structurally alter any of the improvements without Beneficiary's written consent; (c) complete promptly and in a good and workmanlike manner any construction or additional improvements of any kind; (d) restore promptly any improvements which are damaged or destroyed; (e) at all times, comply with all laws, ordinances, regulations, covenants, CC&Rs, building codes, and restrictions in any manner affecting the Property; (f) not commit or permit any act upon the Property in violation of applicable law; and (g) do all acts which by reason of the character or nature of the Property may be reasonably necessary to maintain and care for the same.

29. At the request of Beneficiary, Trustor shall provide such unconditional partial or full lien releases, paid invoices, or other written evidence of payment as Beneficiary may reasonably request from time to time prior to making further advances to Trustor under the Promissory Note secured by this Deed of Trust. Beneficiary may, from time to time, require that certain advances or portions thereof be made payable directly to Trustor's contractor(s) (or jointly to Trustor and Trustor's contractor(s)) to ensure proper and timely payment.

30. The undersigned Trustor requests that a copy of any notice of default and of any notice of sale hereunder be mailed via certified or registered mail (postage prepaid) to the address of Trustor hereinbefore set forth.

REQUEST FOR FULL RECONVEYANCE

Do not record. To be used only when note has been paid.

TO: TRUSTEE

The undersigned is the legal owner and holder of the Note and all other indebtedness secured by the within Deed of Trust. Said Note, together with all other indebtedness secured by said Deed of Trust, has been fully paid and satisfied; and you are hereby requested and directed, on payment to you of any sums owing to you under the terms of said Deed of Trust, to cancel said Note above mentioned, and all other evidences of indebtedness secured by said Deed of Trust delivered to you herewith, together with the said Deed of Trust, and to reconvey, without warranty, to the parties designated by the terms of said Deed of Trust, all the estate now held by you thereunder.

Dated: _____

Signed: _____

EXHIBIT "A"

Legal Description

For APN/Parcel ID(s): P34206 / 350313-0-013-0006

That portion of the Southwest quarter of the Southwest quarter of Section 13, Township 35 North, Range 3 East, W.M., described as follows:

Commencing on the Southwest corner of said Subdivision; Thence North 2°00' West along the West line thereof a distance of 673.12 feet to the true point of beginning of this description; Thence North 88° 00' East a distance of 145.05 feet to the Northwest corner of that certain tract conveyed to Robert Watkinson and Verna Watkinson, husband and wife, by deed recorded August 16, 1966 under Auditor's File No. 686942; Thence South 0° 12' West along the West line of said Watkinson tract a distance of 185.87 feet, more or less, to the center of the Samish River; Thence Westerly along the center of the Samish River to its intersection with the West line of said Southwest quarter of the Southwest quarter; Thence North 2°00' West along said West line to the true point of beginning. EXCEPT County road along the West line thereof.

Situate in the County of Skagit, State of Washington.