

AGREEMENT TO TRANSFER REAL PROPERTY
BETWEEN THE PORT OF SKAGIT COUNTY AND
WASHINGTON STATE DEPARTMENT OF ENTERPRISE SERVICES

I. RECITALS

WHEREAS, the Port of Skagit's (Port) Mission is "Good Jobs for our Community;" and

WHEREAS, Sedro-Woolley and eastern Skagit County, Washington have a long tradition of hard work, determination and innovation; and

WHEREAS, the past two decades have seen a dramatic decrease in economic opportunities in Sedro-Woolley and eastern Skagit County; and

WHEREAS, the Port has long had a goal to increase economic opportunities and good jobs in Sedro-Woolley and eastern Skagit County to help return the area to its historic prosperity; and

WHEREAS, the State of Washington has goals to increase good jobs and increase economic opportunities within the state; and

WHEREAS, the State of Washington owns approximately 225 acres of real property located in Sedro-Woolley, known as the North Cascades Gateway Center (formerly known as the Northern State Hospital), hereafter referred to as "The Center" or "the Property"; and

WHEREAS, the Port, the City of Sedro-Woolley (City) and Skagit County (County) formed a local partnership "Local Partners" and entered into an Interlocal Agreement dated January 13, 2014 and amended on February 27, 2015, October 26, 2015, and January 19, 2016 to gain local control of The Center to accomplish the following five goals at The Center:

- A. Encourage the private sector to create and sustain jobs benefitting all of Skagit County and its citizens;
- B. Continue and promote public recreational use;
- C. Protect the environmentally sensitive areas, in particular Hanson Creek;
- D. Acknowledge and protect the historic significance of The Center to the local community, the wider region, and the State of Washington;
- E. Acknowledge and respect the neighboring Upper Skagit Indian Tribal Nation’s interests; and

WHEREAS, the Local Partners conducted a preliminary remedial investigation feasibility study (RIFS), using grant funds from the Washington State Department of Ecology, dated June 30, 2015 that shows evidence of some contamination on The Center and need for further remedial investigation. Said RIFS is incorporated herein as if set forth in full; and

WHEREAS, the Local Partners determined that the redevelopment and repurposing of The Center will require private sector funding and development; and

WHEREAS, the Local Partners, in an effort to support private sector funding for redevelopment and repurposing of The Center, completed annexation, a subarea plan, an Environmental Impact Statement, and a Planned Action Ordinance for The Center using funding from the Washington State Department of Commerce and Local Partners; and

WHEREAS, the Local Partners, in response to an invitation from the Washington State Department of Enterprise Services (Enterprise Services) submitted a Proposal dated July 31, 2015, to the State of Washington pertaining to the transfer of The Center to local control; and

WHEREAS, Enterprise Services and the Port entered into a 60-year lease with the Port dated January 1, 2016, for a portion of The Center; and

WHEREAS, the Port has executed a sublease for a portion of The Center to Janicki Bioenergy, LLC, dated May 16, 2016. The purpose of the sublease and future subleases of The Center are to allow for and support private sector development of The Center; and

WHEREAS, Enterprise Services and the Port entered into a Memorandum of Understanding regarding The Center dated May 16, 2016; and

WHEREAS, the Local Partners in collaboration with Enterprise Services obtained legislative authority for transfer of The Center to the Port pursuant to Chapter 35, Laws of 2016, 2016 1st Special Session (Engrossed Substitute House Bill [ESHB] 2380); and

WHEREAS, Section 6006 Chapter 35, Laws of 2016, 2016 1st Special Session (ESHB 2380) provides Enterprise Services legislative authority to transfer the Property to the Port, subject to the restriction that the Port (or its heirs and assigns) not subsequently transfer the Property to a non-governmental entity or private person. The parties accept this restriction and recognize that it affirms the Property's character as a publicly owned asset; and

WHEREAS, Enterprise Services and the Port now desire to memorialize the terms for fee simple transfer of The Center to the Port.

