

202212280042

12/28/2022 04:17 PM Pages: 1 of 13 Fees: \$215.50
Skagit County Auditor

When Recorded Return To:

HOME TRUST SKAGIT
6112 S. First Street
P.O. Box 24444
Mount Vernon, WA 98273



202306020046

06/02/2023 11:49 AM Pages: 1 of 14 Fees \$216.50
Skagit County Auditor

PRIORITY AND SUBORDINATION AGREEMENT
(Skagit County – Channel Cove)

Grantors:

1. PEOPLES BANK
2. SKAGIT COUNTY
3. HOME TRUST SKAGIT

Grantees:

1. PEOPLES BANK
2. SKAGIT COUNTY
3. HOME TRUST SKAGIT

Abbreviated Legal Units C-2, G, H, & I-3, Southfield P.U.R.D, NW SW 36-34-2 W.M.

Description: Full legal on Exhibit "A" attached hereto

Assessor's Tax 8082-000-003-0200 / P128671
Parcel Numbers: 8082-000-003-0300 / P128672
8082-000-007-0000 / P128680
8082-000-008-0000 / P128681
8082-000-009-0200 / P128684

Reference County Covenant
Numbers: Bank Deed of Trust
County Deed of Trust

202212280040
2022122010033
202212280041
* 202306020045

★ Re-record to add notary page and
correct referenced recording numbers to
create priority

THIS PRIORITY AND SUBORDINATION AGREEMENT ("Agreement") is dated as of November 10, 2022, by and among the following parties: HOME TRUST SKAGIT, a Washington nonprofit corporation (the "Borrower"); SKAGIT COUNTY, a political subdivision of the State of Washington organized under the laws of the State of Washington (the "County"); and PEOPLES BANK, a Washington state-chartered bank (the "Bank"); collectively, the "Parties" and each individually, a "Party." The Bank, and County, and their respective successors in interest, are referred to herein, in each case for so long as the Deed of Trust or Covenant (as defined below) of which that Party is a beneficiary remains a lien of record on any part of the Property (as defined below), as "Lenders", in each case only in such Party's capacity as the holder or assignee of the obligations secured by its Deed of Trust or the beneficiary of its Covenant.

This Agreement is made with reference to the following facts:

RECITALS

A. Borrower's Interest. The Borrower owns the real property located at 912, 914, 916 A, 916 B, and 918 Park Street, La Conner, Skagit County, Washington, referred to herein as the "Property", which term also includes all improvements now and hereafter thereon. The Property will be developed to serve as low-income housing (the "Project") utilizing funds from various sources. The Lenders have provided or committed financial assistance, as described below.

B. Bank's Interests. The Bank has agreed to make a loan to the Borrower in an amount not to exceed [\$1,229,000] (the "Bank Loan"). The Bank Loan is made pursuant to that certain Construction Loan Agreement dated as of November 10, 2022 (the "Bank Loan Agreement"). The Bank Loan is evidenced by a Promissory Note in the principal amount of [\$1,229,000] (the "Bank Note"). The Bank Note is secured by, among other security documents, that certain Deed of Trust, Security Agreement and Fixture Filing naming [Land Title and Escrow] as trustee and recorded under Skagit County recording number 202212060038 (the "Bank Deed of Trust"). All references to the "Bank Deed of Trust" include all advances secured under the Bank Deed of Trust, whether optional or obligatory, and all modifications, extensions, renewals, or replacements of the Bank Deed of Trust. The Bank Loan Agreement, the Bank Note, the Bank Deed of Trust, and all other documents executed by Borrower in connection therewith, are referred to collectively as the "Bank Documents."

