

After Recording Return to:
Farm Credit Services - Spokane
1515 S Technology Blvd Suite B
Spokane, WA 99224



201509180104

Skagit County Auditor

\$83.00

9/18/2015 Page

1 of

12 1:49PM

Document 1 Title: Mortgage

Reference #s: _____

Additional Reference #s on page _____

Grantors:

Skagit Farmers Supply

GUARDIAN NORTHWEST TITLE CO.

104804

Grantees: ACCOMMODATION RECORDING ONLY

Northwest Farm Credit Services, PCA

Additional grantors on page _____

Additional grantees on page _____

Document 2 Title:

Reference #s: _____

Additional Reference #s on page _____

Grantors:

Grantees:

Additional grantors on page _____

Additional grantees on page _____

Abbreviated Legal description (i.e. lot, blk, plat or S,T,R quarter/quarter):

Tract A of replat of Lots 6 through 11 and Lots 20 through 25, Ely's Westside Addition to Oak Harbor, South 432.00, Sec 10, Twn 29N, Rge 2 EWM, of Lot 22, Plat of Syndicate Addition to Freeland, Island County. Ptn SW1/4SW1/4 Sec 17, Twn 34N, Rge 4EWM, Lot 1, SP SW-04-83, Skagit County

Additional legal is on pages 2 - 8

Assessor's Property Tax Parcel/Account Numbers:

S6575-01-0000A-0, S8290-00-00022-5, P25591; P25534; P25590; P25588; P39444 and P1115435

Mortgage
(Skagit Farmers Supply/Note No. 6224214)

Mortgage

On September 3, 2015, Skagit Farmers Supply, a Corporation, hereinafter called Mortgagors, whose address is

1833 Park Lane
Burlington, WA 98233

grant, convey, warrant, transfer and assign to Northwest Farm Credit Services, PCA, a corporation organized under the Farm Credit Act of 1971, as amended, hereinafter called Mortgagee, whose address is 1700 South Assembly Street, P.O. Box 2515, Spokane, Washington 99220-2515, a mortgage and security interest in property in Skagit County(ies), State of Washington, more particularly described as follows (the "Land"):

Skagit County legal:

LEGAL DESCRIPTION FOR MOUNT VERNON STORE:

PARCEL "A":

Those portions of the Southwest quarter of the Southwest quarter of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

1) From the Section corner common to Sections 17, 18, 19 and 20, Township 34 North, Range 4 East, W.M., thence run North 0° 58' East along the Section line common to said Sections 17 and 18 a distance of 490.41 feet; thence North 65° 40' East for a distance of 117.70 feet to the true point of beginning of this description; thence North 65° 40' East for a distance of 329.4 feet to a point 10 feet Westerly of and at right angles to the center-line of the existing Great Northern Railway Spur to the Standard Oil Company of California Plant; thence Southwesterly parallel to and 10 feet distant from the center-line of said spur on an 11° 45' curve to the left a distance of 61.5 feet to a point of tangency; thence South 26° 25' West along said tangent and parallel to and 10 feet Northwesterly of the center-line of a proposed railroad spur for a distance of 81.0 feet to the point of curvature of 15° 52' curve to the right; thence along said 15° 52' curve to the right and parallel to and 10 feet Northwesterly of the center-line of said proposed spur for a distance of 174.79 feet, more or less, to a point that is South 44° 08' East and 172.24 feet distant from the true point of beginning; thence North 44° 08' West a distance of 172.24 feet to the true point of beginning.

2) From the Section corner common to Sections 17, 18, 19 and 20, Township 34 North, Range 4 East, W.M., thence run South 89° 23' 30" East along the section line common to Sections 17 and 20 for a distance of 200.0 feet; thence North 0° 58' East parallel to the West line of Section 17 a distance of 202.48 feet to an intersection with a diagonal line bisecting the Southwest quarter of said Section 17 from the Southwest to the Northeast corners thereof; thence North 45° 26' 10" East along said bisecting line a distance of 172.57 feet to a point which is the true point of beginning of this description; thence North 45° 26' 10" East along said bisecting line for a distance of 386.37 feet; thence North 43° 07' West for a distance of 123.01 feet; thence North 55° 34' West for a distance of 40.83 feet; thence South 65° 40' West for a distance of 34.04 feet to a point 10 feet Southeasterly of and at right angles to the centerline of the existing Great Northern Railway spur to the Standard Oil Company of California plant; thence Southwesterly parallel to the center-line of said railroad spur and 10 feet distant therefrom for a distance of 154.6 feet to the end of a 12° 15' curve to the left; thence South 19° 38' West along a tangent parallel to said spur center line and 10 feet Easterly therefrom a distance of 83.3 feet to the beginning of an 11° 45' curve to the right; thence continuing