NOW, THEREFORE, IT IS HEREBY AGREED BETWEEN THE PARTIES as follows:

II. AGREEMENT

1. Property: The property subject to this Agreement is the real property owned by the State of Washington, legally described in Exhibit A and depicted in Exhibit B (the Property). "Parcel 1" includes the Southern Influence Area (SIA) and the Peripheral Open Space (POS);

TRANSFER AGREEMENT
ENTERPRISE SERVICES FOR THE STATE OF WASHINGTON
PORT OF SKAGIT COUNTY

“Parcel 2” includes the Central Core (CC) and Northern Influence Area (NIA), all Parcels, collectively, depicted in Exhibit C, legal descriptions to be developed by survey.

2. Asset Value: The Port hired an MAI appraiser to perform an appraisal of the Property. The appraisal, dated October 14, 2015, concluded that, considering the costs necessary to renovate the existing buildings, the Property should be viewed as vacant land. The appraisal determined that the Property has alternative fair market value of either:

- (a) \$8,400,000 as fee simple vacant land value; or
- (b) \$1,240,000 as “as is” land value (vacant land minus demolition costs).

3. Value Proposition: The Port, State of Washington, and Local Partners share goals to improve utilization of the Property, repurpose the significant historic asset, and enable cumulative and sustainable economic development for the common good of the people of the State. It is understood that the cost to repurpose the Property is significantly higher than new construction, approximately double new construction. This additional cost is entitled the “Preservation Margin.”

With extensive experience leasing to private sector employers, the Port has been successful in public/private partnerships in the aerospace, maritime, and value-added agriculture sectors. Specific partnerships include Skagit Valley Malting, Washington State University Bread Lab, Gielow Pickles, Hexcel and Mavrik Marine. Since 2012, the Port has generated employment growth equal to 350 jobs across all Port facilities. Port land produces 7 jobs for each acre that is leased; the Port receives 22 cents of each 10 dollars in property tax collected in Skagit County.

The Port’s vision for The Center is an innovation and clean technology campus. Janicki Bioenergy is an innovation and clean technology company focused on clean water for the world. The Port executed a 60-year lease with Janicki Bioenergy dated May 16, 2016, to create jobs for the City, County, Port, and State.

It will be necessary for the Port and/or its sub-tenants and tenants and its Local Partners to continue to dedicate increasingly scarce human resources and expend significant operating and capital dollars in order to realize the vision of an innovation and clean

technology campus and the development of additional private occupants at The Center. It is anticipated capital investment of more than \$5,000,000 will be required to realize the Property's potential as an economic engine for Skagit County and the State as a whole. This level of investment will impose a large financial burden, especially considering that this level of investment and expenditures will not pay returns for as many as 25 to 50 years, depending on the level and pace of private sector development, making the Port's ownership of the Property of paramount importance to attract development and coordinate opportunities.

Taking into account the investment contemplated above, the fact that the State no longer has a business purpose for the entire Property, and the significant community benefits that will be realized through transfer of the Property to the Port, the Parties have agreed to the Consideration detailed below for transfer of title.

4. Consideration:

A. The Parties agree the Port's performance of the following is sufficient consideration for transfer of title of the Property from the State to the Port:

i. Investment by the Port, or procured by the Port, and/or its sub-tenants and tenants or through Local Partners related to the Property of at least \$2,500,000 in or related to the site in return for transfer of title to Parcel 1; and

ii. Investment by the Port, or procured by the Port and/or its sub-tenants and tenants or through Local Partners of an amount not to exceed \$2,500,000 (in addition to the amount in Subsection i. above and not to exceed a total of \$5,000,000) in or related to the overall site in return for transfer of title to Parcel 2.

iii. A total investment sum of \$5,000,000 prior to transfer of the entire Property constitutes the total Consideration.

B. The Parties agree evidence of costs incurred, by the Port and/or its sub-tenants and tenants or through or by the Local Partners, for any of the following categories of work, including any associated professional services, and design, shall be counted toward investment requirements listed above:

- i. Remedial investigation, feasibility work, and activities necessary to clean up and dispose of contamination on the site to Model Toxics Control Act (MTCA) standards.
- ii. Necessary on-site and/or off-site infrastructure preventative maintenance, construction or removal.
- iii. Public access planning and construction on or related to the Property.
- iv. Building construction, demolition or renovation.
- v. Maintenance, retrofit, and or improvements to the Brickyard Creek pond.