C. County's Interests. The County made a loan to the Borrower from its allocation of HOME funds in the amount of \$610,850.50 (the "HOME Loan") evidenced by that certain Skagit County Funding Agreement (the "HOME Loan Agreement"). Pursuant to the HOME Loan Agreement, the Borrower executed a Promissory Note in the principal amount of \$610,850.50 in favor of the County (the "HOME Note"). The HOME Note is secured by that certain [Deed of Trust] executed by the Borrower, naming Land Title & Escrow as trustee, and recorded under Skagit County recording number *20212280041 (the "HOME Deed of Trust"). In addition, the Borrower executed that certain Declaration of Restrictive Housing Covenant recorded under Skagit County recording number 202212280040 (the "HOME Covenant"). All documents identified in this paragraph C, and any documents executed by the County or the Borrower in connection therewith, are collectively referred to as the "County HOME Documents". References to the "HOME Deed of Trust" include all modifications, extensions, renewals, or replacements of HOME Deed of Trust.

D. Purpose. The Parties wish to enter into this Agreement in order to establish their relative rights and priorities regarding the Borrower's interests in the Property, all as more fully set forth herein.

*202306020045

E. Definitions. The deeds of trust described in Paragraphs B and C above shall be referred to collectively hereinafter as the "Deeds of Trust." References to a "Deed of Trust" below, where applicable, mean that Deed of Trust as assumed by the Borrower and encumbering its interests, as described above. The covenant(s) described in Paragraphs C above shall be referred to hereinafter as a "Covenant" or collectively as the "Covenants." All of the documents discussed in the Recitals section of this Agreement are collectively referred to as the "Documents" and the information and definitions contained in the Recitals are acknowledged by the Parties to be an incorporated, integral part of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual agreements and undertakings herein contained, the Parties agree as follows:

1. Priorities.

- A. Regardless of the time each Party's lien upon or interest in the Borrower's interests in the Property, or portion thereof, was or shall be created or recorded, the Parties hereto agree that the documents and instruments identified and described above, shall have priority in the order set forth below in this paragraph, with the most senior of the respective documents and instruments listed first:
- 1) County HOME Covenant
 - 2) Bank Deed of Trust
 - 3) County HOME Deed of Trust
- B. Any Uniform Commercial Code financing statement or fixture filing recorded or filed in connection with any Deed of Trust or any loan referenced in this Agreement shall have the same relative priority or subordination as the Deed of Trust and loan to which such financing statement or fixture filing relates.
- C. The Parties acknowledge that the Covenant(s) apply simultaneously and that the grantors thereunder are obligated to comply with each of them regardless of their relative priority or order of recording. Each Covenant encumbering the Property shall survive the foreclosure of any deed of trust on the Property and shall be binding upon any person acquiring an interest in the Property by means of such foreclosure or deed in lieu thereof (unless such Covenant terminates upon foreclosure pursuant to the terms of such Covenant, in which case the terms of the applicable Covenant shall control over this Agreement), or that is a successor to one who acquires the Property by such means, for so long as such person shall retain the Property or hold any other interest in the Property, provided that nothing contained herein shall be deemed to amend the termination provisions in any Covenant.

2. Reliance by Lenders; Consent. It is understood by the Parties hereto that the Lenders and the Borrower would not enter into their respective Documents without this Agreement and that each Lenders and Borrower will benefit as a result of the Documents and that such benefit constitutes good and valuable consideration for each of the Lenders and the Borrower to enter into this Agreement. The Borrower, consents to all terms hereof.

3. Insurance or Condemnation Proceeds. During the term of the Bank Documents, the Bank shall have all approval, consent, and oversight rights in connection with any insurance claims relating to the Property and any decisions regarding the use of insurance claims relating to the Property and any decisions regarding the use of insurance or condemnation proceeds after a casualty loss or condemnation notwithstanding any rights of the Lenders pursuant to their respective loan documents. Any funds to be applied to repair or restoration shall be held and administered by Bank in accordance with the Bank Documents, and Bank shall be entitled to reasonable compensation for its services in connection with the administration of such funds, as set forth in the Bank Documents, provided that if applicable law does not permit a Lender to hold such proceeds then Bank shall have the right to designate an insurance trustee to administer the proceeds consistent with the Bank Documents subject to applicable law.

