

after Recording & issue return to:
Farm Credit Services
P.O. Box 307
Mount Vernon WA 98273
T-67625

LAND TITLE COMPANY OF SPOKANE COUNTY

92 APR 29 1992

Customer/Note No. 26332 441

Branch 310

Daniel H. Miller

Mortgage
(Closed End)

9204290066

On April 23, 1992

Daniel H. Miller, same person as Dan H. Miller and Danny Miller, and Carol J. Miller, same person as Carol Miller, husband and wife;

hereinafter called Mortgagors, whose address is 1253 Green Lane, Burlington, WA 98223;

grant, convey, warrant, transfer and assign to Northwest Farm Credit Services, ACA

, a corporation
organized under the Farm Credit Act of 1971, as amended, hereinafter called Mortgagee, whose address is West 601 First Avenue,
P.O. Box TAF-C5, Spokane, Washington 99220-4005, a mortgage and security interest in property in
Skagit County(ies), State of Washington, more

particularly described in Exhibit "A" attached hereto and incorporated herein, including all rents, issues, profits, buildings and improvements thereon and in all tenements, hereditaments, rights, privileges, easements, rights of way and appurtenances, (including without limitation private roads, grazing privileges, water rights, ditches and conduits and rights of way therefor, all plumbing, lighting, heating, cooling, ventilating, elevating, and irrigating apparatus and other equipment and fixtures, now or hereafter belonging to or used in connection therewith), all of which is hereinafter called "Property."

The following described note(s), Membership Agreement, security documents and any other documents or instruments signed in connection with the note(s) and security documents and any amendments thereto are collectively called the "Loan Documents." This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any of the Loan Documents, and payment of indebtedness under the terms of the note(s) made by Mortgagors to the order of Mortgagee, with interest and advances as provided therein and in the Loan Documents, and any extensions, modifications or renewals thereof:

DATE OF NOTE	PRINCIPAL AMOUNT	FINAL INSTALLMENT DATE
April 23, 1992	\$1,200,000.00	July 1, 2017

The terms of the note(s) and Loan Documents described above provide that the interest rate, payment terms or amounts due may be indexed, adjusted, renewed or renegotiated.

THIS MORTGAGE IS ALSO INTENDED TO BE A FIXTURE FILING.

Mortgagors and each of them REPRESENT, WARRANT, COVENANT and AGREE:

1. That they have title to the Property free from encumbrances, except as described in Exhibit "A"; they have good right and lawful authority to convey and encumber the same; they will warrant and defend the same forever against the lawful claims and demands of all persons whomsoever; and they agree this covenant shall not be extinguished by foreclosure or other transfers.
2. To keep all buildings and other improvements, now or hereafter existing, in good repair; not to remove or demolish or permit the removal or demolition of any building or other improvement; to restore promptly in a good and workmanlike manner, any building or improvement, which may be damaged or destroyed; to maintain and cultivate the Property in a good and husbandlike manner, using approved methods for preserving the fertility and productivity thereof; not to change or permit change in the use of the Property; and not to do anything which would reduce the value of the Property.
3. To maintain casualty insurance, naming Mortgagee as loss payee, on all buildings and improvements, against loss or damage by fire and other risks; to maintain liability insurance; to pay all premiums and charges on all such insurance when due; and to provide Mortgagee satisfactory evidence of such insurance upon request. All such insurance shall be in such form(s), with such company(ies) and in such amount(s) as shall be satisfactory to Mortgagee.
4. To pay all debts and money, secured hereby, when due; to pay, when due, all taxes, assessments, rents and other charges upon the Property and to suffer no other encumbrance, charge or lien on the Property, which would be superior to this mortgage, except as stated above.
5. To specifically assign and deliver to Mortgagee all rents, royalties, damages and payments of every kind, including without limitation insurance reimbursements and condemnation awards, at any time accruing, for any transfer, loss or seizure of the Property, any portion thereof or any rights therein; Mortgagee may, at its option, apply such amounts in any proportion to any of the indebtedness hereby secured; and Mortgagee shall have the right to enter upon the property to make full inspection of the property.