5. Community Benefits: The Parties anticipate the following community benefits will be realized through development of and related to The Center facilitated by the consideration listed above:

A. Private sector development is expected to generate between 600 and 1,000 sustainable community wage jobs related to economic activity on the Property over the course of 10 to 20 years and will provide community benefits such as:

- i. Other jobs and economic opportunities which will help Sedro-Woolley and eastern Skagit County return to their historic prosperity utilizing their assets of hard work, determination and innovation.
- ii. Other jobs that produce taxes that support the citizens of the State of Washington.
- iii. Off-site business activities that produce taxes that support the citizens of the State of Washington.
- iv. Off-site economic activities that will cumulatively generate small business growth in Skagit County and the State of Washington.

B. Public access to a significant historic site for the citizens of the State of Washington.

C. Repurposing of a significant historic asset.

D. Private sector investment that will save significant tax dollars for the citizens of the State of Washington.

6. Term: The term of this Agreement shall begin on the date of execution by both Enterprise Services and the Port and shall expire June 30, 2027, or upon the earlier transfer of the entire Property to the Port. It is expected the transfer, based on achievement of the Consideration listed in Section 4 above and upon the Port exercising its election to transfer set forth in Section 8 below, to occur on the following schedule, which dates are subject to acceleration and/or extension by mutual agreement of the parties up to June 30, 2027:

- Parcel 1 – June 30, 2018
- Parcel 2 – June 30, 2022*

*Transfer of Parcel 2 is subject to the U.S. Department of Labor’s options and transition of behavioral health services as described in Sections 7C and 8 of this Agreement.

7. Conditions for Transfer: The conditions for transfer for both Enterprise Services and the Port include the following:

A. Enterprise Services

i. Perform obligations in a Shared Services Agreement including, but not limited to:

- Complete construction of maintenance and or repairs to existing secondary access road to The Center to allow for ingress and egress by emergency apparatus.
- Support the identification and securing of Preservation Margin funds necessary to redevelop the Property.
- Support binding site plan completion and contribute \$25,000 toward the cost.
- Resolve issues raised by the Washington State Department of Fish and Wildlife concerning the Brickyard Creek pond.

ii. Subject to budget appropriations or availability of other funding sources for this purpose, remediate any hazardous substances that exist on the Property that the State legally has a duty to remedy. This Agreement does not limit or

abrogate any right that the Port may have to obtain contribution from the State as provided in RCW 70.105D.080.

iii. Support behavioral health transition.

iv. Support Fruitdale Road improvements including but not limited to, providing Right of Way donation to the City of Sedro-Woolley as may be necessary for proposed roundabout entry way alignment and as adds value to the Property.

v. Any water rights that may exist on the property shall be transferred to the Port in full upon transfer of title.

B. PORT

i. Perform obligations in a Shared Services Agreement including, but not limited to:

- Lead efforts to identify and secure Preservation Margin funds necessary to redevelop the Property.
- Lead efforts to complete a binding site plan for the Property.
- Adopt historic guidelines for the Property and prioritization of historic buildings on the site.
- Adopt a plan for increased public access to the Property that encourages a college campus feel, subject to safety and security requirements.

ii. Enter into lease(s) with private sector tenant(s) to generate jobs.

iii. Either before or after Closing as the Port deems appropriate, lead efforts to clean up and restore the site to MTCA standards, invoking the Port's right to obtain contribution from the State as provided in RCW 70.105D.080 if necessary.

iv. Support behavioral health transition.

v. Either before or after Closing as the Port deems appropriate, perform demolition of the buildings currently occupied by Pioneer Human Services and North Sound Behavioral Health Organization and restore the sites on which they stand following transition of behavioral health services off the Property.