4. Subordinate Lenders' Agreement to Standstill. Until the Bank Note has been repaid in full, each Lender other than Bank agrees, for the benefit of Bank and its successors and assigns, that such Lender shall deliver to the Bank written notice of any and all defaults concurrently with delivery of the notice thereof to the Borrower, and the Bank shall have the right, but not the obligation, to cure the noticed event of default by 180 days (the "Bank Cure Period") after the later of (i) expiration of any notice and cure period afforded the Borrower, for such default under the applicable Lender's documents or (ii) the date that the Bank receives a copy of the notice of default. During the Bank Cure Period, such Lender other than the Bank will not, without the Bank's prior written consent (which consent shall not be unreasonably withheld), accelerate its respective loan, commence foreclosure proceedings with respect to the Property, collect rents, appoint (or seek the appointment of) a receiver or institute any other enforcement action with respect to the Property (other than enforcement of the Covenants, including, without limitation, actions to compel specific performance, which shall not be limited by the terms of this Paragraph 4).

5. Actions by Bank; Certain Waivers. Bank, without the consent of or notice to any other party, may release any or all parties liable for any obligation secured by the Bank Documents, amend or otherwise modify the Bank Documents (unless another agreement between any such parties requires consent), or release any or all security for the obligations secured by the Bank Documents, all without affecting the subordinations under this Agreement. The County and the Borrower waive any right to require marshaling of assets or to require Bank to proceed against or exhaust any specific security for the obligations secured by the Bank Documents, and waive any defense arising out of the loss or impairment of any right of subrogation to the lien of the Bank Documents. However, Bank agrees not to voluntarily subordinate the lien of the Bank Deed of Trust or any portion thereof to any other liens or encumbrances on the Property without the written consent of the County, which consent shall be inferred if County subordinates the HOME Loan and/or or the HOME Deed of Trust to the same lien or encumbrance.

6. Rents. All Lenders understand that Borrower has assigned all leases, income, rents, and profits of the Project in connection with the Bank Documents. The Parties agree that upon an Event of Default under the Bank Documents, the Bank has the absolute right to collect all rents and profits from the Project as provided in the Bank Documents.

7. Acknowledgements. The Lenders hereby each agree and acknowledge, solely for the benefit of all other Lenders as follows:

- A. For purposes of this Agreement, the Lenders acknowledge that each has been provided the opportunity to review the other Lenders' Loan Documents before executing this Agreement;

- B.** No Lender has made any warranty or representation of any kind or nature whatsoever to the other Lenders with respect to (i) the application of the proceeds of its loans, (ii) the value of the Property or the marketability or value thereof upon completion of such construction, or (iii) the ability of the Borrower to honor its covenants and agreements with the Bank;
- C.** Bank's release of any security for its loan, including, without limitation, the reconveyance of any portion of the Property from the lien of a deed of trust, shall not constitute a waiver or relinquishment of the other Lenders' unconditional subordination of the liens or charges of such Lenders' respective Deeds of Trust against the Property to the Bank's lien or any other subordinations hereunder;
- D.** No Lender by reason of this Agreement has any duty to disclose to the other Lenders any facts that a Lender may now know or hereafter know about the Borrower or its members, or successors of the Borrower, regardless of whether (i) the Lender has reason to believe that any such facts may materially increase the risk beyond that which any other Lender intends to assume, (ii) the Lender may have reason to believe that such facts are unknown to another Lender, or (iii) the Lender has a reasonable opportunity to communicate such facts to another Lender, it being understood and agreed that each Lender is fully responsible for being and keeping informed of the financial condition of the Borrower and/or any members, sponsors or successors of the Borrower and of all circumstances bearing on the risk of non-payment of any indebtedness of the Borrower to the Lenders as described in this Agreement; and
- E.** The Lenders have each made such independent legal and factual inquiries and examinations as such Party deems necessary or desirable and are not relying on any inquiries or examinations made by the other Lenders or on information from the other Lenders concerning the Borrower, the Property, or the Project.
- F.** County waives any right to require Bank: (A) to make, extend, renew, or modify any loan to Borrower or to grant any other financial accommodations to Borrower whatsoever; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Bank Note, or notice of any action or nonaction on the part of Borrower, Bank, any surety, endorser, or other guarantor in connection with the Bank Documents, or in connection with the creation of new or additional indebtedness; (C) to resort for payment or to proceed directly or at once against any person, including Borrower; (D) to proceed directly against or exhaust any collateral held by Bank from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Bank from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Bank's power; or (G) to commit any act or omission of any kind, at any time, with respect to any matter whatsoever.
- G.** Bank shall not be liable to County for (and shall not be obligated to cure any default which, by their nature, cannot be cured) any default by Borrower under the County HOME Documents, after Bank exercises any of its rights and/or remedies under the Bank Documents. In the event that Bank takes title to all, or a portion of the Property, the County