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BK | 07 | PG 0388

6. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the Property and its use, including without limitation all environmental laws; not to use or permit the use of the Property for any unlawful or objectionable purpose; to remedy any environmental contamination or violation of environmental laws that may occur or be discovered in the future; to allow Mortgagee access to the Property to inspect its condition and to test and monitor for compliance with applicable laws (any inspections or tests made by Mortgagee shall be for Mortgagee's purposes only and shall not be construed to create any responsibility or liability on the part of Mortgagee to Mortgagee or to any other person); to forward copies of any notices received from any environmental agencies to Mortgagee; and to indemnify and hold Mortgagee, its directors, employees, agents and its successors and assigns, harmless from and against any environmental claims of any kind, and all costs and expenses incurred in connection therewith, including, without limitation, attorney's fees.

7. That neither Mortgagee nor, to the best of Mortgagee's knowledge, any prior owner has created or permitted conditions on the Property, which may give rise to environmental liability; no enforcement actions are pending or threatened; no underground tanks are located on the Property except as already disclosed; any such underground tanks currently or previously located on the Property do not now and never have leaked and no contaminated soil is located on the Property; and Mortgagee's representations, warranties, covenants and indemnities herein and in the Loan Documents shall survive satisfaction of the note(s) and Loan Documents, foreclosure of this mortgage, acceptance of a deed in lieu of foreclosure or any transfer or abandonment of the Property.

8. To perform all terms and conditions of each water or other contract, described in Exhibit "A", if any, and to promptly pay all sums due or to become due under each contract so that no delinquency or default will occur under such contract(s); not to apply or enter into any federal, state or local program which limits or restricts the use of the Property, in any way without prior written consent of Mortgagee; to perform all acts necessary to perfect and maintain any water permit, certificate, license or other water interest, however designated, described in or used in conjunction with the real property described in Exhibit "A"; any assignment of any such interest, during the term of this mortgage, naming Mortgagee as an assignee shall be for security purposes and shall not alter Mortgagee's obligations hereunder; and any failure of Mortgagee to perform any such obligation shall constitute an event of default.

9. That the term "Grazing Rights," as hereinafter used refers to that portion of the Property, if any, consisting of grazing leases, permits, licenses, privileges, and preferences, or any of them, which have or will be assigned, mortgaged or waived to Mortgagee, together with any additions, renewals, replacements or substitutions thereof; if any portion of the Grazing Rights is a leasehold interest in state lands, such leasehold shall be considered to be real property; such leasehold and all other real property portions of the Property constitute a single operating unit; and in the event of foreclosure, Mortgagee shall have the right to have such leasehold and the other real property sold as a unit and not in parcels; any statements and representations in any applications for Grazing Rights are true and correct; Mortgagee have received no notice that the Grazing Rights have or are to be terminated, cancelled or modified; and any termination or cancellation of any of the Grazing Rights shall constitute an event of default under this mortgage.

10. To execute any instrument deemed necessary by the Mortgagee to assign, mortgage or waive such Grazing Rights to the Mortgagee; to pay all fees and charges, and to perform all acts and things necessary to preserve and keep in good standing the Grazing Rights; to take no action which would adversely affect the Grazing Rights; to procure renewals of the Grazing Rights upon or prior to their expiration date; to operate the lands covered by the Grazing Rights in conjunction with the other real estate portion of the Property and not to convey or attempt to convey either separately; to forward to Mortgagee copies of any notices received by Mortgagee regarding the Grazing Rights; and in the event of foreclosure of this mortgage, to waive all claims for preference in the Grazing Rights upon demand from the purchaser of the Property at foreclosure sale, or from any successor to such purchaser.

