

AFTER RECORDING MAIL TO:

Name Citibank, N.A.
CCC Transaction Management C
Address 3800 Citibank Center
City/State Tampa, FL 33610

Document Title(s):

- 1. Subordination Agreement - Regulatory Agreement Only

Reference Number(s) of Documents Assigned or released:

202606120057

2015-10080100

4387477

4387482

Grantor(s):

- 1. Citibank, N.A.
- 2.

[] Additional information on page of document

Grantee(s):

- 1. BOH Portfolio Preservation Associates, LLLP
- 2.

[] Additional information on page of document

Abbreviated Legal Description:

PARCEL A:

PTN. GEORGE W. L. ALLEN DLC AND WILLIAM ELLMORE DLC, 35-33-1E (LOT 2, OH SPL 97-1, AF#97019436)

PARCEL B:

PTN. GOV LOT 4, 3-32-1E (AKA LOT 1, OHSP BLA#1-95, AF#95010037)

PARCEL C:

LOT 43, PLAT OF THE BURLINGTON ACREAGE PROPERTY

PARCEL D:

PTN. TRACT 50, BURLINGTON ACREAGE (AKA LOT 2, SP BURL-1-95)

Tax Parcel Number(s):

Parcel No. R13335-279-1310/757274 (As to Parcel A)

Parcel No. R13203-099-2780/699523 (As to Parcel B)

Parcel No. P62559/3867-000-043-0708 & P95540/3867-000-043-2308 (As to Parcel C)

Parcel No. P62646/3867-000-050-2400 (As to Parcel D, D-1 and D-2)

[X] Complete legal description is on page of document

Freddie Mac Loan Number: 511877544
Property Name: Ruby Portfolio

SUBORDINATION AGREEMENT - REGULATORY AGREEMENT ONLY

GOVERNMENTAL ENTITY

(NO SUBORDINATE DEBT)

(Revised 7-30-2024)

THIS SUBORDINATION AGREEMENT FOR REGULATORY AGREEMENT (“**Agreement**”) is effective as of the 12th day of June, 2026 CITIBANK, N.A., a national banking association, in its capacity as the regulatory agency under the Regulatory Agreement, (~~“Governmental Entity Citi-Citi”~~), and BOH PORTFOLIO PRESERVATION ASSOCIATES, LLLP, a Washington limited liability limited partnership (“**Borrower**”), for the benefit of CITIBANK, N.A., a national banking association, in its capacity as lender, (“**Lender**”).

RECITALS

- A. Simultaneously herewith Borrower is refinancing a loan secured by certain improved real property located in the County of Island and County of Skagit, State of Washington, as more particularly described on Exhibit A attached hereto (“**Property**”).
- B. **Borrower is subject to certain obligations under the (i) Regulatory and Use Agreement dated October 8, 2015 (the “Fairhaven Manor Regulatory Agreement”) between Governmental Entity Citi and Borrower and recorded on title to the Property on October 8, 2015 as Document No. 2015-10080100 in the Skagit County Official Records, (ii) Regulatory and Use Agreement dated October 8, 2015 (the “Madrona Manor Regulatory Agreement”) between Citi and Borrower and recorded on title to the Property on October 9, 2015 as Document No. 4387477 in the Island County Official Records, and (iii) Regulatory and Use Agreement dated October 8, 2015 (the “Lexy Manor Regulatory Agreement”, and together with the Fairhaven Manor Regulatory Agreement and the Madrona Manor Regulatory Agreement, the “Regulatory Agreement”) between Citi and Borrower and recorded on title to the Property on October 9, 2015 as Document No. 4387482 in the Island County Official Records (the Skagit County Official Records, together with the Island County Official Records, collectively, the “Official Records”), pursuant to which the Property was subjected to certain restrictions by Governmental Entity Citi in connection with the prior development or rehabilitation of the Property.**
- C. In connection with the refinancing of the loan secured by the Property by Borrower, Lender is making a loan to Borrower in the original principal amount of \$14,165,000 (“**Loan**”) pursuant to a Multifamily Loan and Security Agreement between Lender and

Subordination Agreement – Regulatory Agreement Only

Borrower (as supplemented or amended from time to time, the "**Loan Agreement**") and evidenced by a Multifamily Note by Borrower to Lender (as supplemented or amended from time to time, the "**Note**"). The Loan is to be secured by a Multifamily Deed of Trust, Assignment of Rents and Security Agreement that will be recorded among the Official Records (as supplemented or amended from time to time, the "**Mortgage**") (the Loan Agreement, the Note and the Mortgage, together with all other documents executed with respect to the Loan, are hereinafter collectively referred to as the "**Loan Documents**").