shall not exercise rights or remedies against Bank for default of the HOME Covenant except with respect to defaults that occur on or after the date Bank takes title to the Property. Pursuant to Section 1A above, the HOME Covenant shall survive any foreclosure of the Bank Deed of Trust.

8. Bank's Rights. County and Borrower agree that Bank may take or omit any and all actions with respect to the Bank Documents without affecting whatsoever any of Bank's rights under this Agreement. In particular, without limitation, Bank may, without notice of any kind to County, (A) make one or more additional secured or unsecured loans to Borrower; (B) repeatedly alter, compromise, renew, extend, accelerate, or otherwise change the time for payment or other terms of the Bank Documents or any part of them, including increases and decreases of the rate of interest on the Bank Note; extensions may be repeated and may be for longer than the original loan term; (C) take and hold collateral for the payment of the Bank Note, and exchange, enforce, waive, and release any such collateral, with or without the substitution of new collateral; (D) release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or guarantors on any terms or manner Bank chooses; (E) determine how, when and what application of payments and credits, shall be made on the Bank Note; (F) apply such security and direct the order or manner of sale of the security, as Bank in its discretion may determine; and (G) transfer this Agreement to another party.

9. Default by Borrower. If Borrower becomes insolvent or bankrupt, this Agreement shall remain in full force and effect. Any default by Borrower under the terms of the County Home Documents also shall constitute an event of default under the terms of the Bank Documents.

10. Miscellaneous.

- A. Entire Agreement. This Agreement comprises the entire agreement among the Parties with respect to the priority of each Party's liens upon and interests in the Property, and all prior understandings or agreements on that subject are superseded hereby.
- B. Applicable Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington. Venue of any action or proceeding to enforce, interpret or otherwise related hereto shall lie in Skagit County, Washington.
- C. Successors; Assignment. This Agreement is for the benefit of the Lenders and their respective successors and assigns, and any provision hereof may be waived or modified by written agreement among all of the Lenders, or so many of them as are affected thereby, without the consent of the Borrower. The heirs, administrators, assigns, and successors-in-interest of the Parties hereto shall be bound by this Agreement. This Agreement may be assigned by a Party only as a part of an assignment of that Party's entire interest in the Property or its loan secured by one of the Deeds of Trust described herein; provided, however, that any Lender may assign participation interests in its loan as allowed by that Lender's loan documents.
- D. Notices. All notices to be given pursuant to this Agreement shall be in writing and shall be deemed given when hand-delivered within normal business hours, when actually received by facsimile transmission during normal business hours, or two (2) business days after deposit in the U.S. mail, postage prepaid, (one (1) business day if sent by overnight courier) to the Parties hereto at the addresses set forth below or to such other place as a Party may from time to time designate by notice to the other Parties. No transferee or

successor of a Party hereto shall be entitled to notices or opportunity to cure defaults hereunder unless notice of the transfer is given in accordance with this subsection.