11. That if the Property is within an irrigation block and/or subject to water service contract(s) governed by the provisions of "Federal reclamation law," and the regulations issued thereunder, Mortgagee shall comply with the terms and provisions of said laws, regulations and contracts; Mortgagee, and each of them, for themselves, their heirs, successors and assigns, hereby appoint Mortgagee their attorney-in-fact to select and designate the portion of the Property to be subject to a recordable contract, in the event Mortgagee become subject to the excess land limitation. If Mortgagee fail to comply with the terms of said law, regulations or contracts, or if the delivery of water for the irrigation of the Property is discontinued in whole or in part, Mortgagee shall be in default; in the event the Bureau of Reclamation determines that continued drainage maintenance on the Property is no longer feasible, and Mortgagee purchase other lands offered as a preference purchase right (as an adjustment for wetlands), Mortgagee shall execute a supplemental mortgage on such lands in favor of the Mortgagee; and failure to execute such mortgage on demand, shall constitute an event of default.

12. That in the event of default in any of the covenants or agreements herein, or in any of the Loan Documents, Mortgagee may, at its option perform the same, in whole or in part; any advances, including, without limitation, attorney fees or costs, paid or incurred by Mortgagee to protect or enforce its rights under the Loan Documents, in bankruptcy, appellate proceedings or otherwise, shall be payable on demand and shall become a part of the indebtedness secured by this mortgage.

13. That the indebtedness and obligations secured by this mortgage are personal to the Mortgagee and are not assignable by Mortgagee; Mortgagee relied upon the credit of Mortgagee, the interest of Mortgagee in the Property and the financial market conditions then existing when making this loan; if Mortgagee sell, transfer or convey or contract to sell, transfer or convey the Property, or any portion thereof, or if the ownership of any corporation or partnership, owning all or any portion of the Property shall be changed either by voluntary or involuntary sale or transfer or by operation of law, without prior written consent of Mortgagee, or if Mortgagee default in the payment of the indebtedness, or with respect to any warranty, covenant or agreement in the Loan Documents or if a receiver or trustee for any part of the Property is appointed, or if any proceeding under the bankruptcy or insolvency laws is commenced by or against Mortgagee, or if Mortgagee become insolvent, or if any action is commenced to foreclose or enforce a lien on any portion of the Property, then, Mortgagee shall be in default hereunder.

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ACA 1301 (7/91)