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parallel to the center-line of said spur and 10 feet distant therefrom, on the $11^{\circ} 45'$ curve to the right a distance of 134.4 feet, more or less, to a point that is North $44^{\circ} 08'$ West and 51.23 feet distance from the true point of beginning; thence South $44^{\circ} 08'$ East a distance of 51.23 feet to the true point of beginning.

3) Beginning at a point on the North line of Fir Street which extends along the South line of said Section, 200 feet East of the West line of said Section; thence East along the North line of said Road a distance of 210.3 feet; thence due North 120 feet; thence East 180 feet; thence due North to intersect with a line drawn diagonally from the Southwest corner to the Northeast corner of said Southwest quarter of the Southwest quarter; thence Southwesterly along said diagonal line to a point which is 200 feet due East of the West line of said Southwest quarter of the Southwest quarter; thence due South to the place of beginning.

4) Beginning at the most Southerly corner of Parcel "A" above described; thence Northeasterly along the Southeasterly boundary line of said Parcel "A" to the Northeasterly terminus of the course described in said boundary as having a bearing of South $26^{\circ} 25'$ West and a distance of 81.0 feet; thence leaving said Southeasterly boundary line and run Southwesterly along a line that is 20 feet Northwesterly, measured radially and at right angles from the Northwesterly boundary of Parcel "B" above described to a point on a line that has a bearing of South $44^{\circ} 08'$ East and is the Southeasterly prolongation of the Southwesterly line of said Parcel "A" and the Northwesterly prolongation of the Southwesterly line of said Parcel "B"; thence North $44^{\circ} 08'$ West along said line to the point of beginning.

EXCEPT from Tracts (2) and (3) described above, that portion thereof lying Easterly of the following described line:

Beginning at the Southwest corner of said Southwest quarter of the Southwest quarter; thence South $89^{\circ} 23' 30''$ East along the South line of said Subdivision a distance of 200.00 feet; thence North $0^{\circ} 58' 00''$ East parallel to the West line of said Subdivision, a distance of 30.00 feet to a point on the North line of that City Street known as Fir Street; thence South $89^{\circ} 23' 30''$ East along the North line of said Fir Street a distance of 176.13 feet to the true point of beginning of said line.

Thence North $0^{\circ} 38' 10''$ East along a line which is parallel to and 0.43 feet Easterly of the East edge of an existing concrete retaining wall, a distance of 400.41 feet to a point 10.00 feet Easterly of and at right angles to the centerline of the existing spur line to Western Farmer's Association; thence Northerly on a curve to the right, parallel to the centerline of said existing spur line to the Western Farmer's Association and 10.00 feet distant therefrom, said curve having a degree of curvature of $12^{\circ} 46' 46''$ and a radius of 449.28 feet, an arc distance of 300.92 feet to a point on the North line of that tract designated as Tract "B" and conveyed to the Washington Co-operative Farmers Association by that Instrument dated May 31, 1949 and recorded July 8, 1949, under Auditor's File No. 433464, said point being the terminus of said line.

PARCEL "B":

An easement for purposes of ingress and egress to and from Parcels "A" and "B" above described, over and across the following described Tracts (1) and (2):

TRACT 1:

From the Section corner common to Sections 17, 18, 19 and 20, Township 34 North, Range 4 East, W.M., thence run South $89^{\circ} 23' 30''$ East along the section line common to said Sections 17 and 20 for a distance of 200.00 feet; thence North $0^{\circ} 58'$ East parallel to the West line of said Section 17 for a distance of 202.48 feet to an intersection with a diagonal line bisecting the Southwest quarter of said Section 17 from the Southwest to the Northeast corners thereof; thence North $45^{\circ} 26' 10''$ East along said bisecting line for a distance of 172.57 feet; thence North $44^{\circ} 08'$ West a distance of 51.23 feet to the true point of beginning of this description; thence North $44^{\circ} 08'$ West a distance of 79.44 feet; thence Northeasterly on a $15^{\circ} 52'$ curve to the left, parallel to

the center-line of a proposed spur and 10 feet Northwesterly thereof to a point 40 feet distant at right angles to the initial North 44° 08' West course of this parcel; thence South 44° 08' East to a point 10 feet Southeasterly measured at right angles to center-line of the existing Standard Oil Company of California spur, thence Southwesterly on an 11° 45' curve to the right and parallel to said spur to the true point of beginning. EXCEPT that portion thereof lying within the boundaries of Parcel "E" hereinafter described.