- vi. Support Fruitdale Road improvements.
- vii. Report annually to the State, through Enterprise Services (or its heirs, successor agency, and assigns), regarding community benefit outcomes related to the Center until such time as title of the entire Property has been transferred to the Port.
- viii. Confirm by providing documentation to Enterprise Services (or its heirs, successor agency, and assigns) that the Port has satisfied the investment requirements for each parcel as set forth in Section 4.A. above.

C. OTHER

It is expected that North Sound Behavioral Health Organization in conjunction with Skagit County and regional behavioral health agencies shall have developed by June 30, 2018, a plan for behavioral health entities (Pioneer Human Services and North Sound Behavioral Health Organization) to transition services to locations off The Center. Transition is expected to occur no later than June 30, 2022.

8. Election for Transfer: The Port may elect a transfer or transfers when the Conditions for Transfer in Section 7 have been met; provided, the Port may waive non-compliance by Enterprise Services of any condition for which Enterprise Services is responsible and proceed even though such condition has not been met or fully met. Subject to any other applicable conditions herein, including those in Section 7, the Port at its option may choose to elect transfer of either or both Parcels 1 and 2 upon demonstration of Consideration in Section 4. The Port shall exercise such election(s) by delivering written notice thereof to Enterprises Services (“Notice of Election”).

If at the time of election for Parcel 2, transition of behavioral health services has not been completed and there are existing leases for the behavioral health facilities, those leases shall be assigned to the Port. Should legal requirements to provide behavioral health services at other locations fail to be met, the Port, after consultation with Enterprise Services, may extend the leases with the current behavioral health tenants for the minimum time needed to meet such requirements and no later than June 30, 2027. Once assigned, the leases and all associated terms will be managed by the Port consistent with Port leasing policies.

9. Encumbrances, Deed and Closing:

A. Encumbrances on Title: Encumbrances on the title transferred by the State shall be addressed as follows:

i. Encumbrances and Objections thereto. Unless otherwise specified in this Agreement, title to the Property shall be marketable at Closing subject to the conditions provided herein. Rights, reservations, covenants, conditions, and restrictions, presently of record, easements and encroachments, not materially affecting the value of the Property or unduly interfering with the Port's intended use of the Property shall not cause the title to be considered unmarketable. The Port may, upon execution hereof, order a preliminary commitment for title insurance ("Preliminary Commitment") to be issued by Guardian Northwest Title Escrow Company of Mount Vernon, WA. ("Title Company"). The Port shall conclusively be deemed to have accepted the condition of title unless Enterprise Services receives notice of the Port's objections thereto ("Objections") within thirty (30) days after the receipt by the Port of the Preliminary Commitment.

ii. Response to Objections: Enterprise Services shall, no later than thirty (30) days of its receipt of any Objection(s), clear such Objections, provide the Port with its detailed written proposal to so clear the Objections prior to Closing ("Title Proposal"), or indicate it will not clear such Objection. Within fourteen (14) days of receipt thereof, the Port shall provide written notice to Enterprises Services that it disapproves of any aspect of the Title Proposal or such Objection shall be deemed waived. If any such objection is not resolved to the satisfaction of the Port, the Port may, in its sole option and discretion choose to (a) waive or cure any outstanding Objection(s) with the cost of such cure to be credited to the Consideration required by Section 4 above for any exercise by the Port of its right to elect any transfer; or (b) terminate this Agreement.

iii. Supplemental Objections: In the event that any additional encumbrance rendering the Property not marketable is revealed by the issuance of a supplement to the Preliminary Commitment or otherwise disclosed ("Supplemental Objection"), Enterprise Services shall, no later than thirty (30) days after issuance of

such Supplemental Objection clear any such Supplemental Objection, and/or provide the Port with its detailed written proposal to so clear any Supplemental Objections prior to Closing (“Supplemental Title Proposal”), or state it will not clear such Objections. Within thirty (30) days thereof, the Port shall provide written notice to Enterprise Services that it disapproves of any aspect of the Supplemental Title Proposal or such objection shall be deemed waived. If any such objection is not resolved to the satisfaction of the Port, the Port may, in its sole option and discretion, choose to (a) waive or cure any outstanding Objection(s) with the cost of such cure to be credited to the Consideration required by Section 4 above, for any exercise by the Port of its right to elect any transfer; or (b) terminate this Agreement. If such supplement is issued less than ninety (90) days before Closing, Closing shall be, at the Port’s sole discretion, delayed so as to not occur less than ninety (90) days after the Port’s receipt of the supplemental to the Preliminary Commitment or other disclosure of a matter constituting a Supplemental Objection.