BK 1071 PG 0389

14. If the indebtedness is subject to a guarantee from Farmers Home Administration, that Mortgagors shall be in default under this mortgage, the above note(s) and Loan Documents should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as further explained in 7 CFR Part 1940, Subpart G, Exhibit M; prior to loss of the exemption from the highly erodible land conservation restrictions found in 7 CFR Part 12, Mortgagors must demonstrate that Mortgagors are actively applying an approved conservation plan on that land which has been determined to be highly erodible prior to 1990 or two years after the Soil Conservation Service has completed a soil survey for that land, whichever is later; and Mortgagors must demonstrate prior to January 1, 1995, that any production after that date of an agricultural commodity on highly erodible land will be done in compliance with an approved Soil Conservation Service conservation system.
15. That time is of the essence and in the event of default, at Mortgagee's option, the entire indebtedness secured hereby shall forthwith become due and payable and bear interest at the rate set forth in the Loan Documents for delinquent payments; Mortgagee shall have the right to foreclose the lien of this mortgage, to have a receiver appointed in any court proceeding, to collect any rents, issues and profits from the Property and apply them against the indebtedness hereby secured and to exercise any rights and remedies available under the Uniform Commercial Code for the state in which the property is located; and reasonable notice if required by such Code shall be five (5) days.
16. That the failure of Mortgagee to exercise any right or option provided herein, at any time shall not preclude Mortgagee from exercising any of such rights at any other time; the covenants and agreements contained herein shall be binding on and inure to the benefit of the parties and their respective heirs, successors and assigns; all rights conferred on Mortgagee are cumulative and additional to any rights conferred by law; and if any provision is found to be invalid or unenforceable, such invalidity or unenforceability shall not affect any other provision hereof and the mortgage shall be construed as though such provision had been omitted.
17. If this mortgage is a residential real estate mortgage, subject to Truth in Lending Disclosures, that during the existence of the indebtedness hereby secured, Mortgagee, at its option, may collect additional amounts and pay real property taxes and special assessments levied against the Property; Mortgagee may elect at any time to pay or not to pay taxes and assessments; notice to any person liable for or making the payments upon the indebtedness hereby secured, or actual payment of any taxes or assessments by Mortgagee shall constitute an election by Mortgagee to pay taxes and assessments; Mortgagee may elect to pay such taxes and assessments either prior to or after collecting additional amounts necessary to make each payment; if Mortgagee elects to pay such taxes and assessments prior to collecting such additional amounts, Mortgagee may add the amounts expended by it for taxes and assessments to the note(s) balance at the time the payment is made and such amounts shall bear interest as provided in the note(s) and shall be secured by the Loan Documents; after any payment of taxes or assessments by Mortgagee, or after notice of Mortgagee's election to pay taxes and assessments, if given in advance of paying the taxes and assessments, Mortgagors shall pay to Mortgagee on the first day of each month, commencing with the next installment, in addition to the scheduled installments of principal and interest due under the note(s), an amount equal to 1/12 of the annual real property taxes and special assessments as estimated by Mortgagee; such additional payments shall continue until any subsequent election by Mortgagee not to pay taxes and assessments.
18. That Mortgagors and each of them join in this instrument for the purpose of subjecting each of their right, title and interest, if any, in the Property, whether of record or otherwise and including any right to possession, to the lien of this mortgage.
19. That the following parties join in this instrument to perfect the lien offered as security for the loan, but assume no liability for payment of the indebtedness described in the Loan Documents except for that arising under paragraph 6 above: None.

20. Additional covenants, terms and conditions are contained on the following described attachments which are incorporated in this mortgage as though set out here in full:

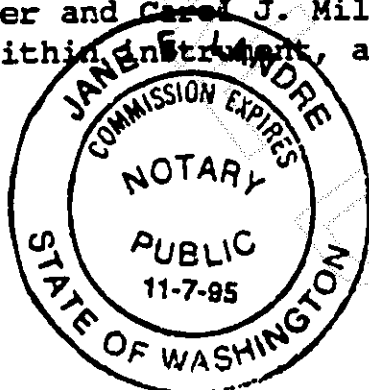
_____ Timber Rider
_____ Montana Homestead Acknowledgment
_____ Other (describe):

21. This mortgage secures an obligation incurred in whole or in part for construction of an improvement and acquisition of the Property.

Daniel H. Miller
Daniel H. Miller
Carol J. Miller
Carol J. Miller

State of Washington)
County of Skagit) ss.

On this 28th day of April, 1992, before me personally appeared Daniel H. Miller and Carol J. Miller, known to me to be the persons described in and who executed the within instrument, and acknowledged that they executed the same as their free act and deed.



9204290066

Jane E. Landre
Notary Public for the State of WA
Residing at Marquille WA
My commission expires 11-7-95

Mortgagee acknowledges that this mortgage is subject to a security interest in favor of the Farm Credit Bank of Spokane (Bank) and by its acceptance hereof and pursuant to and in confirmation of certain agreements and assignments by and between Mortgagee and Bank, does assign, transfer, and set over the same unto Bank, its successors and assigns, to secure all obligations of Mortgagee to Bank, provided that pursuant to such agreements and assignments Mortgagee has authority to perform all loan servicing and collection actions and activities hereunder, including without limitation thereto, releasing in whole or in part and foreclosing judicially or otherwise this mortgage until the Bank, by instrument recorded in the office in which this mortgage is recorded, revokes such authority. Provided, however, if Bank is the Mortgagee in this transaction, this paragraph is without effect.