Bank: PEOPLES BANK
Attn: Phillip Yi
VP Commercial Banking
822 S Burlington Boulevard
Burlington, WA 98233

County: SKAGIT COUNTY
1800 Continental Place
Mount Vernon, WA 98273

Borrower: HOME TRUST SKAGIT
612 S. First Street
P.O. Box 2444
Mount Vernon, WA 98273

- E. Amendment. This Agreement may be amended only by a writing signed by the Parties hereto, but this subsection shall not impair the validity of any further agreements among fewer than all of the Parties hereto as among themselves.
- F. Counterparts. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument and whether or not all Parties execute each counterpart.
- G. Completion of Recording Information. If this Agreement is signed without completion of certain recording information called for above, any Party hereto or any title insurance Borrower acting on the instructions of any Party is hereby authorized to insert such information prior to recording this Agreement.
- H. Attorney Fees. If any Party shall bring an action against any other Party by reason of the breach of any covenant, provision, or condition of this Agreement, or otherwise arising out of this Agreement, the unsuccessful Party shall pay to the prevailing party reasonable attorneys' fees, which fees shall be payable whether or not any action is prosecuted to judgment. The term "prevailing party" shall include, without limitation, a Party who brings an action against the other by reason of the other's breach or default and obtains substantially the relief sought, whether by compromise, settlement, or judgment.
- I. Consent to Other Parties' Loan Documents. By executing this Agreement, each Party hereby acknowledges and consents to the execution of, and where appropriate, the recording of, the Documents by the Borrower and the other Parties thereto.
- J. No Waiver by Lender. Bank shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Bank. No delay or omission on the part of Bank in exercising any right shall operate as a waiver of such right or any other right. A waiver by Bank of a provision of this Agreement shall not prejudice

or constitute a waiver of Bank's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Bank, nor any course of dealing between Bank and County or Bank and Borrower, shall constitute a waiver of any of Bank's rights. Whenever the consent of Bank is required under this Agreement, the granting of such consent by Bank in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Bank.

- K. Authority. Each person who signs this Agreement represents and warrants that he or she has authority to execute this Agreement, to bind the party on whose behalf he or she signs, and to subordinate the County HOME Documents and the County's security interests.

IN WITNESS WHEREOF, the Parties hereto have entered into this Priority and Subordination Agreement as of the day and year first above written.

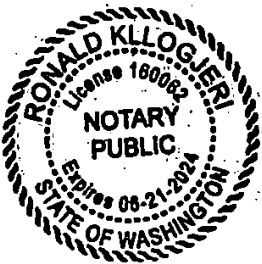
PEOPLES BANK

By: [Signature]
 Name: Phillip Yi
 Title: Commercial Banking Officer

STATE OF WASHINGTON)
)
 COUNTY OF SKAGIT)

I hereby certify that I know or have satisfactory evidence that PHILLIP YI appeared before me, and acknowledged that he/she signed this instrument, on oath stated that he/she was authorized to execute this instrument, and acknowledged it as the LOAN OFFICER of **PEOPLES BANK**, to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal this 22 day of NOV, 2022.



[Signature]

NOTARY PUBLIC in and for the State of WA
 Print name: RONALD KLOGJERI
 My commission expires: 6-21-2024

[Signatures continue on following page.]

IN WITNESS WHEREOF, the Parties hereto have entered into this Priority and Subordination Agreement as of the day and year first above written.

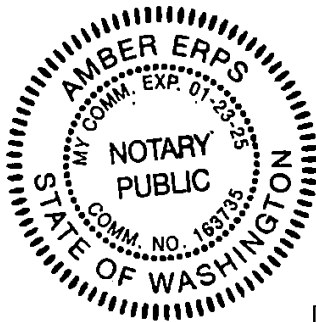
SKAGIT COUNTY, a political subdivision of the State of Washington

By: Trisha Logue
 Name: Trisha Logue
 Title: Skagit County Administrator

STATE OF WASHINGTON)
)
 COUNTY OF SKAGIT)

I hereby certify that I know or have satisfactory evidence that Trisha Logue appeared before me, and acknowledged that s/he signed this instrument, on oath stated that s/he was authorized to execute this instrument, and acknowledged it as the Administrator of **SKAGIT COUNTY**, a political subdivision of the State of Washington, to be the free and voluntary act of such entity for the uses and purposes mentioned in this instrument.