TRACT 2:

From the Section corner common to Sections 17, 18, 19 and 20, Township 34 North, Range 4 East, W.M., thence North 0° 58' East along the section line common to Section 17 and 18 a distance of 490.41 feet; thence North 65° 40' East for a distance of 447.1 feet to the true point of beginning; thence North 65° 40' East a distance of 40.9 feet; thence Southwesterly on a 12° 15' curve to the left, parallel to and 10 feet Southeasterly of the center-line of the Great Northern Railway railroad spur into the Standard Oil Company of California plant, to a point which bears South 44° 08' East from the point of beginning; thence North 44° 08' West to the true point of beginning.

PARCEL "C"

An easement for ingress and egress over and across the spur track as it existed on September 5, 1974 over and across the following described tracts:

TRACT 1:

Beginning at the Southwest corner of said Southwest quarter of the Southwest quarter, thence South 89° 23' 30" East along the South line of said Subdivision a distance of 200.00 feet; thence North 0° 58' 00" East parallel to the West line of said Subdivision, a distance of 30.00 feet to a point on the North line of that City Street known as Fir Street; thence South 89° 23' 30" East along the North line of said Fir Street a distance of 176.13 feet to the true point of beginning of this description; thence North 0° 38' 10" East along a line which is parallel to and 0.43 feet Easterly of the East edge of an existing concrete retaining wall, a distance of 400.41 feet to a point 10.00 feet Easterly of and at right angles to the centerline of the existing spur line to Western Farmers Association; thence Northerly on a curve to the right, parallel to the centerline of said existing spur line to the Western Farmer's Association and 10.00 feet distant therefrom, said curve having a degree of curvature of 12° 46' 46" and a radius of 449.28 feet, an arc distance of 300.92 feet to a point on the North line of that Tract designated as Tract "B" and conveyed to the Washington Co-operative Farmers Association by that Instrument dated May 31, 1949 and recorded July 8, 1949, under Auditor's File No. 433464; thence North 65° 40' East a distance of 2.99 feet; thence South 55° 34' East a distance of 40.83 feet to an intersection with a line bearing North 44° 05' 20" West from a point which is South 89° 56' East along the Section line a distance of 590.3 feet and North 0° 25' 33" East, a distance of 597.64 feet from the Southwest corner of said Section 17; thence along said line North 44° 05' 20" West to the Southeasterly right of way line of the Puget Sound and Cascade Railway; thence Southwesterly along said right of way line to a point that bears North 43° 11' West from the true point of beginning; thence South 43° 11' East to the true point of beginning.

PARCEL "D"

That portion of the Southwest 1/4 of the Southwest 1/4 of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the Southwest corner of the Southwest 1/4 of the Southwest 1/4 of Section 17, Township 34 North, Range 4 East, W.M.;

Thence North a distance of 519.5 feet; Thence North 53° 14' East 481.7 feet;

Thence South 43° 11' East to an intersection with the line drawn diagonally from the Southwest corner of the

Northeast corner of said Southwest 1/4 of the Southwest 1/4 of Section 17, aforesaid;
Thence in a Southwesterly direction along said diagonal line to a point 200 feet directly East of the West line of said Southwest 1/4 of the Southwest 1/4 of said Section 17;
Thence due South to the South line of the said Southwest 1/4 of the Southwest 1/4; Thence West to the place of beginning;

EXCEPT State Highway running along the West side thereof (now known as Riverside Drive). AND EXCEPT Fir Street running along the South line thereof as the same exist and are built on the ground. AND EXCEPT the following described tracts:

(1) Beginning at a point on the Southwest 1/4 of the Southwest 1/4 of Section 17, Township 34 North, Range 4 East, W.M., which point is 541.8 feet North and 30 feet East of the corner, to Sections 17, 18, 19 and 20, in Township 34 North, Range 4 East, W.M.;

Thence North $53^{\circ} 14'$ East, a distance of 444.3 feet;
Thence South $43^{\circ} 11'$ East, a distance of 128 feet, be the same more or less to a point 50 feet distant from and at right angles to the center line of the Puget Sound and Cascade Railroad, as now laid out over and across said land embraced in this description;
Thence in a Southwesterly direction a distance of 490.0 feet be the same more or less to a point on the East margin of the Pacific Highway (Permanent Highway No. 4). Which point is 37.4 feet South of the place of beginning;
Thence Northerly along the East margin of the Pacific Highway (Permanent Highway No. 4), a distance of 37.4 feet to the place of beginning.