PARCEL "A":

Government Lot 4 and the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 1, Township 35 North, Range 2 East, W.M.,

EXCEPT the right of way of Dike District No. 5,

EXCEPT County road along the East line thereof,

EXCEPT the North 124 feet thereof,

AND EXCEPT the following described tract:

Beginning at a point on the South line of said Lot 4, 2,640 feet West of the Southeast corner of the Northeast $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 1;
thence East along said South line 2,640 feet;
thence North 66 feet;
thence Southwesterly in a straight line to the point of beginning.

Situate in the County of Skagit, State of Washington.

PARCEL "B":

That portion of the Northeast $\frac{1}{4}$ of Section 5, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at a point which is 97.67 feet South and 20 feet West of the Northeast corner of said Section 5;
thence West 200 feet;
thence North 74.5 feet;
thence North $89^{\circ}14'30''$ West 1,339.0 feet;
thence South $8^{\circ}0'$ West to the Northerly right of way line of the County road;
thence Easterly and Northeasterly along the Northerly right of way line of said County road 1,650 feet, more or less, to the Westerly right of way line of the Drainage District Ditch;
thence Northerly and Easterly along the Westerly and Northerly right of way line of said drainage ditch to a point 19.10 feet West and 500 feet South of the said Northeast corner of Section 5;
thence North $0^{\circ}06'$ West to the point of beginning, EXCEPT County road and ditch rights of way, EXCEPT that portion thereof conveyed to State of Washington by deed recorded March 7, 1951, under Auditor's File No. 457762, AND ALSO EXCEPT that portion thereof described as follows:

That portion of the Northeast $\frac{1}{4}$ of Section 5, Township 35 North, Range 3 East, W.M., described as follows:

Beginning at the intersection of the existing line fence of that certain property conveyed to John A. McRae by deed dated and recorded March 10, 1939 in Volume 176 of Deeds, page 416, with the West line of the road running along the East line of Government Lot 1, said point being 87 feet 8 inches, more or less, South of the North line of said Section 5;
thence West along said fence line and said line extended a distance of 220 feet, more or less, to the Easterly right of way line of Drainage District Ditch right of way;
thence South along the East line of the aforementioned ditch right of way to its intersection with the South line of that certain tract described in instrument dated June 8, 1971 and recorded June 17, 1971, under Auditor's File No. 754209, being at a fork of a drainage ditch going in a Southwesterly and Northeasterly direction;
thence Northeasterly along the said Northeasterly fork and South line of the aforementioned tract described in instrument recorded under Auditor's File No. 754209 to the West line of said road running along the East line of said subdivision;
thence North along the West line of said road to the point of beginning.

Situate in the County of Skagit, State of Washington.

Initials:

DW. LAM

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PARCEL "C":

Government Lots 3, 5 and 6 and the Southeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ and the Northeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 35 North, Range 3 East, W.M.

ALSO, a tract of land situated in Government Lot 4, Section 6, Township 35 North, Range 3 East, W.M., and in Government Lots 2 and 3, Section 31, Township 36 North, Range 3 East, W.M., particularly described as follows:

Beginning on the dike in Government Lot 4, said Section 6, South 72 feet and East 286 feet from its Northwest corner;
thence North $13^{\circ}4'$ West 470.4 feet to the dike in Government Lot 2, said Section 31;
thence following along the dike in said Section 31, as follows:
North $62^{\circ}26'$ East 117 feet;
thence South $39^{\circ}52'$ East 135 feet;
thence South $64^{\circ}47'$ East 221 feet;
thence South $57^{\circ}32'$ East 135 feet;
thence South $67^{\circ}13'$ East 183 feet;
thence North $80^{\circ}15'$ East 165.3 feet;
thence North $57^{\circ}23'$ East 209.7 feet;
thence North $62^{\circ}15'$ East 123 feet;
thence South $62^{\circ}49'$ East 253 feet;
thence North $76^{\circ}18'$ East 265 feet;
thence South $24^{\circ}7'$ East 125 feet;
thence South $2^{\circ}33'$ West 135.4 feet to the South line of said Section 31, West 35.4 feet from its East meander corner;
thence North $89^{\circ}47'$ West 813 feet along the South line of said Section 31 to the Northeast corner of Government Lot 4 of said Section 6;
thence South along the East boundary line of said Government Lot 4 to the Southeast corner of said Government Lot 4;
thence South $85^{\circ}51'$ West 468.7 feet to the dike of Diking District No. 5;
thence Northerly following the centerline of said dike to the point of beginning,