B. Deed.

i. **Covenant in Deed.** In view of the restriction on transfer set forth in Section 6006 Chapter 35, Laws of 2016, 2016 1st Special Session (ESHB 2380), the deed shall be subject to the following covenant: the grantee (and its heirs and assigns) shall not convey or otherwise transfer fee title to this Property to a non-governmental entity or a private person. This covenant shall run with land to all heirs, successors, and assigns of the grantor and grantee. If the Port conveys or otherwise transfers fee title to the Property to a governmental entity, the real property transfer agreement between the Port and that governmental entity must include a similar restrictive covenant. Any modification to this restrictive covenant requires legislative authorization. The grantee (and its heirs and assigns) hereby waive any right to challenge or oppose the legal enforceability of this covenant on such ground that existed at the time this covenant was originally made.

ii. Form of Deed. Title shall be conveyed by a bargain and sale deed subject to the Permitted Exceptions. "Permitted Exceptions" means: (i) all exceptions to the Preliminary Commitment (as may be supplemented) that are not disapproved by Port in writing during the Title Review Period; (ii) all standard printed exceptions of the Commitment or title insurance policy; and (iii) all exceptions otherwise consented to or waived by the Port.

C. Closing. Closing agent shall be Guardian Northwest Title and Escrow of Mount Vernon, Washington (or its heirs and assigns). This sale shall be closed within sixty (60) days from the date the Port delivers a Notice of Election pursuant to Section 8 hereof or within sixty (60) days of the Port's waiver of the last existing Objection or Supplemental Objection or the date that the last Objection or Supplemental Objection is cured, whichever is later. "Closing" means the date on which all documents are recorded. Enterprise Services and the Port shall deposit with Closing Agent all documents and monies required to complete this sale in accordance with this Agreement.

At Closing, at its own expense, the Port shall cause the Title Company to issue an Owner's standard coverage title insurance policy (ALTA Owners Policy) ("Title Policy") to the Port. The Title Policy shall cover the full value of the Parcel in question at the time of transfer, and insure fee simple, indefeasible title to the Property in the Port, subject only to the Permitted Exceptions including the standard printed exceptions. The Title Policy may contain endorsements as the Port may require; provided that the Port shall be solely responsible for all additional costs and requirements to obtain such endorsements.

10. Closing Costs and Proration: The Port and State each shall pay fifty percent (50%) of the escrow fee. The Port shall pay any applicable recording fees. The State shall pay any applicable fee for filing the real estate excise tax affidavit. Taxes and assessments, if any, for the then current year shall be prorated as of closing.

11. Possession: The Port, subject to any other possessory rights, shall be entitled to possession as owner on closing. The foregoing notwithstanding, the Port shall have full

access to the State's Property at any reasonable time to conduct its due diligence activities and for the purpose of providing site visits to potential tenants of the Port and possession pursuant to its lease(s) of the Property.

12. Notices: Unless otherwise specified in this Agreement, any and all notices required or permitted to be given under this Agreement must be given in writing. All notices must be signed by an authorized representative of the party giving the notice. Notices shall be deemed to be given when actually received at the address of the intended recipient, as set forth below, unless the recipient has prior thereto provided to the other party written notice of change of address. For purposes hereof, the then current Director of Enterprise Services and the then current Executive Director of the Port are deemed authorized representatives unless a party shall otherwise designate an authorized representative by notice to the other party. Notices sent via U.S. mail, receipt requested, shall be deemed received three (3) business days after deposit with the U.S. Postal Service. Notices sent via facsimile shall be deemed received when transmitted as set forth in a proof of transmission and receipt.