(2) Beginning at the section corner common to Sections 17, 18, 19 and 20, Township 34 North, Range 4 East, W.M.;

Thence North $0^{\circ} 58'$ East along the section line common to said Sections 17 and 18, a distance of 490.41 feet;
Thence North $65^{\circ} 40'$ East for a distance of 117.70 feet to the true point of beginning of this description;
Thence North $65^{\circ} 40'$ East for a distance of 329.4 feet to a point 10 feet Westerly of and at right angles to the center line of the existing Great Northern Railway spur to the Standard Oil Company of California Plant;
Thence Southwesterly parallel to and 10 feet distant from the center line of said spur on an $11^{\circ} 45'$ curve to the left a distance of 61.5 feet to a point of tangency;
Thence South $26^{\circ} 25'$ West along said tangent and parallel to and 10 feet Northwesterly of the centerline of a proposed railroad spur for a distance of 81.0 feet to the point of curvature of $15^{\circ} 52'$ curve to the right;
Thence along said $15^{\circ} 52'$ curve to the right and parallel to and 10 feet Northwesterly of the centerline of said proposed spur for a distance of 174.79 feet, more or less, to a point South $44^{\circ} 08'$ East and 172.24 feet distant from the true point of beginning;
Thence North $44^{\circ} 08'$ West a distance of 172.24 feet to the true point of beginning.

(3) From the section corner common to Sections 17, 18, 19 and 20, Township 34 North, Range 4 East, W.M.;

Thence South $89^{\circ} 23' 30''$ East along the Section line common to Section 17 and 20 for a distance of 200.00 feet;
Thence North $0^{\circ} 58'$ East parallel to the West line of Section 17, a distance of 202.48 feet to an intersection with a diagonal line bisecting the Southwest 1/4 of said Section 17 from the Southwest to the Northeast corners thereof;
Thence North $45^{\circ} 26' 10''$ East along said bisecting line a distance of 172.57 feet to a point which is the true point of beginning of this description;
Thence North $45^{\circ} 26' 10''$ East along said bisecting line for a distance of 368.37 feet; Thence North $43^{\circ} 07'$ West for a distance of 123.01 feet;
Thence North $55^{\circ} 34'$ West for a distance of 40.83 feet;
Thence South $65^{\circ} 40'$ West for a distance of 34.04 feet to a point 10 feet Southeasterly of and at right angles to the centerline of the existing Great Northern Railway spur to the Standard Oil Company of California plant;

Thence Southwesterly parallel to the centerline of said railroad spur and 10 feet distant therefrom for a distance of 154.6 feet to the end of a 12° 15' curve to the left;
Thence South 19° 38' West along a tangent parallel to said spur centerline and 10 feet Easterly therefrom a distance of 83.3 feet to the beginning of an 11° 45' curve to the right;
Thence continuing parallel to the center line of said spur and 10 feet distant therefrom, on the 11° 45' curve to the right a distance of 134.4 feet, more or less, to a point North 44° 08' West and 51.23 feet distant from the true point of beginning;
Thence South 44° 08' East a distance of 51.23 feet to the true point of beginning.

(4) Beginning at the most Southerly corner of Tract "A", as said Tract "A" is described in that certain grant from Standard Oil Company of California to Washington Cooperative Farmers Association, dated May 31, 1949 and recorded July 8, 1949, in Volume 234 of Deeds, Page 757, under Auditor's File No. 433464, Records of Skagit County, Washington (Exception No. 2 above);

Thence Northeasterly along the Southeasterly boundary line of said Tract "A" to the Northeasterly terminus of the course described in said boundary as having a bearing of South 26° 25' West and a length of 81.0 feet;

Thence leaving said Southeasterly boundary line, Southwesterly along a line that is 20 feet Northwesterly, measured radially and at right angles from the Northwesterly boundary line of Tract "B" (Exception No 3 above), as said Tract "B" is described in said grant dated May 31, 1949, to a point on a line that has bearing of South 44° 08' East and is the Southeasterly prolongation of the Southwesterly line of said Tract "A" and the Northwesterly prolongation of the Southwesterly line of said Tract "B":

Thence North 44° 08' West along said prolongation to the point of beginning.