- D. As a condition to making the Loan, Lender requires that the Loan Documents be a lien on the Property superior to the lien of the Regulatory Agreement and that the rights of Lender under the Loan Documents be superior to the rights of ~~Governmental Entity Citi~~ and Borrower under the Regulatory Agreement. Lender will not make the Loan unless ~~Governmental Entity Citi~~ and Borrower agree to subordinate their rights and obligations under the Regulatory Agreement.
- E. Borrower and ~~Governmental Entity Citi~~ hereby agree to subordinate the Regulatory Agreement on and subject to the terms, conditions and requirements set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual benefits accruing to the parties hereto and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

- 1. Recitals.** The foregoing Recitals are hereby incorporated into this Agreement as agreements among the parties.
- 2. Subordination.** The ~~Governmental Entity Citi~~ hereby covenants and agrees that the Regulatory Agreement is and will at all times continue to be, subordinate, subject and inferior to the rights of Lender under the Loan Documents and that the liens, rights (including approval and consent rights), remedies, payment interests, priority interests, and security interests granted to ~~Governmental Entity Citi~~ pursuant to or in connection with the Regulatory Agreement are hereby expressly acknowledged to be in all respects and at all times, subject, subordinate and inferior in all respects to the liens, rights (including approval and consent rights), remedies, payment, priority and security interests granted to Lender pursuant to the Loan Documents and the terms, covenants, conditions, operations and effects thereof. Notwithstanding the above, ~~Governmental Entity Citi~~ may exercise the remedies of specific performance or injunctive relief.
- 3. Financing, Encumbrance and Transfer Approval.** ~~Governmental Entity Citi~~ hereby approves the financing evidenced by the Mortgage. ~~Governmental Entity Citi~~ further agrees that any transfer of the Property in connection with foreclosure or deed in lieu thereof will not require ~~Governmental Entity Citi~~'s consent.

4. **Reserved.**
5. **Lender Notice of Default.** In consideration of ~~Governmental Entity Citi~~ agreements contained in this Agreement, Lender agrees that in the event of any default by Borrower under the Loan Documents, ~~Governmental Entity Citi~~ will be entitled to receive a copy of any notice of default given by Lender to Borrower under the Loan Documents. Neither the giving nor the failure to give a notice to ~~Governmental Entity Citi~~ pursuant to this Section 5 will affect the validity of any notice given by Lender to the Borrower.
6. **~~Governmental Entity Citi~~ Notice of Default.** ~~Governmental Entity Citi~~ must give Lender a concurrent copy of each material notice (including without limitation each notice of default) given by ~~Governmental Entity Citi~~ under or with respect to the Regulatory Agreement, and agrees that Lender, at Lender's sole election, will have the right (but not the obligation) to cure any default by Borrower under the Regulatory Agreement on its and/or Borrower's behalf. ~~Governmental Entity Citi~~ hereby represents and warrants that, to the best of its knowledge, there is no current default under the Regulatory Agreement and that there are no outstanding IRS 8823 Reports of Non-Compliance.
7. **~~Governmental Entity Citi~~ Rights.** Except as set forth in Sections 2 and 8 of this Agreement, nothing in this Agreement is intended to abridge or adversely affect any right or obligation of Borrower and/or ~~Governmental Entity Citi~~, respectively, under the Regulatory Agreement; provided that, (A) the Regulatory Agreement may not be modified, amended, changed or altered without the prior written consent of Lender so long as the Loan is secured by the Property and (B) for so long as the Loan is secured by the Property, notwithstanding the terms of the Regulatory Agreement to the contrary, neither Borrower nor ~~Governmental Entity Citi~~ will, without Lender's prior written consent, exercise or seek any right or remedy under the Regulatory Agreement or available at law or in equity which will or could result in (i) a transfer of possession of the Property or the control, operations or management thereof, (ii) collection or possession of rents or revenues from or with respect to the Property by any party other than Borrower or Lender; (iii) appointment of a receiver for the Property; (iv) application of insurance or condemnation proceeds other than as approved by Lender pursuant to the Loan Documents; (v) removal or replacement of the existing property manager of the Property; or (vi) a material adverse effect on Lender's security for the Loan.
8. **Foreclosure by Lender.** In the event of foreclosure, deed in lieu of foreclosure, or similar disposition of the Property by Lender, (a) no consent will be required from ~~Governmental Entity Citi~~, and (b) the Regulatory Agreement will automatically terminate.
9. **Refinancing.** ~~Governmental Entity Citi~~ agrees that its agreement to subordinate hereunder will extend to any new mortgage debt which is for the purpose of refinancing all or any part of the indebtedness evidenced by the Loan Documents (including reasonable and necessary costs associated with the closing and/or the refinancing, and any reasonable increase in proceeds for rehabilitation in the context of a preservation