To the State:

Department of Enterprise Services
c/o Property Management
Facility Professional Services
Division
PO Box 41015
Olympia, WA 98504-1015

To the Port:

Port of Skagit County
c/o Executive Director
15400 Airport Drive
Burlington, WA 98233

With a copy to:

Brian Faller, Assistant Attorney
General
PO Box 40113
Olympia, WA 98504-01113

Bradford E. Furlong, Attorney at Law
825 Cleveland Avenue
Mount Vernon, WA 98273
(360) 336-6508

13. Closing Conditions: Closing of a transfer is strictly contingent upon the following:

A. Environmental. The Port's obligation to accept title after an Election is conditioned on the Port's satisfaction in its sole discretion as to whether the Property is affected by the presence of oil, hazardous waste, toxic substances or other pollutants or material ("Contaminants") that could be a detriment to the Port's ability to achieve the Community Benefits. This Agreement and the Port's acceptance of a transfer shall not limit or abrogate the Port's right to obtain contribution from the state as provided in RCW 70.105D.080.

B. General Suitability. The Port may at any time prior to Closing and for any reason whatsoever, including subsequent to a Notice of Election, determine that it will not accept title to the Property. Should the Port make such a determination subsequent to providing Notice of Election, it shall promptly provide notice of such determination to Enterprise Services and the Closing Agent.

14. Computation of Time: Unless otherwise expressly specified herein, any period of time specified in this Agreement shall expire at 5:00 p.m. on the last calendar day of the specified period of time, unless the last day is Saturday, Sunday, or legal holiday as prescribed in RCW 1.16.050, in which event the specified period of time shall expire at 5:00 p.m. on the next business day. Any specified period of five (5) days or less shall include business days only.

15. Termination: In the event of termination of this Agreement, any costs authorized under this Agreement shall be paid as set forth herein.

16. Time is of the Essence: Time shall be considered of the essence in performing the obligations under the Agreement.

17. Complete Agreement: There are no verbal or prior written agreements which modify this Agreement. This Agreement and those mentioned in the recitals herein, constitute the full understanding between the parties.
18. Choice of Law: This Agreement shall be governed by Washington State law.
19. Successors and Assigns: This Agreement shall inure to the benefit of and be binding on the State and Port and their respective successors, heirs, assigns, mortgagees and/or beneficiaries.
20. Recordation: This Agreement shall be recorded by the Port at its expense.
21. Exhibits: All exhibits referred to in the Agreement are incorporated by reference.
22. Captions: Captions and headings in the Agreement, including the title, are for convenience only and are not considered in construing this Agreement.
23. Modification and Amendment: This Agreement may not be modified or amended except in writing by the State and Port.
24. Realtor Representation / Commission: No party was represented by any broker in this transaction.
25. Acceptance: By their respective signatures below, the State and Port agreed to the foregoing terms and conditions.

PORT OF SKAGIT

DEPARTMENT OF ENTERPRISE SERVICES

By: [Signature]

By: [Signature]

Title: Executive Director

Title: DIRECTOR

Date: 12/15/16

Date: 12/30/2016

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By: [Signature]
Bradford E. Furlong, WSBA #12924
Attorney for Port

By: [Signature]
Assistant Attorney General

Name: Brian Faller

Date: 12/16/16

Date: 12/23/2016

STATE OF WASHINGTON)
) ss.
County of Skagit)

I, the undersigned, a Notary Public, do hereby certify that on this 15th day of December, 2016, personally appeared before me Patricia H. Botsford-Martin, Executive Director, Port of Skagit County, a Washington Public Port District, to me known to be the individual described in and who executed the within instrument, and acknowledged that she signed and sealed the same as the free and voluntary act and deed of the District, for the purposes and uses therein mentioned, and on oath stated that she was duly authorized to execute said document.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



Deborah D. Hamilton
Notary Public in and for the State of Washington,
Residing at Burlington, WA
My commission expires 10/23/18

STATE OF WASHINGTON)
) ss.
County of Thurston)

I, the undersigned, a Notary Public, do hereby certify that on this 30th day of December, 2016, personally appeared before me Christopher Liu, Director, Department of Enterprise Services, State of Washington, to me known to be the individual described in and who executed the within instrument, and acknowledged that he signed and sealed the same as the free and voluntary act and deed of the Department, for the purposes and uses therein mentioned, and on oath stated that he was duly authorized to execute said document.