EXCEPT from all of the above that portion thereof lying within the boundaries of that certain Survey recorded June 16, 1983 under Auditor's File No. 8306160001 in Volume 5 of Surveys, Page 22, Records of Skagit County, Washington.

(5) That portion of the Southwest 1/4 of the Southwest 1/4 of Section 17, Township 34 North, Range 4 East, W.M., described as follows:

Beginning at the section corner common to Sections 17, 18, 19 and 20, Township 34 North, Range 4 East, W.M.;
Thence South 89° 23' 30" East along the Section line common to Sections 17 and 20 for a distance of 200.00 feet;
Thence North 0° 58' East parallel to the West line of Section 17, a distance of 202.48 feet to an intersection with a diagonal line bisecting the Southwest 1/4 of said Section 17 from the Southwest to the Northeast corners thereof;
Thence North 45° 26' 10" East along said bisecting line a distance of 540.94 feet; Thence North 43° 07' West for a distance of 123.01 feet;
Thence North 55° 34' West for a distance of 40.83 feet;
Thence South 65° 40' West for a distance of 34.04 feet to a point 10 feet Southeasterly of and at right angles to the centerline of the existing Great Northern Railway spur to the Standard Oil Company of California Plant, and the true point of beginning;

Thence Southwesterly parallel to the centerline of said railroad spur and 10 feet distant therefrom for a distance of 154.6 feet to the end of a 12° 15' curve to the left;
Thence South 19° 38' West along a tangent parallel to said spur centerline and 10 feet Easterly therefrom a distance of 83.3 feet to the beginning of an 11° 45' curve to the right;
Thence continuing parallel to the center line of said spur and 10 feet distant therefrom, on the 11° 45' curve to the right a distance of 134.4 feet;
Thence North 44° 08' West a distance of 20.34 feet to the most Southerly corner of that certain tract conveyed from Standard Oil Company of California to Western Farmers Association dated January 20, 1961, recorded February 1, 1961 under Auditor's File No. 603702, said Tract being hereinafter referred to as Tract "B"; Thence Northeasterly, along the Southeasterly line of said Tract "B", and distant 10 feet Northwesterly, measured radially

and at right angles from the centerline of said spur, to the most Easterly corner of said Tract "B", said point also being on the Southeasterly line of Tract "A" as described in the aforesaid conveyance dated May 31, 1949;
Thence Northeasterly, along said Southeasterly line, to the most Easterly corner of said Tract "A";
Thence North 65° 40' East a distance of 40.9 feet to the true point of beginning. LEGAL

DESCRIPTION FOR SEDRO-WOOLLEY STORE:

Lot 1, Short Plat No. SW-04-83, approved August 16, 1983 and recorded August 19, 1983 in Book 6 of Short Plats, Page 76 under Auditor's File No. 8308190031, being a portion of Government Lot 2, Section 19, Township 35 North, Range 5 East, W.M.;

TOGETHER WITH a strip of land 20.02 feet in width described as follows:

That portion of Lot 3, Short Plat No. SW-04-83, approved August 16, 1983 and recorded August 19, 1983 in Book 6 of Short Plats, Page 76 under Auditor's File No. 8308190031, lying Northerly of the Easterly extension of the South line of Lot 1, of said Short Plat No. SW-04-83; all being in a portion of Government Lot 2, Section 19, Township 35 North, Range 5 East, W.M.;

TOGETHER WITH a non-exclusive easement for ingress and egress over a strip of land 10 feet in width contiguous to the West line of said Lot 1.

ALSO TOGETHER WITH a non-exclusive easement for ingress, egress, access and utilities over a strip of land 20 feet in width over the North 20 feet of the West 182.00 feet of Lot 2 of said short plat.