transaction). All terms and covenants of this Agreement will inure to the benefit of any holder of any such refinanced debt, and all references to the Loan Documents and Lender will mean, respectively, the refinance loan documents and the holder of such refinanced debt.

10. Miscellaneous Provisions.

- (a) This Agreement represents the entire understanding and agreement between the parties with regard to the matters addressed herein, and will supersede and cancel any prior agreements with regard to such matters.
- (b) If there is any conflict or inconsistency between the terms of the Regulatory Agreement and the terms of this Agreement, then the terms of this Agreement will control.
- (c) This Agreement will be binding upon and will inure to the benefit of the respective legal successors and permitted assigns of the parties to this Agreement. Without prior notice to or the consent of the ~~Governmental Entity Citi~~ or the Borrower, the Lender may freely transfer or assign the Loan and the Loan Documents, including this Agreement, in whole or in part, and the ~~Governmental Entity Citi~~ acknowledges and agrees that any future legal holder of the Note will automatically be a legal successor and permitted assignee of Lender hereunder, without the necessity of any further action or instrument. No other party will be entitled to any benefits under this Agreement, whether as a third-party beneficiary or otherwise.
- (d) If any one or more of the provisions contained in this Agreement, or any application of any such provisions, is invalid, illegal, or unenforceable in any respect, the validity, legality, enforceability, and application of the remaining provisions contained in this Agreement will not in any way be affected or impaired.
- (e) Each notice, request, demand, consent, approval or other communication (collectively, “Notices,” and singly, a “Notice”) which is required or permitted to be given pursuant to this Agreement will be in writing and will be deemed to have been duly and sufficiently given if (i) personally delivered with proof of delivery (any Notice so delivered will be deemed to have been received at the time so delivered), or (ii) sent by a national overnight courier service (such as FedEx) designating earliest available delivery (any Notice so delivered will be deemed to have been received on the next Business Day following receipt by the courier), or (iii) sent by United States registered or certified mail, return receipt requested, postage prepaid, at a post office regularly maintained by the United States Postal Service (any Notice so sent will be deemed to have been received on the date of delivery as confirmed by the return receipt), addressed to the respective parties as follows:

If to ~~Governmental Entity~~ Citi :

Citibank, N.A.
388 Greenwich Street, Trading 4th Fl.
New York, New York 10013
Attention: Transaction Management Group
Deal ID No.: 50016890

With a copy to:

Citibank, N.A.
Transaction and Asset Management Group/Post Closing
Citi Community Capital
3800 Citibank Center
Tampa, Florida 33610
Deal ID No. 50016890

With a copy to:

Citibank, N.A.
c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Deal ID No.: 50016890

If to Lender:

Citibank, N.A.
388 Greenwich Street, Trading 4th Fl.
New York, New York 10013
Attention: Transaction Management Group
Deal ID No.: 50016890

With a copy to:

Citibank, N.A.
Transaction and Asset Management Group/Post Closing
Citi Community Capital
3800 Citibank Center
Tampa, Florida 33610
Deal ID No. 50016890

With a copy to:

Citibank, N.A.

c/o Berkadia Commercial Servicing Department
323 Norristown Road, Suite 300
Ambler, Pennsylvania 19002
Attention: Client Relations Manager
Deal ID No.: 50016890

If to Borrower:

BOH Portfolio Preservation Associates, LLLP
c/o Shelter Resources, Inc.
2223 112th Avenue, Suite 102
Bellevue, Washington 98004
Attention: Len Brannen or Corey Baldwin

Any party, by Notice given pursuant to this Section, may change the person or persons and/or address or addresses, or designate an additional person or persons or an additional address or addresses, for its Notices, but Notice of a change of address will only be effective upon receipt. Neither party will refuse or reject delivery of any Notice given in accordance with this Section.