EXCEPT from the above described tracts, all road, ditch and dike rights of way,

EXCEPT that certain Granary Lot in said Government Lot 4 conveyed to Alfred Hendricksen by Treasurers Deed recorded April 17, 1974, under Auditor's File No. 799472.

ALSO, a strip of land in the Southwest corner of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of Section 6, Township 35 North, Range 3 East, W.M., Skagit County, Washington, which strip is 40 feet in width and commences on the centerline of said Section 6 and runs thence Southwesterly parallel to the Northeasterly margin of the main drainage canal right of way of Dike District No. 5, Skagit County, Washington, to a point of intersection with the South line of the Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section 6. The Northeasterly line of said description, which is and remains 40 feet distant from said drainage canal right of way, being approximately 164 feet in length from its point of beginning on the centerline of said Section to its terminus on the South line of said Northwest $\frac{1}{4}$ of the Southeast $\frac{1}{4}$ of said Section.

Situate in the County of Skagit, State of Washington.

Initials:

DM *CP*

PARCEL "D":

Government Lot 7 and the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 6, Township 35 North, Range 3 East, W.M., EXCEPT roads.

ALSO, Government Lots 3 and 4, and those portions of Government Lots 5 and 6, lying North and West of O'Keefe's Slough in Section 7, Township 35 North, Range 3 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "E":

The East $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 21, Township 35 North, Range 4 East, W.M., EXCEPT the South 20 feet thereof for road purposes as conveyed to Skagit County by deed recorded June 20, 1894, under Auditor's File No. 19626, in Volume 26 of Deeds, page 783, records of Skagit County, Washington, AND EXCEPT mineral rights as reserved in deed recorded May 28, 1902, in Volume 44 of Deeds, page 620, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "F":

The South $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 21, Township 35 North, Range 4 East, W.M., EXCEPT the East 20 feet conveyed to Skagit County for road purposes by Deed dated April 14, 1910 and recorded May 3, 1910, under Auditor's File No. 79227, in Volume 81 of Deeds, page 53, being a portion of Tract "B" of Revised Short Plat No. 86-78, approved October 26, 1978 and recorded October 27, 1978, under Auditor's File No. 890223.

ALSO, the North $\frac{1}{2}$ of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 21, Township 35 North, Range 4 East, W.M., EXCEPT the South 30 feet of the East $\frac{1}{2}$ thereof, AND EXCEPT road along the West line thereof as conveyed to Skagit County by Deed recorded May 8, 1911, in Volume 85 of Deeds, page 322.

ALSO, the North 15 feet of the West $\frac{1}{2}$ of the South $\frac{1}{2}$ of the North $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 21, Township 35 North, Range 4 East, W.M., EXCEPT road along the West line thereof as conveyed to Skagit County by Deed recorded May 8, 1911, in Volume 85 of Deeds, page 322.

Situate in the County of Skagit, State of Washington.

PARCEL "G":

The Northwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 35 North, Range 4 East, W.M., EXCEPT the East 20 feet thereof conveyed to Skagit County for road purposes by Deed dated April 14, 1910 and recorded May 3, 1910, in Volume 81 of Deeds, page 53, records of Skagit County, Washington.

Situate in the County of Skagit, State of Washington.