AND TOGETHER WITH that part of the following described property lying Southerly of a line drawn parallel with and 75 feet Southerly, when measured at right angles and/or radially, from the SR 20 line survey of SR 20, Sedro Woolley Easterly;

That part of Government Lot 2, Section 19, Township 35 North, Range 5 East, W.M., Skagit County, Washington, described as follows:

Beginning at a point 1,387.7 feet North and 30 feet East of the West 1/4 corner of said Section 19;
Thence North 86° 11' East 624 feet;
Thence Southerly parallel with now existing State Highway 70 feet; Thence South 86° 11' West 24 feet to the initial point;
Thence South 02° 53' West 332.4 feet to the intersection with the Northerly line of the Great Northern Railway Company right-of-way;
Thence South 53° 31' West along said right-of-way line 250 feet; Thence North 02° 53' East 455 feet;
Thence North 86° 11' East 200 feet to the initial point;

EXCEPT any portion of said described area previously conveyed to the State of Washington for highway purposes;

Tax Parcel Nos.: P25591; P25534; P25590; P25588; P39444 and P1115435

Island County legal:

245375611

Tax Parcel No.: S6575-01-0000A-0

Tract A of replat of Lots 6 through 11 and Lots 20 through 25 in plat of Ely's Westside Addition to Oak Harbor, according to the plat thereof, recorded in Volume 12 of Plats, page 55.

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(Said premises being formerly known of record as Lots 6, 7, and 8 and Lots 23, 24 and 25, plat of Ely's Westside Addition to Oak Harbor, according to the plat thereof, recorded in Volume 4 of Plats, page 3.)

EXCEPT the East 120 Feet of Said Lots 23, 24 and 25.

TOGETHER WITH that portion of vacated alley adjoining said premises, which upon vacation attached to said premises by operation of law.

Situate in Island County, Washington.

245375609

Tax Parcel No.: S8290-00-00022-5

The South 432.00 Feet, as measured along the East line thereof, (said line being also the North-South centerline of Section 10, Township 29 North, Range 2, East of the Willamette Meridian) of Lot 22, Plat of SYNDICATE ADDITION TO FREELAND, according to the plat thereof recorded in Volume 2 of Plats, page 23, records of Island County, Washington, lying North of State Highway 525.

TOGETHER WITH a 40-foot wide non-exclusive easement for ingress, egress, and utilities lying 20 feet on either side of the following described centerline:

Commencing at the Northwest corner of that certain tract depicted on Survey recorded February 18, 1997 in Volume 9 of Surveys, page 452, as Auditor's File No. 97062102, records of Island County Washington and being a portion of Lot 22 of Syndicate Addition to Freeland, according to the plat thereof recorded in Volume 2 of Plats, page 23, records of Island County; thence South $01^{\circ}56'17''$, West a distance of 479.80 Feet to the point of beginning of said centerline; thence South $87^{\circ}20'21''$, East 60.76 Feet; thence South $01^{\circ}56'17''$, West 105.80 Feet to the terminus of said centerline;

EXCEPT that portion of said easement lying within the above described main tract.

Situate in Island County, Washington;

and including all buildings, structures, wells and other improvements now or hereafter located on the Land, including, but not limited to the fixtures (as described below), and all other equipment, machinery, appliances, goods and other articles attached to such buildings and other improvements; all fixtures (including without limitation, goods that are or become so related to the Land that an interest in them arises under the real estate law) and any additions or replacements now or hereafter located on, attached to, installed in or used in connection with the Land; all personal property, appliances, equipment and goods now or hereafter owned or possessed by Mortgagors located upon, in, or about or used in connection with the Land or improvements; all rights, rights-of-way, easements, licenses, profits, claims, demands, privileges, grazing privileges, leases, rents, issues, tenements, hereditaments, and appurtenances now owned or hereafter acquired by Mortgagors and used in connection with the Land and the improvements or as a means of access to either or both, (including without limitation all rights over the property of third persons which are related thereto, private roads, water rights and entitlements, other rights to water and other rights to receive water or water rights of every kind or nature whatsoever and howsoever evidenced, ditches and conduits and rights of way therefor, all plumbing, lighting, heating, cooling, ventilating, elevating, and irrigating apparatus, now or hereafter belonging to or used in connection therewith), all of which is hereinafter called the "Property."