- (f) Each of the parties will, whenever and as often as they are requested to do so by the other, execute, acknowledge and deliver, or cause to be executed, acknowledged or delivered, any and all such further instruments and documents as may be reasonably necessary to carry out the intent and purpose of this Agreement, and to do any and all further acts reasonably necessary to carry out the intent and purpose of this Agreement.
- (g) This Agreement will be governed by the laws of the State in which the Property is located.
- (h) Each person executing this Agreement on behalf of a party hereto represents and warrants that such person is duly and validly authorized to do so on behalf of such party with full right and authority to execute this Agreement and to bind such party with respect to all of its obligations under this Agreement.
- (i) No failure or delay on the part of any party to this Agreement in exercising any right, power, or remedy under this Agreement will operate as a waiver of such right, power, or remedy, nor will any single or partial exercise of any such right, power or remedy preclude any other or further exercise of such right, power, or remedy or the exercise of any other right, power or remedy under this Agreement.
- (j) Each party to this Agreement acknowledges that if any party fails to comply with its obligations under this Agreement, the other parties will have all rights available at law and in equity, including the right to obtain specific performance

of the obligations of such defaulting party and injunctive relief.

- (k) This Agreement may be assigned at any time by Lender to any subsequent holder of the Note.
- (l) This Agreement may be amended, changed, modified, altered or terminated only by a written instrument signed by the parties to this Agreement or their successors or assigns.
- (m) This Agreement may be executed in two or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument.
- (n) Nothing in this Agreement is intended, nor will it be construed, to in any way limit the exercise by ~~Governmental Entity Citi~~ of its ~~governmental~~ powers (including police, regulatory and taxing powers) with respect to Borrower or the Property to the same extent as if it were not a party to this Agreement or the transactions contemplated by this Agreement.

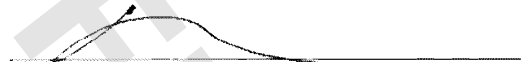
NOTICE: THIS SUBORDINATION AGREEMENT RESULTS IN THE REGULATORY AGREEMENT BECOMING SUBJECT TO AND OF LOWER PRIORITY THAN THE LIEN OF THE MORTGAGE.

[SIGNATURE AND ACKNOWLEDGMENT PAGES FOLLOW]

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the day and year above written.

GOVERNMENTAL ENTITY CITI :

CITIBANK, N.A.,
a national banking association



Name: Michael Hemmens
Title: Vice President
Deal ID No. 50016890

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.


STATE OF CALIFORNIA

COUNTY OF Los Angeles

On May 26, 2026, before me, Leo Gharamanian, Notary Public, (here insert name and title of the officer), personally appeared **Michael Hemmens** who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature  (Seal




BORROWER:

BOH PORTFOLIO PRESERVATION ASSOCIATES, LLLP,
a Washington limited liability limited partnership

By: **BOH Portfolio Preservation JV Associates, LLC,**
a Washington limited liability company
its administrative general partner

By: **Shelter Resources, Inc.,**
a Washington corporation
its manager

By: 
Name: Len Brannen
Title: President

By: **Shelter America Group-Ruby LLC,**
a Washington limited liability company
its managing general partner

By: **Shelter America Group,**
a Washington nonprofit corporation
its sole member and manager

By: _____
Name: Christopher H. Bric
Title: President

BORROWER:

BOH PORTFOLIO PRESERVATION ASSOCIATES, LLLP,
a Washington limited liability limited partnership

By: **BOH Portfolio Preservation JV Associates, LLC,**
a Washington limited liability company
its administrative general partner

By: **Shelter Resources, Inc.,**
a Washington corporation
its manager

By: _____
Name: Len Brannen
Title: President

By: **Shelter America Group-Ruby LLC,**
a Washington limited liability company
its managing general partner

By: **Shelter America Group,**
a Washington nonprofit corporation
its sole member and manager

By: _____
Name: Christopher H. Bric
Title: President

LENDER:

CITIBANK, N.A.,
a national banking association

By: [Signature]
Name: Michael Hemmens
Title: Vice President
Deal ID No. 50016890

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

COUNTY OF Los Angeles

On May 26, 2026, before me, Leo Gharamian, Notary Public, (here insert name and title of the officer), personally appeared **Michael Hemmens** who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature [Signature] (Seal



EXHIBIT A

LEGAL DESCRIPTION

PARCEL A:

LOT 2 OF CITY OF OAK HARBOR, SHORT PLAT NO. SPL 97-1 AS APPROVED NOVEMBER 20, 1997, AND RECORDED NOVEMBER 24, 1997 IN VOLUME 3 OF SHORT PLATS, PAGE 177, UNDER AUDITOR'S FILE NO. 97019436, RECORDS OF ISLAND COUNTY WASHINGTON; BEING A PORTION OF TRACT A OF ISLAND COUNTY SHORT PLAT NO. 78/136.ALLEN/ELLMORE RECORDED UNDER AUDITOR'S FILE NO. 347002 ALL BEING IN THE GEORGE W.L. ALLEN DONATION LAND CLAIM AND WILLIAM ELLMORE DONATION LAND CLAIM, RECORDS OF ISLAND COUNTY, WASHINGTON;

FURTHER DESCRIBED AS FOLLOWS:

COMMENCING AT AN ALUMINUM MONUMENT AT THE INTERSECTION OF ELLIS WAY AND NE 7 TH AVE;
THENCE NORTH 88°23'31" WEST A DISTANCE OF 211.37 FEET TO A BRASS SURFACE MON MARKED "F&K LS8947";
THENCE NORTH 88°17'01" WEST A DISTANCE OF 102.50 FEET;
THENCE NORTH 1°49'18" EAST A DISTANCE OF 30.00 FEET TO THE NORTH LINE OF NE 7 TH AVE AND THE POINT OF BEGINNING;
THENCE CONTINUING NORTH 1°49'18" EAST A DISTANCE OF 288.71 FEET;
THENCE NORTH 88°03'46" WEST A DISTANCE OF 330.00 FEET;
THENCE SOUTH 1°49'18" WEST A DISTANCE OF 289.99 FEET TO SAID NORTH LINE OF NE 7TH AVE;
THENCE ALONG SAID NORTH LINE, SOUTH 88°17'01" EAST A DISTANCE OF 116.30 FEET;
THENCE NORTH 1°49'18" EAST A DISTANCE OF 180.54 FEET;
THENCE SOUTH 88°03'46" EAST A DISTANCE OF 121.00 FEET;
THENCE SOUTH 1°49'18" WEST A DISTANCE OF 180.08 FEET TO SAID NORTH LINE OF NE 7 TH AVE;
THENCE ALONG SAID NORTH LINE, SOUTH 88°17'01" EAST A DISTANCE OF 92.70 FEET TO THE POINT OF BEGINNING;

SITUATE IN THE COUNTY OF ISLAND, STATE OF WASHINGTON.

PARCEL A-1:

NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS SET FORTH IN DOCUMENT ENTITLED "EASEMENT" RECORDED UNDER RECORDING NO. 4380257.

PARCEL B:

LOT 1 OF CITY OF OAK HARBOR SHORT PLAT-BOUNDARY LINE ADJUSTMENT NO. 1-95 AS APPROVED JUNE 27, 1995, AND RECORDED JUNE 28, 1995, IN VOLUME 3 OF SHORT PLATS, PAGE 27, UNDER AUDITOR'S FILE NO. 95010037, RECORDS OF ISLAND COUNTY, WASHINGTON; EXCEPT THAT PORTION CONVEYED TO THE CITY OF OAK HARBOR BY QUIT CLAIM DEED RECORDED UNDER AUDITOR'S FILE NO. 20013175; BEING A PORTION OF LOTS 1 AND 2 OF CITY OF OAK HARBOR SHORT PLAT NO 5-94 RECORDED IN VOLUME 2 OF SHORT PLATS, PAGE 495, UNDER AUDITOR'S FILE NO. 95000207 RECORDS OF ISLAND COUNTY, WASHINGTON AND LOT 2 OF CITY OF OAK HARBOR SHORT PLAT NO. 10-86 RECORDED IN VOLUME 2 OF SHORT PLATS, PAGE 99, UNDER AUDITOR'S FILE NO. 86017032, RECORDS OF ISLAND COUNTY, WASHINGTON, BEING A PORTION OF GOVERNMENT LOT 4, SECTION 3, TOWNSHIP 32 NORTH, RANGE 1 EAST, W.M.