PARCEL "H":

The West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of Section 21, Township 35 North, Range 4 East, W.M., EXCEPT the South $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of said Section, AND EXCEPT the North 25 feet thereof conveyed to Skagit County for road purposes by Deeds recorded under Auditor's File No. 19199, in Volume 28 of Deeds, page 549, and Auditor's File No. 770324, records of Skagit County, Washington, AND EXCEPT the East 20 feet thereof conveyed to Skagit County for road purposes by deed recorded under Auditor's File No. 79227, in Volume 81 of Deeds, page 53, records of Skagit County, Washington, AND EXCEPT that portion thereof lying within the North 30 feet of the East 125 feet of the West 1,166.01 feet of said subdivision, as conveyed to Skagit County for road purposes by Deed recorded under Auditor's File No. 890414, records of Skagit county, Washington, AND ALSO EXCEPT that portion thereof lying within the boundaries of the following described tract:

Initials: *DMC*

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BK 1071 PG 0394

Tract "A" of Short Plat No. 86-78, approved October 26, 1978 and recorded October 27, 1978, under Auditor's File No. 890223, in Volume 3 of Short Plats, page 35, records of Skagit County, Washington; being a portion of the Northwest $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 21, Township 35 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "I":

The Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 35 North, Range 4 East, W.M., EXCEPT the East 30 feet thereof conveyed to Skagit County for road purposes by Deeds dated April 27, 1911 and April 20, 1911 and recorded May 8, 1911 in Volume 85 of Deeds, pages 319 and 321, records of Skagit County, Washington.

ALSO, the Southeast $\frac{1}{4}$ of the Northeast $\frac{1}{4}$ of Section 29, Township 35 North, Range 4 East, W.M.

Situate in the County of Skagit, State of Washington.

PARCEL "J":

The South $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of the Southwest $\frac{1}{4}$ of Section 21, Township 35 North, Range 4 East, W.M., EXCEPT road along the West line thereof as conveyed to Skagit County by Deed recorded May 8, 1911 in Volume 85 of Deeds, page 322, records of Skagit County.

ALSO, the North $\frac{1}{2}$ of the Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ of Section 28, Township 35 North, Range 4 East, W.M., EXCEPT road along the West line thereof, AND EXCEPT that portion, if any, lying within the South 40 rods of said Northeast $\frac{1}{4}$ of the Northwest $\frac{1}{4}$, EXCEPT mineral rights as reserved in Deed recorded June 24, 1901 in Volume 39 of Deeds, page 584.

Situate in the County of Skagit, State of Washington.

Tax Account Nos.: 350421-1-005-0003; 350421-3-012-0000; 350421-3-006-0008; 350421-3-008-0006; 350421-3-011-0001; 350421-3-006-0503; 350421-3-007-0007; 350428-2-001-0008; 350428-2-004-0005; 350428-2-006-0003; 350428-2-003-0006; 350429-1-004-0006; 350305-0-023-0004; 350201-0-004-0002; 350201-4-001-0007; 350306-0-003-0007; 350306-0-004-0006; 350306-0-006-0004; 350306-0-008-0002; 350306-0-011-0007; 350306-2-001-0005; 350306-3-001-0003; 360331-0-003-0005; 360331-0-006-0002; 350306-0-009-0001; 350306-3-002-0002; 350307-0-004-0005; 350307-0-005-0004; 350307-0-006-0003; 350307-0-008-0001.

Together with all equipment, machinery, appliances, and tools which are a part of the dairy facility located on the real property described above, including but not limited to milking system with auto-takeoffs, milking stanchions, grain tank with feeding system, bulk tank, crowd gate, water heaters, vacuum pumps, compressors, refrigeration equipment, waste separator, electric motors, portable generator with diesel motor, centrifugal and turbine pumps, and all lockup corral stanchions. Also, together with all property and goods similar to those described herein which at any time may be acquired by Mortgagors, including but not limited to all additions, replacements and substitutions thereof.

Initials: Duke CBM