The following described Note(s), Membership Agreements, loan 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." "Advances" shall include any amounts provided under the terms of the Loan Documents and any amounts expended by Mortgagee to protect the Property or enforce its rights

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under the Loan Documents. This conveyance is intended to secure performance of the covenants and agreements contained herein, and in any Loan Documents, except those Loan Documents that expressly state they are not secured by the Property described herein, and payment of the indebtedness under the terms of the Note(s) made to the order of Mortgagee, with interest and charges as provided therein and in the Loan Documents, and any extensions, modifications or renewals thereof:

DATE OF NOTE	PRINCIPAL AMOUNT	FINAL INSTALLMENT DATE
September 3, 2015	\$8,083,341.00	October 1, 2023

In addition, this Mortgage is intended to secure future loans and advances made by Mortgagee, no matter how evidenced. The continuing validity and priority of this Mortgage for future loans and advances shall not be impaired by the fact that at certain times no outstanding indebtedness to Mortgagee nor commitment from Mortgagee to make future loans exist.

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.

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

1. That they have title to the Property free from encumbrances, except as otherwise previously disclosed, 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. Mortgagor authorizes Mortgagee to file a financing statement and any continuations thereof, describing any personal property or fixtures described herein, without further signature by Mortgagor.
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 or other risks; to maintain liability insurance; to obtain flood insurance at any time it is determined that any building or improvement is located in whole or in part within a special flood hazard area; 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. Not to apply or enter into any federal, state, local or other program, license, easement, or other agreement which limits or restricts the use of the Property, in any way, without prior written consent of Mortgagee.
5. 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.
6. 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; and Mortgagee may, at its

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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.

7. 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 or for any purpose that poses an unreasonable risk of harm, or that impairs or may impair the value of the Property, or any part thereof; not to apply residue from waste water treatment facilities to the Property without prior written notice to Mortgagee; 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 Mortgagors or to any other person), to forward copies of any notices received from any environmental agencies to Mortgagee; to provide Mortgagee copies of any independent test or inspection reports on the environmental status of the Property; 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.
8. That neither Mortgagors nor, to the best of the Mortgagor'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 Mortgagor'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.
9. To perform all terms and conditions of each water or other contract, described above, 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); 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 above; 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 Mortgagors' obligations hereunder; and any failure of Mortgagors to perform any such obligation shall constitute an event of default.
10. 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; Mortgagors 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.
11. 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 Mortgagors 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.

12. 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, Mortgagors shall comply with the terms and provisions of said laws, regulations and contracts; Mortgagors, 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 Mortgagors become subject to the excess land limitation, if Mortgagors 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, Mortgagors shall be in default; in the event the Bureau of Reclamation determines that continued drainage maintenance on the Property is no longer feasible, and Mortgagors purchase other lands offered as a preference purchase right (as an adjustment for wetlands), Mortgagors 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.
13. 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.
14. That the indebtedness and obligations secured by this mortgage are personal to the Mortgagors and are not assignable by Mortgagors; Mortgagee relied upon the credit of Mortgagors, the interest of Mortgagors in the Property and the financial market conditions then existing when making this loan; if Mortgagors 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 Mortgagors 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 proceedings under the bankruptcy or insolvency laws is commenced by or against Mortgagors, or if Mortgagors become insolvent, or if any action is commenced to foreclose or enforce a lien on any portion of the Property, then, Mortgagors shall be in default hereunder.
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. 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. All Exhibits hereto, if applicable, are incorporated herein and made a part of this Mortgage. This Mortgage may be executed in any number of counterparts, each of which, when executed, shall be deemed to be an original, and all of which together shall be deemed to be one and the same instrument.

Mortgage
(Skagit Farmers Supply/Note No. 6224214)

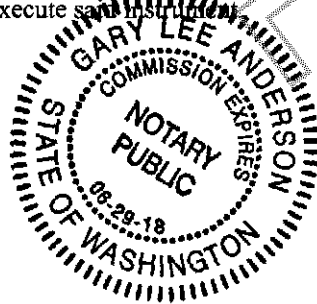
ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

Skagit Farmers Supply, a Corporation

By: Ronald E. Muzzall
Ronald E. Muzzall, Chairman

STATE OF Washington
County of Skagit

On this 16th day of September, 2015, before me personally appeared Ronald E. Muzzall, known to me to be the Chairman of the Corporation that executed the within instrument, and acknowledged to me that such corporation, Skagit Farmers Supply, executed the same as its free act and deed; and on oath stated that he/she was authorized to execute said instrument.



Gary Lee Anderson
Printed name Gary Lee Anderson
Notary Public for the State of Washington
Residing at Blount Vernon, WA
My commission expires June 29, 2018