GIVEN under my hand and official seal this 22 day of November 2022.



Amber Erps
 NOTARY PUBLIC in and for the State of Washington
 My commission expires 01-23-2025

[Signatures continue on following page.]

IN WITNESS WHEREOF, the Parties hereto have entered into this Priority and Subordination Agreement as of the day and year first above written.

HOME TRUST SKAGIT,
a Washington nonprofit corporation

By: Jodi Dean
Name: Jodi Dean
Title: Executive Director

STATE OF WASHINGTON)

) ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Jodi Dean is the person who appeared before me and acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Executive Director of Home Trust Skagit, a Washington nonprofit corporation, to be the free and voluntary act of such nonprofit corporation for the uses and purposes mentioned in the instrument.

DATED this 10th day of November, 2022.



Maria G. Vivanco
(Signature of Notary)
Maria G. Vivanco
(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington
My Commission Expires:

03/17/2023

IN WITNESS WHEREOF, the Parties hereto have entered into this Priority and Subordination Agreement as of the day and year first above written.

HOME TRUST SKAGIT,
a Washington nonprofit corporation

By: Becki Bell
Name: Becki Bell
Title: Treasurer

STATE OF WASHINGTON)

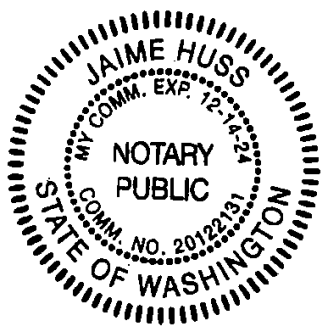
) ss.

COUNTY OF SKAGIT)

I certify that I know or have satisfactory evidence that Becki Bell is the person who appeared before me and acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the Treasurer of Home Trust Skagit, a Washington nonprofit corporation, to be the free and voluntary act of such nonprofit corporation for the uses and purposes mentioned in the instrument.

DATED this 8 day of May, 2023 ^{AM}

(Seal or Stamp)



Jaime Huss

(Signature of Notary)

Jaime Huss

(Legibly Print or Stamp Name of Notary)

NOTARY PUBLIC in and for the State of Washington
My Commission Expires:

**Exhibit "A" to Priority and Subordination Agreement
(Legal Description)**

PARCEL P128672 (916 A Park Street):

THAT PORTION OF SOUTHFIELD P.U.R.D, SKAGIT COUNTY, WASHINGTON,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.;
THENCE N 59-59-20 W, ALONG THE NORTH LINE OF SOUTHFIELD P.U.R.D. A
DISTANCE OF 265.60 FEET;
THENCE S 30-00-40 W ALONG THE WEST LINE OF SAID SOUTHFIELD P.U.R.D. A
DISTANCE OF 101.70 FEET;
THENCE S 59-59-20 E A DISTANCE OF 20.52 FEET;
THENCE N 65-51-00 E A DISTANCE OF 25.99 FEET TO THE TRUE POINT OF
BEGINNING;
THENCE N 65-51-00 E A DISTANCE OF 25.99 FEET;
THENCE S 24-09-00 E, A DISTANCE OF 43.83 FEET;
THENCE S 65-51-00 W, A DISTANCE OF 25.99 FEET;
THENCE N 24-09-00 W, A DISTANCE OF 43.83 FEET TO THE TRUE POINT OF
BEGINNING.
SAID DESCRIPTION CONTAINS 1,140 +/- SQ.FT.