FURTHER DESCRIBED AS: COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 3;
THENCE ALONG THE NORTH-SOUTH CENTER OF SECTION LINE, NORTH 1°31'12" EAST 1211.99 FEET TO AN EXISTING PLAT MONUMENT AND THE POINT OF BEGINNING;
THENCE SOUTH 87°38'44" EAST 197.75 FEET;
THENCE SOUTH 1°35'10" WEST 400.70 FEET TO THE NORTH LINE OF SW KIMBALL DR;
THENCE ALONG SAID NORTH LINE, NORTH 85°12'47" WEST 146.87 FEET TO SAID NORTH-SOUTH CENTER SECTION LINE;
THENCE NORTH 1°31'12" EAST 392.36 FEET TO THE POINT OF BEGINNING;

TOGETHER WITH THE FOLLOWING DESCRIBED PORTION OF SAID SECTION 3;
COMMENCING AT THE SOUTH QUARTER CORNER OF SAID SECTION 3;
THENCE ALONG THE NORTH-SOUTH CENTER OF SECTION LINE, NORTH 1°31'12" EAST 594.87 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING NORTH 1°31'12" EAST 174.68' TO THE SOUTH LINE IF (OF) SOUTHWEST KIMBALL DR;
THENCE ALONG SAID SOUTH LINE, SOUTH 85°13'33" EAST 39.15 FEET;
THENCE SOUTH 1°31'12" WEST 186.79 FEET TO THE NORTH LINE OF SOUTHWEST SWANTOWN AVE;
THENCE ALONG SAID NORTH LINE, NORTH 68 20'06" WEST 41.63 FEET TO THE POINT OF BEGINNING;

SITUATE IN THE COUNTY OF ISLAND, STATE OF WASHINGTON.

PARCEL C:

THE WEST HALF OF THE NORTH HALF OF THE EAST HALF OF LOT 43, PLAT OF THE BURLINGTON ACREAGE PROPERTY, ACCORDING TO THE PLAT THEREOF

RECORDED IN VOLUME 1 OF PLATS, PAGE 49, RECORDS OF SKAGIT COUNTY, WASHINGTON;

EXCEPT THE TWO FOLLOWING DESCRIBED TRACTS:

1. BEGINNING AT THE SOUTHWEST CORNER OF THE EAST HALF OF THE NORTH HALF OF SAID TRACT 43; THENCE NORTH ALONG THE WEST LINE OF SAID EAST HALF OF THE NORTH HALF 18.4 FEET; THENCE EAST, 311.5 FEET; THENCE SOUTH 19.3 FEET TO THE SOUTH LINE OF SAID EAST HALF OF THE NORTH HALF; THENCE WEST ALONG THE SOUTH LINE OF SAID EAST HALF OF THE NORTH HALF, 311.5 FEET TO THE POINT OF BEGINNING.

2. THE EASTERLY 25 FEET THEREOF AS CONVEYED TO THE CITY OF BURLINGTON FOR ROAD PURPOSES BY DEEDS RECORDED DECEMBER 28, 1955 AND SEPTEMBER 13, 1977, UNDER AUDITOR'S FILE NOS. 529242 AND 864623, RECORDS OF SKAGIT COUNTY, WASHINGTON, RESPECTIVELY.

PARCEL D:

LOT 2, OF BURLINGTON SHORT PLAT NO. BURL-1-95, AS APPROVED MARCH 28, 1995, AND RECORDED APRIL 20, 1995, IN VOLUME 11 OF SHORT PLATS, PAGES 194 AND 195, UNDER AUDITOR'S FILE NO. 9504200032, RECORDS OF SKAGIT COUNTY, WASHINGTON, BEING A PORTION OF THE NORTH HALF OF THE WEST HALF OF TRACT 50, "PLAT OF THE BURLINGTON ACREAGE PROPERTY", ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 1 OF PLATS, PAGE 49, RECORDS OF SKAGIT COUNTY, WASHINGTON.

PARCEL D-1:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS CREATED BY AND PURSUANT TO THE BURLINGTON SHORT PLAT NO. BURL-1-95, RECORDED UNDER AUDITOR'S FILE NO. 9504200032, OVER THE SOUTH 30 FEET OF LOT 1 OF SAID SHORT PLAT.

PARCEL D-2:

A NON-EXCLUSIVE EASEMENT FOR INGRESS, EGRESS AND UTILITIES AS CREATED BY AND PURSUANT TO THE BURLINGTON SHORT PLAT NO. BURL-1-95, RECORDED UNDER AUDITOR'S FILE NO. 9504200032, AND AS AMENDED BY AMENDMENTS TO DECLARATION OF EASEMENTS RECORDED UNDER AUDITOR'S FILE NOS. 9903020075 AND 200608160154, OVER THAT PORTION OF THE 55 FOOT EASEMENT DESIGNATED THEREIN WHICH LIES WITHIN THE NORTH 25 FEET OF LOT 1 OF SAID SHORT PLAT.