In Witness Whereof I have hereunto set my hand and affixed my official seal the day and year first above written.



[Signature]
Notary Public in and for the State of Washington,
Residing at Olympia
My commission expires 8-24-20

EXHIBIT A

Legal Description for State Owned Properties

Below are legal descriptions of the four parcels owned by Washington State which are proposed for annexation into the City of Sedro Woolley. The total acreage of the subject State owned property is approximately 225 acres. The individual parcels, County identification number, and legal description for each individual parcels are described below. Please note that Parcel A (P38607) is divided by an unutilized right of way and therefore is in two portions.

Parcel A

County I.D. No. P38607

Legal Description: The Southeast quarter of Section 7, Township 35 North, Range 5 East W.M., except Fruitdale Road right-of-way; and except those portions conveyed to Skagit County by deeds recorded in Auditor's File Number 57468 and 76047; and except the following described tract:

Beginning at the Northwest corner of the Southeast quarter of said Section 7; thence South $00^{\circ} 04' 25''$ East along the West line thereof, a distance of 185.73 feet; thence North $89^{\circ} 15' 09''$ East parallel with the North line of said Southeast quarter, a distance of 2495.10 feet; thence South $25^{\circ} 05' 55''$ East, a distance of 369.74 feet to the East line of said Southeast quarter; thence North $01^{\circ} 08' 29''$ East along said East line, a distance of 522.58 feet to the Northeast corner of said Southeast quarter; thence South $89^{\circ} 15' 09''$ West along the North line of said Southeast quarter, a distance of 2641.77 feet to the point of beginning.

Parcel B

County I.D. No. P39356

Legal Description: The Northeast quarter of the Northeast quarter of Section 18 Township 35 North, Range 5 East, W.M., except Fruitdale Road right-of-way; and except that portion conveyed to Skagit County by indenture from Wolverine Co. dated December 5, 1905 recorded in Auditor's File Number 57468; and except the following described tract:

Beginning at the Southeast corner of the Northeast quarter of the Northeast quarter of said Section; thence North $02^{\circ} 08' 34''$ West along the East line thereof, a distance of 210.91 feet; thence South $52^{\circ} 41' 23''$ West, a distance of 362.08 feet to the South line of said subdivision; thence North $88^{\circ} 18' 58''$ East along said South line a distance of 296.00 feet to the point of beginning.

Parcel C

County I.D. No. P100646

Legal Description: That portion of the Northwest quarter of the Northwest quarter of Section 17, Township 35 North, Range 5 East, W.M. described as follows:

Beginning at the Northwest corner of said section thence North $88^{\circ} 48' 38''$ East along the North line thereof, a distance of 631.25 feet; thence South $26^{\circ} 40' 32''$ West a distance of 144.00 feet; thence South $17^{\circ} 34' 00''$ West a distance of 820.90 feet; thence South $52^{\circ} 41'$

23" West a distance of 348.52 feet to the West line of said Northwest quarter; thence North 02° 08' 03" West along the West line thereof a distance of 1110.21 feet to the point of beginning.

Parcel D

County I.D. No. P100632

Legal Description: That portion of the Southwest quarter of Section 8, Township 35 North, Range 5 East, W.M., described as follows:

Beginning at the Southwest quarter of said section; thence North 01° 08' 29" West along the West line thereof, a distance of 2050.26 feet; thence South 25° 05' 55" East, a distance of 214.12 feet; thence South 70° 21' 59" East a distance of 736.86 feet; thence South 12° 40' 09" East, distance of 970.53 feet; thence South 26° 40' 32" West a distance of 725.59 feet to the South line of said section 8; thence South 88° 48' 37" West along said South line a distance of 631.15 feet to the Point of Beginning