PARCEL P128671 (916 B Park Street):

THAT PORTION OF SOUTHFIELD P.U.R.D, SKAGIT COUNTY, WASHINGTON,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.;
THENCE N 59-59-20 W, ALONG THE NORTH LINE OF SOUTHFIELD P.U.R.D. A
DISTANCE OF 265.60 FEET;
THENCE S 30-00-40 W ALONG THE WEST LINE OF SAID SOUTHFIELD P.U.R.D. A
DISTANCE OF 101.70 FEET;
THENCE S 59-59-20 E A DISTANCE OF 20.52 FEET TO THE TRUE POINT OF
BEGINNING;
THENCE N 65-51-00 E A DISTANCE OF 25.99 FEET;
THENCE S 24-09-00 E, A DISTANCE OF 43.83 FEET;
THENCE S 65-51-00 W, A DISTANCE OF 25.99 FEET;
THENCE N 24-09-00 W, A DISTANCE OF 43.83 FEET TO THE TRUE POINT OF
BEGINNING.
SAID DESCRIPTION CONTAINS 1,140 +/- SQ.FT.

PARCEL P128680 (914 Park Street):

THAT PORTION OF SOUTHFIELD P.U.R.D, SKAGIT COUNTY, WASHINGTON,
DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.;
THENCE N 59-59-20 W ALONG THE NORTH LINE OF SAID SOUTHFIELD P.U.R.D. A
DISTANCE OF 171.94 FEET;

THENCE S 30-00-40 W A DISTANCE OF 55.45 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S 59-58-48 E A DISTANCE OF 43.99 FEET;
THENCE S 30-01-12 W, A DISTANCE OF 36.10 FEET;
THENCE N 59-58-48 W, A DISTANCE OF 43.99 FEET;
THENCE N 30-01-12 E, A DISTANCE OF 36.10 FEET TO THE TRUE POINT OF BEGINNING.
SAID DESCRIPTION CONTAINS 1,590 +/- SQ.FT.

PARCEL P128681 (912 Park Street):

THAT PORTION OF SOUTHFIELD P.U.R.D, SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.;
THENCE N 59-59-20 W ALONG THE NORTH LINE OF SAID SOUTHFIELD P.U.R.D. A DISTANCE OF 114.79 FEET;
THENCE S 30-00-40 W A DISTANCE OF 55.72 FEET TO THE TRUE POINT OF BEGINNING;
THENCE S 59-32-55 E A DISTANCE OF 43.98 FEET;
THENCE S 30-27-05 W, A DISTANCE OF 39.49 FEET;
THENCE N 59-32-55 W, A DISTANCE OF 43.98 FEET;
THENCE N 30-27-05 E, A DISTANCE OF 39.49 FEET TO THE TRUE POINT OF BEGINNING.
SAID DESCRIPTION CONTAINS 1,740 +/- SQ.FT.

PARCEL P128684 (918 Park Street):

THAT PORTION OF SOUTHFIELD P.U.R.D, SKAGIT COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SAID SOUTHFIELD P.U.R.D.;
THENCE S 29-56-00 W ALONG THE EAST LINE OF SAID SOUTHFIELD A DISTANCE OF 155.40 FEET;
THENCE N 60-04-00 W A DISTANCE OF 31.18 FEET TO THE TRUE POINT OF BEGINNING;
THENCE N 87-31-46 W A DISTANCE OF 44.31 FEET;
THENCE N 02-28-14 E, A DISTANCE OF 35.31 FEET;
THENCE S 87-31-46 E, A DISTANCE OF 44.31 FEET;
THENCE S 02-28-14 W, A DISTANCE OF 35.31 FEET TO THE TRUE POINT OF BEGINNING.

SAID DESCRIPTION CONTAINS 1,530 +/- SQ.FT.

Situate in the Town of La Conner, County of Skagit, State of Washington.

Subject to and Together with easements, reservations, restrictions, covenants, liens, leases, court causes and other instruments of record.

*Priority and Subordination Agreement
Skagit County – Channel Cove*

Exhibit A