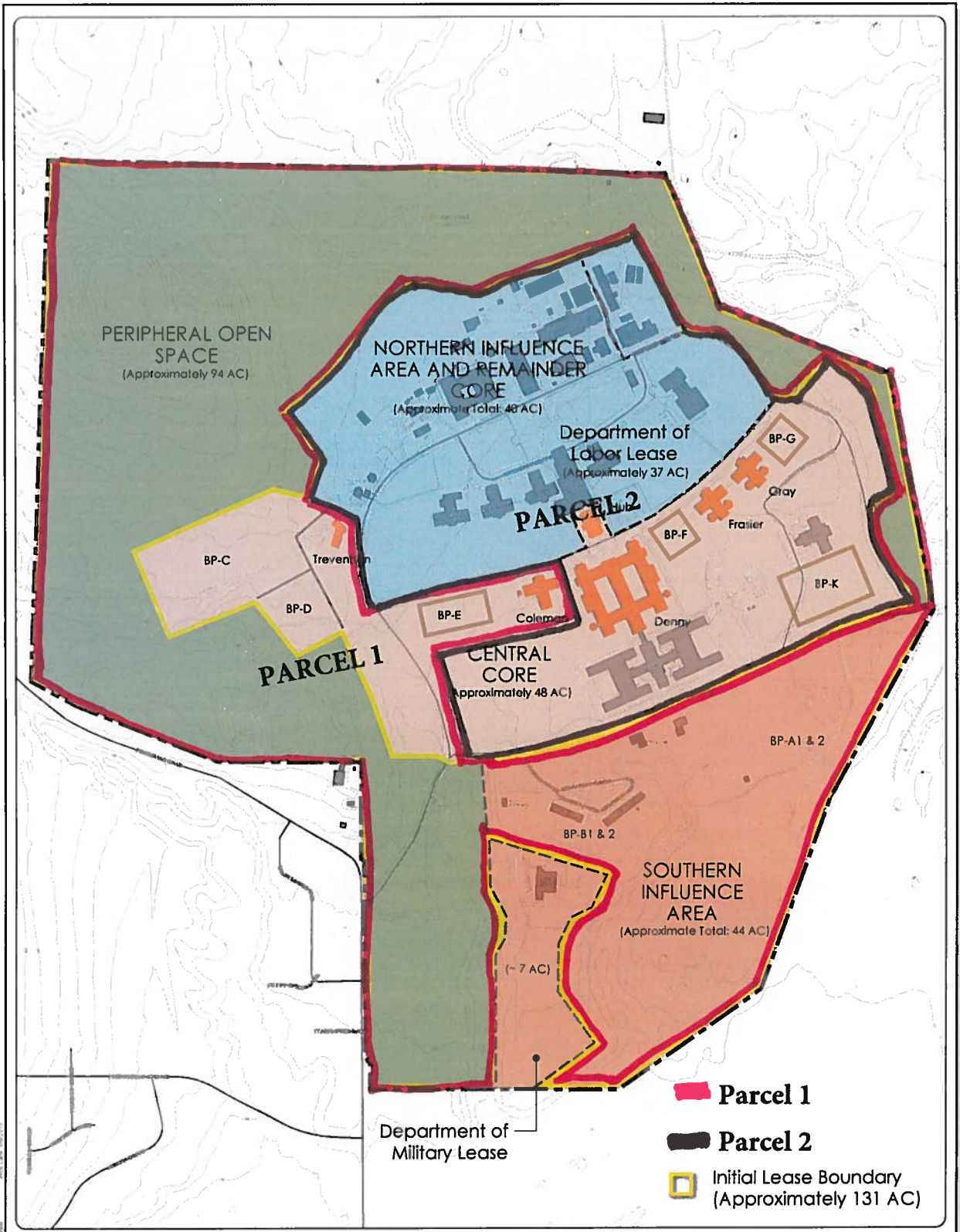
AERIAL OVERVIEW

Northern State Site - Sedro-Woolley, Washington



PARCEL BOUNDARY (APPROXIMATE)





Port of Skagit
Sedro-Woolley, Washington

